

CITY CLERK'S OFFICE
DATE 10/30/17 TIME 3:33pm
SERVED BY Becky Casper
RECEIVED BY [Signature]
City of Santa Fe, NM
Regular Committee
Monday, October 30, 2017
05:00 PM – Finance Committee
Council Chambers

AGENDA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF CONSENT AGENDA**
- 5. APPROVAL OF MINUTES**
- 6. DISCUSSION**
 - a) Legislative Priorities
 - b) Request for Approval of Amendment No. 1 to Professional Services Agreement in the Amount of \$50,000, Exclusive of NMGRT for Consulting Services; A. Anderson Consulting, LLC. (Adam Johnson)
Item 6b
- 7. CONSENT AGENDA**
 - a) Request for Approval of Procurement Under State, Federal and National IPA Agreements in an Amount Above \$50,000 for City Wide Hardware and Software; Various Vendors. (David Kulb)
Item 6a.pdf
 - b) Request for Approval of Professional Services Agreement in the Amount of \$373,159.50 - Replace and Upgrade Automatic Vehicle Location / GPS for City of Santa Fe Fleet Vehicles; Networkfleet. (Bogi Malecki)
Item 6b.pdf
 - c) Request for Approval of Procurement under State Price Agreement in the Amount of \$29,300 for Renewal of Software Maintenance Services; Environmental Systems Research Institute. (Bogi Malecki)
Item 7c
 - d) Request for Approval of Amendment No. 4 to Professional Services Agreement in the Amount of \$348,109 for Project Management and Professional Services to Support the Utility Customer Information and Billing System Implementation Project; BerryDunn McNeil & Parker, LLC. (Faustino Contreras)
Item 7d
 - e) Request for Approval of Professional Services Agreement in the Amount of \$256,000, Exclusive of NMGRT, to be Paid Out Over a Four Year Term, \$68,000 During 60-Day Legislative Sessions and \$60,000 During a 30-Day Legislative Sessions for Lobbyist Services (RFP #18/07/P); Mark A. Duran and Associates. (Brian Snyder)
Item 7d.pdf
 - f) Request for Approval of Exempt Procurement for Membership Dues and Subscriptions in the Amount of \$75,000, Inclusive of NMGRT; New Mexico Municipal League. (Adam Johnson)
Item 7f.pdf

g) Request for Approval of Professional Services Agreement in the Amount of \$67,000 for Purchase and Installation of Equipment; National Dance Studio Institute of New Mexico. (David Chapman)

- 1) Request for Approval of Budget Amendment Resolution.
Item 7g

h) Request for Approval of Staff Recommendations for the North Central Regional Transit District and City of Santa Fe Transit System Consolidation Analysis Final Report. (Keith Wilson)

Item 6h.pdf

i) Request for Approval of a Comprehensive Opioid Abuse-Site Based Program Grant, Award Number #2017-Ar-Bx-K032 in the Amount of \$298,594; Department of Justice/Bureau of Justice Assistance. (David Chapman)

- 1) Request for Approval of Budget Amendment Resolution.
Item i.pdf

j) Request for Approval of a Severance Tax Bond Agreement in the Amount of \$230,000 to Plan, Design, Renovate, Construct, Improve and Equip a Facility for a Meals Program Serving Homebound and Special Needs Individuals; State of New Mexico Department of Finance Administration. (David Chapman)

- 1) Request for Approval of Budget Amendment Resolution.
Item 7j

k) Request for Approval of Severance Tax Bond Agreement in the Amount of \$78,000 to Purchase and Install Equipment for The Dance Barns Facility; State of New Mexico Department of Finance Administration. (David Chapman)

- 1) Request for Approval of Budget Amendment Resolution
Item 7k

l) Request for Approval of Change Order NO. 3 to Professional Services Agreement in the Amount of \$39,980 Inclusive of NMGR, for a Total Contract Amount of \$173,555, Inclusive of NMGR, for Hospital Tank Project; MWH Constructors. (Kristin Johansen)

Item 7l.pdf

m) Request for Approval of an Ordinance Amending Subsection 23-6.2 and 23-6.3 SFCC 1987 to Exempt Areas in the Railyard from Certain Regulations Relating to the Sale and Consumption of Alcohol on City Property. (Councilors Villarreal, Dominguez and Ives)(Alfred Walker)

Committee Review:

Public Works Committee (approved)	10/10/17
City Council (request to publish) (approved)	10/11/17
City Council (public hearing)	11/08/17

Fiscal Impact: Expenditures FY 17/18 = \$1,480,000 and for FY 18/19 = 1.3 million

Revenue from Bond proceeds = \$11.7 M

Item 7m.pdf

n) Request for Approval of a Resolution Authorizing Tourism Santa Fe to Enter into a Franchise Agreement with Gran Fondo New York to Develop a Preliminary Event in Santa Fe. (Mayor Gonzales) (Randy Randall)

Committee Review:

Bicycle and Trails Advisory Committee (approved)	10/18/17
Public Works Committee	10/23/17
City Council	11/08/17

Fiscal Impact: Expenditures = \$322,500; Revenue = \$262,500

Item 7n.pdf

- o) Request for Approval of a Resolution in Support of the 100th Anniversary of the New Mexico Museum of Art on November 25, 2017 and Authorizing The Waiving of All Associated Fees for The Celebration. (Mayor Gonzales and Councilor Ives)
(Debra Garcia y Griego)

Committee Review:

Public Works Committee (approved)	10/23/17
City Council	11/08/17

Fiscal Impact: Fee Waivers (\$5,860)
Item 7o.pdf

- p) Request for Approval of a Resolution in Opposition to the Nuclear Weapons Agenda of the Current Administration; Calling on the Congressional Delegation to Condemn the Rhetoric and Agenda; and Supporting the Restricting First Use of Nuclear Weapons Act of 2017. (Renee Villarreal) (Jesse Guillen)

Committee Review

Finance Committee (postponed)	08/21/17
Finance Committee (postponed)	09/05/17
City Council	11/08/17

Fiscal Impact: None
Item 7p.pdf

- q) Request for Approval of A Resolution Authorizing the Placement of a Question on The Ballot of the Regular Municipal Election, to be Held on March 6, 2018, to Ask the Voters of the City of Santa Fe Whether or Not the Santa Fe Municipal Charter Should Be Amended to Include a Provision to Establish an Independent Office of Inspector General for the City of Santa Fe. (Renee Martinez) (Councilor Maestas)

Committee Review

City Council	11/08/17
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Fiscal Impact: \$3500
Item 7q

8. MATTERS FROM STAFF

9. MATTERS FROM THE COMMITTEE

10. EXECUTIVE SESSION

11. ADJOURN

Cover Page		Page 0
Call to Order	The Chair, City Councilor Carmichael Dominguez at 5:00 pm, called the regular meeting of the City of Santa Fe Finance Committee to order. A quorum is reflected in Roll Call.	Page 1
<p>Approval of Agenda No changes from staff.</p> <p>Councilor Harris asked for postponement of Item Q, Request for Approval of a Resolution Authorizing the Placement of a Question on The Ballot of the Regular Municipal Election until a date when it returns to Finance Committee. They just finalized, today a complimentary Ordinance to the Resolution that deals with the Internal Audit Ordinance as well as the Audit Committee.</p> <p>Councilor Maestas given time to speak about Item Q:</p>	<p><i>Councilor Harris moved to approve the agenda as amended with postponement of Item Q until a date when it returns to Finance Committee, second by Councilor Lindell, motion carried by 4-1 vote. Councilor Villarreal voted in the negative.</i></p>	Page 2-4
<p>Approval of Consent Agenda Consent Agenda Items to be pulled:</p> <p>Councilor Villarreal: Pull E, Councilor Lindell, B, C and L, Councilor Harris, A, D, F, I, M, N, P, Q Postponed. It was noted by Councilor Villarreal that Item M there is no</p>	<p><i>Councilor Lindell moved to approve the Consent Agenda pulling A, B, C, D, E, F, I, L, M, N, P, Q Postponed, second by Councilor Villarreal, motion carried by unanimous voice vote.</i></p>	Page 4

fiscal impact so all of the language in caption is not applicable.		
Approval of Minutes	No Minutes.	Page 4
Discussion: A) Legislative Priorities B) Request for Approval of Amendment No. 1 to Professional Services Agreement in the Amount of \$50,000, exclusive of NMGR for Consulting Services; A. Anderson Consulting, LLC.	Staff Direction: Chair asked that all of this be in the next agenda so they can discuss and submit to Jesse in incorporating into the legislative priorities bill. Councilor Ives moved to approve request for approval of Amendment No. 1 to Professional Services Agreement in the Amount of \$50,000, exclusive of NMGR for Consulting Services; A. Anderson Consulting, LLC, second by Councilor Harris, motion carried by unanimous voice vote.	Page 4 - 11
Consent Agenda a) Request for approval of Procurement under State, Federal and National IPA Agreements in an amount above \$50,000 for City Wide Hardware and Software; Various Vendors. b) Request for Approval of Professional	Councilor Harris moved to approve Procurement Under State, Federal and National IPA Agreements in an amount above \$50,000 for City Wide Hardware and Software; Various Vendors, second by Councilor Ives, motion carried by unanimous voice vote. Councilor Harris moved to approve Professional	Page 12 - 24

<p>Services Agreement in the amount of \$373,159.50 - Replace and upgrade Automatic Vehicle Location / GPS for City of Santa Fe Fleet Vehicles; Network fleet.</p>	<p><i>Services Agreement in the amount of \$373,159.50 - Replace and Upgrade Automatic Vehicle Location/GPS for City of Santa Fe Fleet Vehicles; Network fleet, dies for lack of a second.</i></p> <p><i>Councilor Lindell moved to table indefinitely until future information is received and reported back to the Finance Committee, second by Councilor Harris, motion carried.</i></p>	
<p>c) Request for approval of Procurement under State Price Agreement in the amount of \$29,300 for renewal of Software Maintenance Services; Environmental Systems Research Institute.</p>	<p><i>Councilor Lindell moved to approve Procurement under State Price Agreement in the amount of \$29,300 for renewal of Software Maintenance Services; Environmental Systems Research Institute (ESRI), second by Councilor Ives, motion carried by unanimous voice vote.</i></p>	
<p>d) Request for approval of Amendment No. 4 to Professional Services Agreement in the amount of \$348,109 for Project Management and Professional Services</p>	<p><i>Councilor Harris moved to approve Amendment No. 4 to Professional Services Agreement in the amount of \$348,109 for Project Management and Professional Services to support the</i></p>	

<p>to support the Utility Customer Information and Billing System Implementation Project; BerryDunn McNeil & Parker, LLC.</p>	<p><i>Utility Customer Information and Billing System Implementation Project; BerryDunn McNeil & Parker, LLC, second by Councilor Villarreal, motion carried with the Chair voting in the affirmative. [Councilor Lindell and Councilor Ives away from the table at the time of the vote].</i></p>	
<p>e) Request for Approval of Professional Services Agreement in the Amount of \$256,000, exclusive of NMGR, to be paid out over a four-year term, \$68,000 during 60-day legislative session and \$60,000 during a 30-day legislative sessions for Lobbyist Services (RFP #18/07/P); Mark A. Duran and Associates. (Brian Snyder)</p>	<p><i>Councilor Villarreal moved to approve Professional Services Agreement in the Amount of \$256,000, exclusive of NMGR, to be paid out over a four-year term, \$68,000 during 60-day legislative session and \$60,000 during a 30-day legislative sessions for Lobbyist Services (RFP #18/07/P); Mark A. Duran and Associates, second by Councilor Lindell, motion carried by unanimous voice vote.</i></p>	
<p>f) Request for approval of exempt procurement for Membership Dues and Subscriptions in the amount of \$75,000, inclusive of NMGR; New Mexico Municipal League. (Adam Johnson)</p>	<p><i>Councilor Harris moved to approve exempt procurement for Membership Dues and Subscriptions in the amount of \$75,000, inclusive of NMGR; New Mexico Municipal League, second by</i></p>	

	<i>Councilor Lindell, motion carried by unanimous voice vote.</i>	
i) Request for Approval of a Comprehensive Opioid Abuse-Site Based Program Grant, Award Number #2017-Ar-Bx-K032 in the amount of \$298,594; Department of Justice/Bureau of Justice Assistance. (David Chapman)	<i>Councilor Harris moved to approve Comprehensive Opioid Abuse-Site Based Program Grant, Award Number #2017-Ar-Bx-K032 in the amount of \$298,594; Department of Justice/Bureau of Justice Assistance, second by Councilor Villarreal, motion carried by unanimous voice vote.</i>	
l) Request for approval of Change Order No. 3 to Professional Services Agreement in the amount of \$39,980 inclusive of NMGR, for a total contract amount of \$173,555, inclusive of NMGR, for Hospital Tank Project; MWH Constructors. (Kristin Johansen)	<i>Councilor Harris moved to approve Change Order No. 3 to Professional Services Agreement in the amount of \$39,980 inclusive of NMGR, for a total contract amount of \$173,555, inclusive of NMGR, for Hospital Tank Project; MWH Constructors, second by Councilor Ives, motion carried by unanimous voice vote.</i>	
m) Request for approval of an Ordinance amending Subsection 23-6.2 and 23-6.3 SFCC 1987 to exempt areas in the Railyard from certain regulations	<i>Councilor Harris moved to approve an Ordinance amending Subsection 23-6.2 and 23-6.3 SFCC 1987 to exempt areas in the Railyard from certain</i>	

<p>relating to the sale and consumption of alcohol on city property. (Councilors Villarreal, Dominguez and Ives) (Alfred Walker)</p>	<p><i>regulations relating to the sale and consumption of alcohol on city property, second by Councilor Ives, motion carried by unanimous voice vote.</i></p>	
<p>n) Request for approval of a Resolution authorizing Tourism Santa Fe to enter into a Franchise Agreement with Gran Fondo New York to develop a preliminary event in Santa Fe. (Randy Randall)</p>	<p><i>Councilor Ives moved to approve a Resolution authorizing Tourism Santa Fe to enter into a Franchise Agreement with Gran Fondo New York to develop a preliminary event in Santa Fe, second by Councilor Lindell, motion carried by unanimous voice vote.</i></p>	
<p>p) Request for approval of a Resolution in opposition to the Nuclear Weapons Agenda of the current administration; calling on the Congressional Delegation to condemn the rhetoric and agenda; and supporting the restricting first use of Nuclear Weapons Act of 2017.</p>	<p><i>Councilor Villarreal moved to approve a Resolution in opposition to the Nuclear Weapons Agenda of the Current Administration; calling on the Congressional Delegation to condemn the Rhetoric and Agenda; and supporting the Restricting First Use of Nuclear Weapons Act of 2017 and the amendment to have the Congressional Delegation support the language in SB200, second by Councilor Ives,</i></p>	

	<p><i>motion carried by unanimous voice vote.</i></p> <p>Jesse Guillen: Suggested adding one more item as an amendment. There is an SB200, sponsored by Senator Markey that is a copy of the HB. <i>This bill prohibits the President from using the Armed Forces to conduct a first-use nuclear strike unless such strike is conducted pursuant to a congressional declaration of war expressly authorizing such strike. "First-use nuclear strike" means a nuclear attack against an enemy that is conducted without the President determining that the enemy has first launched a nuclear strike against the United States or a US ally.</i> I didn't know if you wanted to add references about it as well as it is in both houses.</p> <p><i>Councilor Villarreal accepted the Amendment wording to have our Congressional Delegation support SB 200 language. Councilor</i></p>	
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Finance Committee Meeting – Index – October 30, 2017

	<i>Ives accepted the amendment.</i>	
	One Abstention: Councilor Harris.	
Matters from the Committee	<i>None</i>	Page 25
Matters from Staff	Informational	Page 25
Executive Session	None	Page 25
Adjourn	There being no further business to come before the Finance Committee the Chair called for adjournment at 7:25 pm	Page 25
Signature Page		Page 25

**City of Santa Fe, NM
Regular Committee
Monday, October 30, 2017
5:00 pm – 7:25 pm – Finance Committee
Council Chambers**

MINUTES

1. CALL TO ORDER

Councilor Carmichael Dominguez, Chair called the Finance Committee meeting to order at 5:00 pm in the City Council Chambers. A quorum is reflected in roll call.

The Chair stated as a personal privilege noted as part of the record, the Finance Committee members make a commitment to the Finance Committee and Staff to get the work done that needs to be done on a daily basis. They will do their best to continue to assure that everything goes smoothly. There is a lot of work to be done and they commit to working to the highest of their standards and best of their ability. Knowing there is a transition period forthcoming; the Finance Committee strongly renders their support. It was important to verbalize the commitment to the Finance Committee, Staff and to the Public.

2. ROLL CALL

Finance Committee Members Present:

Councilor Carmichael Dominguez

Councilor Signe Lindell

Councilor Michael Harris

Councilor Peter Ives

Councilor Rene Villarreal

Others Present:

Councilor Joseph Maestas

Brian Snyder, City Manager

Alfred Walker, City Attorney's Office

Ross Chaney

David Kulb

David Chapman

Andres Mercado

Kristin Johansen

Bogi Malecki

Melissa Byers, Legal Office

Adam Johnson, Finance Director

Michal McCullough: Director of Santa Fe Century

Fran Lucero, Stenographer

3. APPROVAL OF AGENDA

No changes from staff.

Councilor Harris asked for postponement of Item Q, Request for Approval of a Resolution Authorizing the Placement of a Question on The Ballot of the Regular Municipal Election until a date when it returns to Finance Committee. They just finalized, today a complimentary Ordinance to the Resolution that deals with the Internal Audit Ordinance as well as the Audit Committee.

Councilor Harris moved to approve the agenda as amended with postponement of Item Q until a date when it returns to Finance Committee, second by Councilor Lindell, motion carried by 4-1 vote. Councilor Villarreal voted in the negative.

Mr. Johnson stated that his understanding was that the Internal Audit Bill would be brought forward to Public Works at their next meeting. This is the first discussion night before the Finance Committee for Item Q as outlined above.

The Chair stated that typically an item like this would have to go to Public Works and he makes it a public practice to have a bill go through as many committees as possible. The Sponsor has not requested that or suggested that.

Councilor Ives commented that they do have the Ordinance in regards to the Internal Audit Department scheduled for Public Works next Monday and he certainly would be happy to consider both at that time.

Councilor Harris said he would like the Internal Audit to go to Public Works, whether or not the ballot question resolution needs to; if they were just to come back to Finance at the next meeting 2 weeks from now is suggested.

Councilor Maestas, Sponsor to Item Q

I don't see the Internal Audit Department proposed Ordinance and his proposed Ordinance for the Ballot Question to create an Office of Inspector General to be competing, they are meant to be complimentary. My only fear is that since we are talking about a ballot question there is a public education component to this because the legislation that is before you on your agenda is simply to amend the charter and provide for a future provision to create an Office of Inspector General. It is not an Ordinance that would have all of the definitions, scope and goals that would go in to the necessary details of creating such a position. I don't see a reason for either - or, I believe it is an "and" situation. I don't know what the benefit is of postponing it. If you recall the McCard group that did the broad assessment, the Audit Department action was a short-term action and they recommended the creation of an IG as a longer-term action. I see both actions as recommendations provided by the Fraud Assessment Contractor. I think

these are two pieces of legislation we need to move on given the urgency of the financial situation and the lack of internal controls in the city. Ms. Brennan is not here but we worked extensively in drafting this Inspector General legislation and it is modeled after the City of Albuquerque Inspector General with the same structure of independence and framework. If the committee feels that they need more information, there were some Finance Committee members that weren't here at the time that we deliberated to discuss the OIG, which could provide ample opportunity to provide more information on practices of other OIGs that have been created like public referendum and charter amendments similar to what I am calling for here. This bill is a product of many, many months of legislation. Why the City Attorney's office legislative services didn't recommend that it go through the Audit Committee because it did the last time that this went through. I think it was seen as a competing measure with our Internal Auditor at that time. I think that it is a moot point based on where we are. I don't understand that rationale but if the committee member's; I know that Councilor Villarreal wasn't here and she has many questions on this. The best example is the one closest to home, which is the City of Albuquerque.

Councilor Villarreal had expected to ask questions tonight therefore she did not want to delay it. I am curious to know what Councilor Harris is proposing as they do complement each other.

Chair Dominguez as the main sponsor in creating the Internal Auditor, for me, there are a lot of questions and a lot of coordination that we would need to ask, Mr. Maestas with all due respect. We can't replace one with the other. I think that the public needs to truly understand what we are trying to get to. I don't think that we are quite there yet to debate the merits of one of the other to see the entire package, if you will. I support the postponement to see how it all functions together because on one hand the Internal Audit Department is important and could it have a different role from the OIG. I am curious to find out how they complement one another. I certainly respect the idea of putting it on the ballot and there are some time constraints to that. This motion would be to postpone until next Finance Committee.

Councilor Maestas question to City Clerk's office, how will it affect the timeline for advertising for the ballot question of getting the ballot finalized.

Chair Dominguez stated that there will be only one meeting in November and December for the Finance Committee. Would we have to invoke the Charter Commission?

Melissa Byers: We can adopt an election resolution in conjunction with the regular election. The City Clerk had wanted to put that election resolution with this. We were thinking it would go to City Council on November 8th. Ms. Byers will check with the City Clerk to find out if it can be placed on the agenda for December 13th that would be the last meeting that we could adopt it an Election Resolution and add that question to the ballot.

Councilor Ives: As we had discussed ways of bolstering our audit function, we spoke of the OIG, I was an advocate for the Forensic Auditor as part of our Audit staff, and they do potentially go together. I would like to see them come forward at the same time so that discussion could be engaged as part of the same debate.

4. APPROVAL OF CONSENT AGENDA

Consent Agenda Items to be pulled:

Councilor Villarreal: Pull E, Councilor Lindell, B, C and L, Councilor Harris, A, D, F, I, M, N, P, Q Postponed. It was noted by Councilor Villarreal that Item M there is no fiscal impact so all of the language in caption is not applicable.

Councilor Lindell moved to approve the Consent Agenda pulling A, B, C, D, E, F, I, L, M, N, P, Q Postponed, second by Councilor Villarreal, motion carried by unanimous voice vote.

5. APPROVAL OF MINUTES

No Minutes

6. DISCUSSION

A) Legislative Priorities

Mark Duran

Chair Dominguez: We need to discuss the legislative priorities we as a committee might have for the upcoming 2018 Legislative Session and discuss with Mr. Duran. We always talk about tax reform and whether or not the legislature will give us the local authority that we need to have. Whatever it is we want to start talking about; this would be a good time to have that discussion with interim committees as well.

Mr. Johnson: One of the topics that have been discussed a lot since my tenure, as Finance Director is the inability to get information regarding our tax base. The state has its own position on this, its' legal rights to that position which has been discussed across the state many times. There is an opportunity for improvement and partnership, and if we want to start to have that conversation in earnest and get something solvent and a position to take and try to make that known with other municipalities and counties and try to get us go as one united front and I will suggest will take many years but certainly this is the time to have those conversations and try to partner with our cohorts across the state.

Chair Dominguez: I agree, there is information we should know when we get the check from the state and we should know that we are getting paid correctly. We take for granted that the state is sending us a check and we can't verify if it is accurate. This city in conjunction with other communities needs to talk about how we can obtain and enhance the local control on tax dollars and keep this on our agenda.

Councilor Ives: In conjunction with what Mr. Johnson has said, we need to continue trying to obtain from the state all the necessary information to really understand the

source and amounts of our gross receipts tax revenues. Our general fund budget relies on those amounts. In the past year we have gone through swings of millions of dollars between spring time and the fiscal year and if we are to have the capacity to plan budgets in to the next cycles we should have a better understanding of that as well as the sectors within the Santa Fe economy where those gross receipts are coming from. Presumably the state has all of that information and it is the basis of on, which they make their determination for payment to the City of Santa Fe. I am a strong advocate to include this in our legislative priorities. I can't see why we don't receive that information in these days of purported expended transparencies. I am happy to work with anyone on that language to assure that it is a strong part of our package.

Councilor Villarreal: Questions on the liquor license and local authority. We are constantly looking at liquor licenses that get overturned by Alcohol and Gaming, this is one of those things that we need to figure out with legislation, if you could put that on your radar. Also, something we have been talking about is Solid Waste Management Agency which is joint body legislation looking for funding city/county road maintenance issues.

Councilor Ives: National League of Cities the whole question of State and Federal Tax deductibility could eventually add significant impacts across our community and there have even been proposals to eliminate tax-exempt municipal bonds. I have travelled with NLC to Capitol Hill as an advocate asking that those various programs be maintained. This item could significantly impact our city and our residents so as far as those issues are concerned at least expressing those very affirmatively would be intelligent and wise for us to participate in all discussions. Looking at the Federal Infrastructure Bill, which supposedly would be an amount, that is \$55 billion less than the impact of the presumed tax cuts and because the juried infrastructure happens locally, we do want to do everything to protect our capacity to spend money on infrastructure, this is where it happens.

Councilor Harris: Film Tax Credits, what we have been hearing consistently is that it represents a real constraint on the development of the film business, which is a statewide issue particularly here in Santa Fe is important to us. For the legislature to address this would be beneficial for everyone in the state.

Staff Direction: Chair asked that all of this be in the next agenda so they can discuss and submit to Jesse in incorporating into the legislative priorities bill.

B) Request for Approval of Amendment No. 1 to Professional Services Agreement in the Amount of \$50,000, exclusive of NMGR for Consulting Services; A. Anderson Consulting, LLC. (Adam Johnson)

Councilor Dominguez stated that we need to look at the next steps for the audit that took place. Chair Dominguez has asked the Bargaining representatives to speak to Finance Committee members at this meeting. AFSME is here, no one from Police.

AFSME Local 399: Ross Chaney: Mr. Chaney provided background information on himself; in 2005 he was selected by the Speaker of the House for NM to be the Senior Analyst in the Majority House for the House of Representatives where he analyzed regulations for Tax and Revenue and Appropriations Committees. He is a City of Santa Fe Employee and Professional of Local 399. He served as Senior Analyst for New Mexico Taxation and Revenue Department, Administrative Services Division Director for Indian Affairs where he was responsible for all cabinet finances, operations that support all tribal governments in New Mexico. He was the Senior Vice President for Tribal Holding Company, opened a Tribal Casino, employing over 400 people, he has also been a Program Director for the Santa Fe Business Incubator and for the past 4- years working in the office of EDD for the City of Santa Fe. It is my honor on behalf of AFSME 399 to present a pathway forward to address our fiscal challenges. AFSME's goal is to work collectively to produce a funded action plan to insure that the city workers are safe, properly staffed and with the appropriate skills.

Provided statement to the Stenographer and read verbatim. (Exhibit A)

Councilor Ives appreciates the notion of creating an internal group within the city that will work hand-in-hand with the Consultant who will be reporting on the new classification study. He asked Mr. Chaney if this is the way he sees it working.

Mr. Chaney would definitely like to see that possibility since that study has just been initiated. Right now they are not working hand- in-hand with that company. We have met with the Senior VP that has that contract as well as the HR Director in the same meeting to discuss their plan and our issues with their plan.

Councilor Ives: The last rigorous Classification Comp Study was performed in 2010; I don't necessarily have a full appreciation on whether or not there are recommendations that were made then and if they were implemented across the city. I have a sense that is not the case in some areas. I would like to have someone talk about what we did then and what we are doing now and what we perhaps did not accomplish pending that work that was previously done. That last thing any of us want is a study that does not result in affirmative and positive changes and obviously classification is designed to right size and right describe our decisions given the special changes that are happening across the city with the enterprise system that is coming on board and compensation trying to determine the externally how we will measure up in those positions against the more general market place to make sure that we are treating people fairly and that we have a properly paid workforce. Were there significant shortcomings, if you know, in terms of what the findings were in the 2010 study? We are getting the contractor in place and we want to make sure that we are doing the right things. We would be interested in hearing AFSME's perspective in that regard.

Mr. Chaney said, certainly Councilor Ives. I did not work for the City of Santa Fe in 2010 but I have reviewed the 2010 Pay and Comp Study report extensively. To my

knowledge with meetings with HR Personnel as well as listening to HR discuss that particular report in different committees is that the report was completed and no follow up was conducted to initiate any programs, policies, procedure or funding to address the issues that were in that report generally. There could have been some things that were addressed specifically in a smaller scale that he does not know about, but generally he understands that the report was created and shelved for seven years.

Councilor Ives: I can certainly tell you that having been a proponent for engaging in this study for the last three years, I will certainly be bound and determined to make sure that they actually do what ever the study shows that is again critical at this point in time given some of the significant changes of operations here at City Hall. I would probably be in favor as I say if forming a group to talk about this to make sure that we share a lot of information and perspective on this study so it is productive for the city and the future of our workforce as possible. Thank you for your submission and comments I do appreciate it.

Mr. Chaney: I would like to add one more point, per the AFSCME Contract it is written in there that one of these Pay and Comp Study's needs to occur every 3-years, 2 cycles of that have been missed.

Councilor Harris: For myself I would like to hear AFSME's voice, I can't say I have really heard that in the collective that AFSME represents. I am not prepared to say yea or nay this evening but it is a substantive proposal and at some point, not right now...I have underlined in the first paragraph, these decisions have affected the essential public services. I would like to know AFSCME's position on how the cuts affected public services. The next paragraph and I need to go back to the McCard report, maybe it is there already. McCard report identifies systemic risks with safety and liability. This is what it is about, AFSCME represents our workforce and you might pull something out of that report that I may not see. In the 3rd paragraph, AFSCME has outlined pathways and action plan. This is the Pathway Proposal, is it not, or is there something else that perhaps you have worked on in the past.

Mr. Chaney: That phrase is a catch on regarding the work that we have done through the contracts negotiation process and the management committee where we have identified the macro issues of problems within the city regarding workers being able to do their jobs effectively and efficiently, risk and liability reduced. Mirroring back to the McCard report one of the things that is identified very basically is policies and procedures to do your job, training on top of those policies and procedures, which we don't have according to the report, creates extreme liability and hardship for our staffers to their job correctly, properly, and effectively.

Councilor Harris: I do remember those statements, thank you. This will be a matter that is discussed with the City Manager and perhaps on to the Governing Body, thank you for putting this together.

Chair Dominguez: Thank you for being here. I need to recognize that the bargaining unit, AFSCME has come a long way from previous years where things were really more dysfunctional, not that they aren't dysfunctional now, but they were dysfunctional back then. You seem to have moved more to an analytical way of looking at things and I appreciate that. Comp and Class is something that is going to be multi-year, that is something that we talked about with staff and I'm not sure how AFSCME feels about doing it every year quite frankly vs. every 3 years. I think it needs to be continued especially as fast as the economy is changing. We need to make sure that bargaining units are inclusive in our behavior of basic accountability so that we aren't just taking individual voices but that we are taking organizations as a whole in that conversation. The reason that one way it all ties together is because I often wonder if the results of the McCard study isn't from a systemic breakdown since we have been working with less staff. Comp and Class is something that the taxpayers are going to want to know, it is going to be expensive to resolve and it is going to take time to resolve, if it ever gets resolved at all. What makes this even more complicated is that we are at a cross road in many ways, we have a change in government that is coming up, we have internal changes with AFSCME. It would behoove us to make sure that whatever discussions we have with regards to fixing the system and challenges that we have, that the bargaining units are a part of that since they are a part of our workforce, and they are the ones that have to do more with this. I think that we are beyond that threshold where we begin to see some of these breakdowns because of the financial challenges that we have on a much higher level. The question I have for you Mr. Johnson pertains to Item B is how does this work that we are going to continue to do take all of these things into consideration. Is it going to give us a better look at potential holes that we have that compromise the safety of our employees, the product that is intended to be provided to the constituents?

Mr. Johnson: That is a very large question. Much of what the McCard assessment focused on was the Finance Department. There were some findings for other departments but mostly the Finance Department processes and the systems that it has currently to work through the city's financial transactions of lacking internal controls. We have taken the findings from their assessment and overlaid that in the process of implementing the new _____ ERP and we will be able to track those specific internal control items being resolved as the ERP comes in. That is a significant portion when you look at the general lack of controls citywide, particularly how it relates to the ERP, the way that we have many systems talking to our general ledger via these batch processes as the data moves from one process to another process. By in large it will go away with the new ERP because all of the data bases will be integrated in to one single system to the extent possible and to the extent not possible where you have dysfunctional areas like Parks & Rec who have to use a very specific software to help manage their events but also tied to accounting, what we will want to do is make sure that it is talking to the city's central system so that once the data comes over it can be changed and when it comes over matches the original source. That addresses a lot of the significant risks that were discovered as part of the assessment. The other significant risk that is not directly addressed by the ERP but is indirectly addressed by the ERP is the need for training for documentation of policies

and procedures citywide. We really need those to also be successful with the implementation of the ERP. The ERP at the end of the day ends up directing most of the workload as it relates to administration of the government. An important nuance to that is because currently the city is a manual process driven; it requires a lot of people to do those manual processes and in the future a lot of those processes will be automated. In order to prepare those folks for the future, they need to have the opportunity to be trained, new skill sets to be prepared to do likely analytical work vs. manual process work in the future. I know that we have had that discussion as part of the change management team in ERP; I have already implemented that as an approach to the ERP in the Finance Department. We already have programs for training in financial analysis and also additional financial accounting and economic training in general for the staff across the Finance Department. That is why at large and necessary because the Finance Department is heavily affected by that change but that will also be required as the different inputs for the different departments that touch that system as well at the end of the day. There are processes that were done manually will now be done electronically.

Chair Dominguez: With this particular contract that we have on the table - What needs to happen is, all that information is good, the question than becomes as it pertains to the bargaining units, how do they know - how are going to communicate this to them? Does it mean that we going to do more work with fewer employees? Is it going to mean that we are going to be able to better determine where we need more employees because of the systems that are in place? What does this really mean to employees?

Mr. Johnson: This contract this evening is very much granular steps of actions that are occurring right now in the Finance Department. It helps set the foundation for our solution moving forward but it is not necessarily related to the global discussion we are having right now. Certainly as a result of modernizing the City's process it will definitely change the areas where our resources are needed. What is not covered by the Comp and Class study is this concept of doing an analysis on the actual workload itself and finding out if you have too few or too many specific areas, that is not in the scope of that contract and it was not intended. The scope of that contract was to get a foundational sense on whether or not the city is competitive with its competition for these various positions and whether or not the job descriptions for those positions have been updated. Those discussions still need to take place. Mr. Johnson is happy to have a collaborative process with not just AFSCME but with the Fire and Police as to how all of these changes impact them. As we work through and get the results from the Comp and Class Study as we see current processes mapped against future processes in the city of Santa Fe and ERP and other departments and see what the affect is with their personnel. It is not a difficult logical conclusion that we could effectively have an organization that now has more resources to put on the service side if the organization that has a direct impact from the community vs. needing the resources to run the administration because now we don't have so many manual processes. It goes back to training to make sure that those are the opportunities that if

they were in a position to make a different decision for involvement, giving them an opportunity to be a part of the service delivery arm of the city of Santa Fe.

Chair Dominguez: As we go through these multiple processes, can calculate or anticipate how this is going to impact someone? We have been balancing our budgets in different ways and we have crossed those thresholds where services have started to take an impact. Certainly what McCard study has exposed is a systemic breakdown and we have done a lot in terms of not only fixing the structural deficit, but really the bigger part of our budget is personnel and benefits so there are various things that are crossing together impacting or colliding. Is there a way to systemically calculate or guesstimate what the fiscal impact could potentially be? As we implement the ERP system, will we get some of that information?

Mr. Johnson: I believe it would be ideal for that innovation to track all of these implementations. That specific tracking of the fiscal impact that we are implementing, to my knowledge are not part of any of the scope of any of these projects so we would need to take an approach, it is a vigorous and sophisticated challenge. We are working with numbers essentially on all of these projects.

Chair Dominguez: There is no doubt that there is a lot. The bottom line for me is that it is going to be important to me, and this is good for the City Manager to hear; that we need to have all bargaining units as a part of all of these conversations.

Mr. Chaney: I met with the Sr. Vice President of the contractors who has that study, and the President of AFSCME, the City HR Director and one of the management contract team from HR and I brought 2010 study with me as a reference point and at one time in the meeting I asked the Sr. Consultant, specifically what the new pay Comp Study would do to address the problem identified in the 2010 study and he very explicitly said, "it is not". This was very confusing to the leadership of AFSCME in regards to the contract negotiation process where we attempted to fix the language in the contract in regards to some of these issues and we were very strongly encouraged and told that the Comp and Pay study would fix those issues. What I found ironic in this meeting with HR Director and Sr. Consultant was that they urged us to fix those issues within the contract language.

Chair Dominguez: We are not going to negotiate that right now.

Mr. Chaney: No, I just wanted to bring out the confusion in the message that we were told by the Consultant in regards to fixing these problems. The other area I brought up in the meeting asking very specifically; how is result based accounting, merit pay and other forms of evaluation of staff being coordinated. The answer was it is not.

Chair Dominguez: I would like to get this Item B approved and get it well on its way and continue to figure out how we continue some of these discussions that they are proposing. I think it is interesting and I am not quite sure what the mechanism

available to make that happen is. I will talk to the Finance Committee members and management, I am not sure how formalized it has to be. With what you are proposing, we need to talk about how formalized it has to be, contract and management, there is a lot to it and we will continue to figure out how we keep things going to assure that the public and the Finance Committee are talking to each other.

Mr. Chaney: In discussion with Workforce Development on training with the state, one of the forms that they provide urges you to plan for those who are retiring. They will help fund your training; they will city staff training time as in-kind, which is a component that we would have to look at budget to assure that once those folks have left their posts that these vacancies get filled.

Councilor Ives moved to approve request for approval of Amendment No. 1 to Professional Services Agreement in the Amount of \$50,000, exclusive of NMGR for Consulting Services; A. Anderson Consulting, LLC, second by Councilor Harris, motion carried by unanimous voice vote.

DISCUSSION:

Councilor Harris: What is the reporting function and timing and when should we expect periodic reports from the consultant.

Mr. Johnson said that they should expect updates from himself and the Consultant. It will also include all the work that has completed.

Councilor Harris: Do we anticipate amendments?

Mr. Johnson: I will suggest that there will be contract amendments.

Councilor Harris: Source of funding in all this, general fund?

Mr. Johnson: Currently the General Fund.

Councilor Harris: If not November than December we will see a matrix that addresses their scope and any other work that is required?

Councilor Lindell: Is this an amendment in the amount of \$50,000, correct?

Mr. Johnson: Yes that is correct.

Councilor Harris added, if we have a matrix in the near future that will represent a more detailed scope and responsibilities for everyone, including the Consultant and I think it would be beneficial to get an idea of the range we should expect for the services.

Mr. Johnson: That is certainly the objective of that conversation.

7. CONSENT AGENDA

a) Request for approval of Procurement under State, Federal and National IPA Agreements in an amount above \$50,000 for City Wide Hardware and Software; Various Vendors.

Councilor Harris: Do we compare unit pricing with any other pricing agreements when it comes to services such as this? I don't know anything about the group out of T or C; what is our experience with this group, this is a sizable contract, \$412,938.

Mr. David Kulb: The group we have here, a lot of the Panasonic products are grants and technology, a lot of police equipment. We are looking to expand the vendor base to facilitate better pricing; we found agreements would yield a better price, this why the vendors are there.

Councilor Harris rephrased his question, 1) to what degree do you look at the unit pricing under these third party agreements?

Mr. Kulb: We compare all agreements extensively, in IT we need to have special requirements and we try to pick the products that meet those special requirements. We do compare all of the agreements.

Councilor Harris: 2) Grants and Technology; do we have an on-going relationship with this group?

Mr. Kulb: That is correct, Councilor.

Councilor Harris moved to approve Procurement Under State, Federal and National IPA Agreements in an amount above \$50,000 for City Wide Hardware and Software; Various Vendors, second by Councilor Ives, motion carried by unanimous voice vote.

b) Request for Approval of Professional Services Agreement in the amount of \$373,159.50 - Replace and upgrade Automatic Vehicle Location / GPS for City of Santa Fe Fleet Vehicles; Network fleet.

Councilor Lindell: How long ago was our current system purchased?

Mr. Bogi Malecki: We have had the current system for approximately 5 years.

Councilor Lindell: Is the current system outdated?

Mr. Malecki: The current system is expensive; we would like to have additional functionality including diagnostics and additional reports that would be beneficial in terms of efficiencies and better tracking of our vehicles. This contract with NetworkFleet is an attempt to obtain more for less. One of those efficiencies is that

Verizon our current cell service provider has purchased NetworkFleet and that is one of the efficiencies of costs that you see of \$18.95 per vehicle per month which is the current \$30 per vehicle per month.

Councilor Lindell: My concern is a contract in this amount that has anything to do with Verizon, which has become a service that is not dependable. City Councilors have all received questions and concerns about Verizon service. We are hearing a lot of reasons for the breakdown. I am not inclined to give them this type of money when they are providing poor service in this town.

Councilor Harris: I have the same issue on poor coverage. What is the purpose of these tracking devices and is the sole purpose to track our vehicles at all times?

Mr. Malecki: The main purpose is to make for more efficient routes, based on that data, there are other efficiencies as well; reports will help us improve our service. In terms of poor service, this network fleet agreement was negotiated many months ago. It is a priority with IT to engage a discussion with Verizon on the poor service. What I am arguing for is that this pre-dates the issues; it was negotiated before anything was known.

Councilor Harris: We were talking about 250 units initially and 350 maximum, we really don't have routes to speak about, what efficiency you are talking about in a City that is easy get around.

Councilor Ives: I echo receiving complaints about Verizon service and am very glad to hear you are looking into this and trying to understand it better. Is this part of our contract with Google to plan travel accordingly which is a paradigm of information? If you can't measure you can't manage it. I am not supporting this.

Councilor Harris moved to approve Professional Services Agreement in the amount of \$373,159.50 - Replace and Upgrade Automatic Vehicle Location/GPS for City of Santa Fe Fleet Vehicles; Network fleet, dies for lack of a second.

The Chair asked if Public Works and Police Department have their own system.

Mr. Malecki said he couldn't confirm; it is a different solution. Each unit has their own GPS and they do have Verizon.

Chair Dominguez: Do we know if anyone else is using Verizon?

Mr. Malecki said he did not know.

Councilor Lindell said she would be pleased to have this come back after city staff has talked to Verizon.

Mr. Malecki: This is a major issue for information needed; City of Albuquerque and the State of NM also have Verizon

Brian Snyder, City Manager: There will be a meeting on November 7th with Verizon, City of Santa Fe and Santa Fe County Manager who will meet to let Verizon know what our concerns are. We need to let them know how it affects Fire and Police on calls of service. I have heard from them directly, their system can't handle unlimited data. Calls are dropped in both private and public service.

Councilor Lindell is pleased to have this update and looks forward to additional information after Mr. Snyder and the County Manager have this meeting with Verizon. I don't want to enter in more

Councilor Lindell moved to table indefinitely until future information is received and reported back to the Finance Committee, second by Councilor Harris, motion carried.

c) Request for approval of Procurement under State Price Agreement in the amount of \$29,300 for renewal of Software Maintenance Services; Environmental Systems Research Institute.

Councilor Lindell: Is this a contract that we do annually because it looks like we have had service from them for 21 years, do we get maintenance from them every year?

Mr. Malecki: Yes we do, this is an annual contract we renew every year for software management; they are our premier provider for our GIS software and ESRI management. They have been a partner with the City for the last 20 years. They are essential in how we manage our addresses and essentially all the various land use and functions that the city provides rely on geographic data and ESRI is the vendor that provides us the tools to manage and store that data.

Councilor Lindell: Are we satisfied with their service?

Mr. Malecki: Yes we are, in fact this particular package is one that is the 2nd year that we requested the entire suite of their tools because we require more of their functionality to be able to provide our service. Essentially we are happy with the tools they provide and this year they are adding training as an unpaid bonus to help us use these tools that we need so much. Especially with the ERP solutions that we are trying to bring on line, ERP is one of those solutions that has GIS integrated in to it. It is an essential component of how that tool functions, as is the other solution we are getting ready to explore. So the data is what's relevant and ESRI has been helping us to make our data more accurate, and they are a very good partner.

Councilor Lindell moved to approve Procurement under State Price Agreement in the amount of \$29,300 for renewal of Software Maintenance Services;

Environmental Systems Research Institute (ESRI), second by Councilor Ives, motion carried by unanimous voice vote.

- d) Request for approval of Amendment No. 4 to Professional Services Agreement in the amount of \$348,109 for Project Management and Professional Services to support the Utility Customer Information and Billing System Implementation Project; BerryDunn McNeil & Parker, LLC.**

Councilor Harris: BerryDunn proposal is very specific as what they are addressing and I appreciate that. Is this amendment a fixed price?

Mr. Malecki: Mr. Faustino Contreras is ill tonight and to my understanding it is a fixed price but I am not entirely certain, I can only speak in general terms.

Councilor Harris asked if the concerns have been addressed with Advance.

Staff – Mr. Jones: Currently we are still under negotiations with Advance; it has not been finalized. Currently Legal is reviewing a proposal that has been received this week. The reason we wanted to move forward with this amendment was in anticipation that we would be successful with that negotiation and have BerryDunn serve as the project administrator for the implementation but more important was to have BerryDunn in place as we finalize the scope with Advance having our Project Manager scrutinize what Advance is proposing, making sure that can be successful, what they are recommending and making sure it is fair and equitable to the city. We would like to have their services in place as we finalize any conversation with Advance going forward?

Councilor Harris: This is the pre-implementation phase, which I think is critical, given all the issues with Advance. I would assume that we are doing so much work with BerryDunn that they are operating at a very high level not just an exceptional level.

Mr. Johnson said that is an accurate characterization of BerryDunn Company and they are acting at a very high level and protecting the city's interest.

Councilor Harris: You are trying to get them on board for the pre-implementation and needing them perhaps for the final negotiations. If that doesn't happen, does it allow us terminate for convenience?

Mr. Jones: The contract would allow the city to terminate with sufficient notice. BerryDunn is also a software firm that Utility/Billing has used and we have had a great experience, they are a great resource for utility billing. At that point if weren't successful with Advance we would sit down utilizing BerryDunn expertise to say what does Utility/Billing look like going forward and what options do we have.

Councilor Harris moved to approve Amendment No. 4 to Professional Services Agreement in the amount of \$348,109 for Project Management and Professional Services to support the Utility Customer Information and Billing System Implementation Project; BerryDunn McNeil & Parker, LLC, second by Councilor Villarreal, motion carried with the Chair voting in the affirmative. [Councilor Lindell and Councilor Ives away from the table at the time of the vote].

- e) ***Request for Approval of Professional Services Agreement in the Amount of \$256,000, exclusive of NMGR, to be paid out over a four-year term, \$68,000 during 60-day legislative session and \$60,000 during a 30-day legislative sessions for Lobbyist Services (RFP #18/07/P); Mark A. Duran and Associates. (Brian Snyder)***

Councilor Villarreal: We know Mr. Duran reports back to the Governing Body during the session but there was a section about scope of services for strategic planning and going to meetings pertinent to legislative interim committee meetings. Councilor Villarreal asked the City Manager if he works with Mr. Duran on what committee meetings he goes to that are related to city issues. How does that get decided, how do you prioritize interim committee meetings and do you get reports back on those interim meetings.

Mr. Snyder said that Mark's scope of work is set by the Resolution that City Council ultimately approves, and you will see that at next month Finance Committee meeting with the incorporation of the items that were discussed at tonight's Finance Committee meeting. His scope of work is detailed in his PSA, but his work directives based on priorities outlined in the Resolution. Any item or bill that touches on those topics, he goes to sub-committee and tracks those. Mr. Snyder also gets a daily report through our legislative process of all the bills that get outlined for the city. Those are reviewed and if there are any topics that relate to the city, Mr. Snyder gets with city staff and communicates with Mark and his staff and city staff work together. We help out with financial analysis.

Councilor Villarreal: You are talking about the 30 or 60-day session and I am talking about now, when they conduct the interim committee meetings, who outlines those topics and decides what meetings he goes to and does he report back, is there a summary or report given to the appropriate departments.

Mr. Snyder said that anything topic that is relevant to the city whether it be hold harmless for example from past years, or taxing authority, or whatever was discussed earlier tonight, any thing that is in the city's interest, Mark tracks and provides updates to Mr. Snyder. Mr. Duran handles most meetings and staff does not attend interim meetings. If issues are more complex, then we assign appropriate staff.

Councilor Villarreal moved to approve Professional Services Agreement in the Amount of \$256,000, exclusive of NMGR, to be paid out over a four-year term, \$68,000 during 60-day legislative session and \$60,000 during a 30-day legislative

sessions for Lobbyist Services (RFP #18/07/P); Mark A. Duran and Associates, second by Councilor Lindell, motion carried by unanimous voice vote.

- f) Request for approval of exempt procurement for Membership Dues and Subscriptions in the amount of \$75,000, inclusive of NMGRT; New Mexico Municipal League. (Adam Johnson)**

Councilor Harris: Mr. Duran, last year this was controversial in the budget process, what it got down to was an opinion, determination on if our legislative priorities were in alignment generally with the Municipal League. Based on all the work you have done for many years now representing our city, as well as working with your counterparts around the state, can you offer an opinion on whether or not our priorities are generally consistent with the Municipal League?

Mark Duran: In large part, our objectives are the same as the New Mexico Municipal League and vice versa. As a matter of fact in our Resolution often times we are referring to the New Mexico Municipal League Resolutions in our Resolutions. Last year it became evident that the New Mexico Municipal League while they represent all cities, it came to a head when discussing the Hold Harmless discussion where the New Mexico Municipal League were representing big cities, small cities, cities in between, some that benefitted one way or another from Hold Harmless and what we didn't quite have which we had become use to, was the New Mexico Municipal speaking for all the cities they represented because they had a different constituency with different objectives at that time. That became very difficult. I believe the question than went to other areas which were; what is the value, how often are you communicating with the City Manager, etc., what kind of aid are you providing to the legislature specifically in regards to the City of Santa Fe. I know that in that regard, the New Mexico Municipal League got the message. I believe the City Manager would agree and I certainly saw the level of attention, the level of feedback, the level of communication last legislative session was day and night from the previous four or five years. If that helps there is an assessment in that regard.

Councilor Harris: I assume that in certain conversations it makes your job easier if the City of Santa Fe is in facet is a part of the New Mexico Municipal League.

Mark Duran: Generally, it is helpful. Mr. Duran shared an example of a strong entity that separated themselves from a supporting agency and how it affected them.

Chair Dominguez: In all fairness, since last year I have seen more communication from the NM Municipal League to the members of the Governing Body with regular updates and I am glad to hear that there is a lot more coordination happening between municipalities.

Councilor Harris moved to approve exempt procurement for Membership Dues and Subscriptions in the amount of \$75,000, inclusive of NMGR; New Mexico Municipal League, second by Councilor Lindell, motion carried by unanimous voice vote.

Mr. Johnson stated on the discussion held earlier about tax reform and transparency with the gross receipts tax, the Municipal League would be an excellent sounding board and advocate for the city of Santa Fe and municipalities with cities statewide. Many of the smaller cities have always questioned if they are being heard, this is a great opportunity for them.

Chair: What are the options that we might have during this legislative session to get some of that done i.e., relating to tax reform.

Mr. Duran: There is going to be a big difference in several ways; last year was a 60-day legislative session, and this year it is a 30-day session. This is a financial true legislative session to make a statutory policy impact by the Governor's. This will be a finance session and her very last year in office. The State of NM was in a tremendously difficult financial position last legislative session. The revenue forecast and I attend all of the LFC meetings in the interim specifically tracking Hold Harmless and what the state's situation is. Our Revenues are up in the State of New Mexico, it looks like we will have \$25 million new money and basically it is flat. While I think there were certain legislators that pushed tax reform that they will want to see that momentum keep up. I think it is going to be a very different session in terms of what is going to be viable, and that doesn't speak to the political background of it all, the fact that there will be a new Governor on January 1, 2019. As I think many of those efforts will be in place because people do not want to lose momentum, I wonder how much momentum will be. Nevertheless, we will track everything like we have been doing. I don't see the same vibrancy from last session to this session.

More updates and feedback, happy to hear there is more coordination between municipalities.

- i) **Request for Approval of a Comprehensive Opioid Abuse-Site Based Program Grant, Award Number #2017-Ar-Bx-K032 in the amount of \$298,594; Department of Justice/Bureau of Justice Assistance. (David Chapman)**

Councilor Harris: How is the money to be used? Is this for the Project Coordinator and the Research person?

Mr. Chapman: Yielded to Andres Mercado, SFFD who is the Project Manager?

Mr. Mercado stated that the money would be used as follows per year:

- \$50,000 Project Coordinator, fees on the ground individual that will be providing a lot of the intervention.
- \$15,000 Research Partner

- \$9,000 – Medication Purchase: Naloxone
- \$120 face masks
-

There is also some money in this grant to offset some costs for existing FTE in the Fire Department who is already doing this intervention, a .2 Fire Fighter/Paramedic and also a .1 FTE for my time to do work that we are already doing. It is a nice way to bring in federal monies and scale up our program.

Councilor Harris: What type of qualifications do Project Coordinators need to have?

Mr. Mercado: We have most of the EMT services with our front line EMTs and we have many of them. This individual will be more of a social worker type; he/she will be doing the work at the scene after and overdose, not treating the overdose, working with bi-standers, working with family and the individual survivor to do short term management

Councilor Harris moved to approve Comprehensive Opioid Abuse-Site Based Program Grant, Award Number #2017-Ar-Bx-K032 in the amount of \$298,594; Department of Justice/Bureau of Justice Assistance, second by Councilor Villarreal, motion carried by unanimous voice vote.

I) Request for approval of Change Order No. 3 to Professional Services Agreement in the amount of \$39,980 inclusive of NMGR, for a total contract amount of \$173,555, inclusive of NMGR, for Hospital Tank Project; MWH Constructors. (Kristin Johansen)

Councilor Lindell: I thought we would never see another change order on this. Tell me why we are back on this again?

Kristin Johansen: This change order is essentially to close out the project. The job did run longer than we anticipated so we maxed out the contract where we could have our on site inspector for the final punch walk so this extension is for him to come out and walk through the site and confirm that the tank has been constructed per plan and to review as builds and also to assist staff at the conclusion of the project with any claim support that is needed. That is on a time and need basis.

Councilor Lindell: That is an extra \$40,000 to take that to a total of \$174,000.

Ms. Johansen: That is correct and that is on a time and material basis, we will only use what we need to.

Councilor Lindell: What was our last change order on this?

Ms. Johansen: May

Councilor Lindell: So between May and now it requires an extra \$40,000 worth of work, is that right?

Ms. Johansen: The second change order was executed in May and the Contract expired in July, and we extended the contract to run through December and this is the 3rd change order associated with it.

Councilor Lindell: Do you have any thoughts that this might come back to us again?

Ms. Johansen: No, we have reached substantial completion in August so the tank has been on-line since then. They are basically wrapping up and doing retaining walls, groundwork, landscaping that sort of thing. It is pretty well near completion.

Councilor Harris: I would have pulled this as well. I know that everyone sang their praises for NWH when the project was in trouble, quite frankly and they helped turn it around so that is important to note. SMA remained on the job, this is work that could have been done or should have been done through SMA and I am wondering why we have to double up. Now we are at the fairly routine why does SMA. Is the city pursuing any claim against SMA?

Ms. Johansen: As far as doubling up on efforts, the purpose and intent of NWH signing off and closing out the project from their side is basically to keep continuity on the project, since there were so many issues on the project we want their signature on the line. Yes this is built per plan as we saw so it keeps some liability there. Souder Miller SMA will also be on that final walk through and sign off on the project. It is in the city's best interest. Basically in the future if there are issues, not that we expect there to be, but in case there are, it is important to manage our liabilities. As far as Souder Miller, there are no claims towards the, we reduced their efforts and brought in NWH who could provide more technical support on the project.

Councilor Harris: When you say reduced their efforts do you mean reduced their fee?

Ms. Johansen: We reduced their time on site, previously they were on site all the time doing construction inspection and construction management and NWH too over that full time inspection and assisted Ms. Johansen with the construction management. Souder Miller has been working on as builds; they have assisted with a couple of design revisions and stayed on as the Engineer of Record and that is the importance of keeping them on.

Councilor Harris: Your initial response, Ms. Johansen was appropriate as well. Do we have money to do this, I see it in the CIP; do we have sufficient funds?

Mr. Johnson: That is correct they have the funds.

Councilor Harris: What I have been asking for. I would like to know a total project cost. Please follow up with Mr. Schiavo I would like to see a total project cost, possible capital administration; I would like to know as a matter of practice.

Councilor Harris moved to approve Change Order No. 3 to Professional Services Agreement in the amount of \$39,980 inclusive of NMGRT, for a total contract amount of \$173,555, inclusive of NMGRT, for Hospital Tank Project; MWH Constructors, second by Councilor Ives, motion carried by unanimous voice vote.

m) Request for approval of an Ordinance amending Subsection 23-6.2 and 23-6.3 SFCC 1987 to exempt areas in the Railyard from certain regulations relating to the sale and consumption of alcohol on city property. (Councilors Villarreal, Dominguez and Ives) (Alfred Walker)

Councilor Harris: In reviewing the Ordinance, there was a lot of hesitancy with Meow Wolf because of the monies that the city had put in to the facility initially and of course the question was the building and infrastructure of the new manufactured facility. They are making the argument for their business model; they are at the house of eternal return. I guess we are dealing with an oversight or correcting our Ordinance to allow certain organizations to serve more than beer and wine, is that what we are doing here or am I misunderstanding.

Councilor Villarreal: Part of the reason that this came about is that these entities, they function a little bit differently because they are non-profits and they always serve more than beer and wine and I am not sure of the circumstances historically as to why we haven't said that is not the case even prior to us changing this ordinance. What we realize is now this prevents them from serving more than beer or wine and it requires them to have certain regulations that we require for outdoor events, having alcohol in certain parts of the building and having rules that apply to outdoor events at the Railyard and we did not think about how great of an impact it has on those who rent at the Museo Railyard for events. I think it was way more onerous than we ever thought, I didn't pick it up until it was told me that they were being told by our staff that they would have to follow these regulations on these particular non-profit facilities. It got a little sticky, it was confusing and part of it is our inconsistency at the city level for the last few years.

Councilor Harris: Basically we are asked to provide a waiver to El Museo, Farmers Market, Institute and Site Santa Fe. So they really don't have to comply or waiver against this schedule that is built in to the ordinance.

Councilor Villarreal: There was a conversation, what about galleries or theater establishments that are on city property. Some of those don't really make sense because at galleries and other openings they have very short-term events that focus on their art or other aspects of their business and these are facilities that are used for rentals.

Councilor Harris: I don't really have a problem with this. As I looked at this I was looking in terms of, is it analogous in any way to, the long discussion we had with Meow Wolf which was never resolved that evening.

Chair Dominguez: As the originator of the bill this makes it clearer for staff to follow the original intent was. There are some analogies that you can make with Meow Wolf, one of the differences is that it is private on city property and in this case we are looking at buildings owned by the city and/or buildings that are leased, and the city owns the land.

Councilor Harris: I understand all of the discussion we had about alcohol consumption and how many venues we have, 246% higher than a comparable size. It seems like when we do this on city property, it diminishes, I am thinking ahead of the arguments that even I was expressing when it comes to Meow Wolf on property that they own and liabilities of their as opposed to the city. Again, I don't have a problem at all and I wanted to hear what the Sponsors had to say.

Councilor Harris moved to approve an Ordinance amending Subsection 23-6.2 and 23-6.3 SFCC 1987 to exempt areas in the Railyard from certain regulations relating to the sale and consumption of alcohol on city property, second by Councilor Ives, motion carried by unanimous voice vote.

n) Request for approval of a Resolution authorizing Tourism Santa Fe to enter into a Franchise Agreement with Gran Fondo New York to develop a preliminary event in Santa Fe. (Randy Randall)

Councilor Harris: I heard some of the discussion at Public Works and there was a lot of discussion about this event; how do your budget numbers get determined. For example, \$25,000 for police, is this a rigorous analysis or was it more rule of thumb?

Mr. Randall: I prepared this budget with Jake Rodar who at the time brought this to me and was assisting me with the concept. He has participated in other races in Santa Fe so based on his knowledge of those races is where we came up with these estimates. He indicated that he had knowledge of the cost related to them.

Councilor Harris: I know Mr. Rodar is in the Insurance business. This was proposed to be a little bit before the 4th of July?

Mr. Randall: It would be the Sunday before the weekend of when 4th of July is celebrated, this year the 4th of July is on a Wednesday. This was an available date and worked well within the calendar of events in the city. The weekend before the 4th traditionally is not as strong as we find moving in to July and August.

Councilor Harris: I am concerned about the calendar events in the city. At what point are we overbooked and when do we reach event exhaustion.

Mr. Randall: That is probably true, but from a tourist stand-point something going on each weekend is wonderful for the city.

Councilor Harris: We also have a major event coming up later in July with the National Governors Association Conference (July 19-22, 2018). This National Governor's Conference is a big deal. What is going on around the dates of the 4th and the dates of the National Governor's Conference?

Mr. Randall said that there isn't anything major until Spanish Market.

Councilor Ives: As Santa Fe looks to rise in communities throughout the country, having this type of event adds to the significance of and perception of people biking in the city of Santa Fe and I hope we can do more biking events to further our position in that regard.

Councilor Ives moved to approve a Resolution authorizing Tourism Santa Fe to enter into a Franchise Agreement with Gran Fondo New York to develop a preliminary event in Santa Fe, second by Councilor Lindell, motion carried by unanimous voice vote.

Councilor Villarreal said that the amount right now says \$15,000 and urges that Santa Fe County pulls their weight as most of the race will be in the county. They will benefit as well being able to contribute, the amount right now says \$15,000 and hopes is that they will contribute.

Mr. Randall said that at this time there is no commitment for funding from Santa Fe County.

Michal McCullough: Director of Santa Fe Century, to your question on police cost we don't spend anywhere close to that amount of money. This is a different event using a different course and has a few potential hazards and maybe that is why they budgeted more for that purpose, we spend much less than that on police control.

Councilor Harris how much does the city contribute to Santa Fe Century?

Mr. McCullough: Last year we received a grant up to \$25,000 and we spent about \$19,000. We need to reapply for that grant which will be a maximum of half of what we were awarded last year in a match, \$12,500 is a maximum that we can be awarded.

p) Request for approval of a Resolution in opposition to the Nuclear Weapons Agenda of the current administration; calling on the Congressional Delegation to condemn the rhetoric and agenda; and supporting the restricting first use of Nuclear Weapons Act of 2017.

Councilor Harris and Councilor Villarreal acknowledged all the conversation and amendments that went back and forth and what came out of that was a good Resolution. What good will come of this? We have a long history of these types of Resolutions, especially with this Administration. I understand the Resolution, symbolic for the

sponsors, philosophical for myself, what will come of this. This is well beyond anything that we can affect.

Councilor Villarreal feels it is pertinent and timely, as just today I was reading where other Congressional Delegates are pushing this legislation which would prevent the President from launching preempted strike in N. Korea so I feel like even having a President say this about N Korea and his speech at the UN, does make me feel like this is relevant. I agree on how is the city going to intervene one this, but we do say that we would like this particular item to go to our Congressional delegation. We ask that they support the Nuclear Weapons Act of 2017. I think this particular effort has indirect effects on New Mexico and our country.

Councilor Villarreal moved to approve a Resolution in opposition to the Nuclear Weapons Agenda of the Current Administration; calling on the Congressional Delegation to condemn the Rhetoric and Agenda; and supporting the Restricting First Use of Nuclear Weapons Act of 2017 and the amendment to have the Congressional Delegation support the language in SB200, second by Councilor Ives, motion carried by unanimous voice vote.

Jesse Guillen: Suggested adding one more item as an amendment. There is an SB200, sponsored by Senator Markey that is a copy of the HB. ***This bill prohibits the President from using the Armed Forces to conduct a first-use nuclear strike unless such strike is conducted pursuant to a congressional declaration of war expressly authorizing such strike. "First-use nuclear strike" means a nuclear attack against an enemy that is conducted without the President determining that the enemy has first launched a nuclear strike against the United States or a US ally.*** I didn't know if you wanted to add references about it as well as it is in both houses.

Councilor Villarreal accepted the Amendment wording to have our Congressional Delegation support SB 200 language. Councilor Ives accepted the amendment.

One Abstention: Councilor Harris.

Discussion:

The Chair expressed his thanks and appreciates the comments from both Councilor Harris and Councilor Villarreal, especially in the past it is noted that it takes a lot of hard work to come together. On this particular issue I will say that anytime, we the City of Santa Fe, the representatives of the public of the City of Santa Fe, recognize the importance and I stand in support of this.

q) Request for Approval of A Resolution Authorizing the Placement of a Question on The Ballot of the Regular Municipal Election, to be Held on March 6, 2018, to Ask the Voters of the City of Santa Fe Whether or Not the Santa Fe Municipal Charter Should Be Amended to Include a Provision to Establish an Independent Office of Inspector General for the City of Santa Fe. - ***Postponed to next Finance Committee Meeting.***

8. DISCUSSION

None

9. PUBLIC HEARING

None

10. MATTERS FROM THE COMMITTEE

None

11. MATTERS FROM STAFF

None

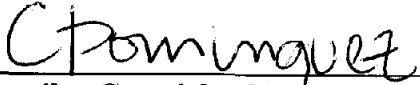
12. EXECUTIVE SESSION

None

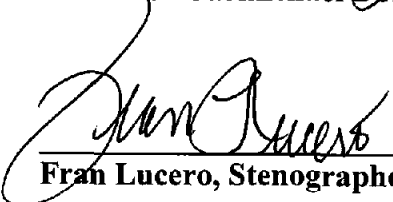
12. ADJOURN

There being no further business to come before the Finance Committee meeting, Chair Dominguez called for adjournment at 7:25 pm.

Signature Page:



Councilor Carmichael Dominguez, Chair



Fran Lucero, Stenographer

FROM: AFSCME LOCAL 3999 –

TO: CITY OF SANTA FE, NEW MEXICO: CITY COUNCIL & FINANCE COMMITTEE

BACKGROUND:

Previous City council resolutions and adopted (FY2016-19) budgets have identified savings through public service cuts and the elimination of or not filling vacant funded FTE positions. These decisions have affected essential public services positions for the safe and effective delivery of basic and critical City services.

Significant opportunities exist for the City of Santa Fe to continue the examination of its systemic vulnerabilities that adversely affect our workforce and services to the community. The audit report conducted by McHard Accounting Consulting LLC identified systemic risks with worker safety and liability.

In the last (three year) contract negotiations cycle and through the Labor Management Committee, AFSCME has outlined pathways to produce an action plan to fix these problems and is committed to collectively creating equitable and cost effective solutions.

Proposed Solution Pathway

City of Santa Fe shall establish a sub-committee to study fiscal conditions of the City; to review services currently provided for/by the City Government in relation to the needs of the people of the City; to evaluate impacts to services created by on-going vacancies; to evaluate impacts to services created by operational budget changes; and to make recommendations with suggested plans for future fiscal years to ensure that a safe and skilled city workforce, is properly funded and staffed.

Scope of Work: City Services Committee

This sub-committee's recommendations are intended to ensure that adjustments to, or eliminations of vacant staff positions and city services do not continue to adversely affect delivery of services or the health and safety of residents and workers.

MEMBERSHIP:

To the greatest extent possible, the sub-committee will be comprised of the following participants:

- (2) Santa Fe City Councilors
- (1) City Manager or designee
- (1) City Finance Director or designee
- (2) AFSCME / union members

Exhibit A

The Stakeholders of City Services Study Committee shall:

- Receive reports or presentations from municipal financial and policy experts, and City of Santa Fe senior and mid-level managers on the economic and operational impacts of changes in city services and operational budget reductions.
- Receive reports from City of Santa Fe employee organization representatives on their findings related to effectiveness of services.
- Make recommendations to the city manager and governing body for service improvements.
- Make recommendations to the city manager and governing body on revenue sources and taxation policy.
- Make recommendations to city manager and governing body on filling or adjustments to vacant positions.
- Make recommendations to the city manager and governing body for fiscal impacts to identified HR constraints.
- Report out to city manager and governing body on economic impacts of changes to city service and effects on city employees and their families.

MEETINGS; DURATION; STRUCTURE:

Committee shall:

- A. Conduct at least two planning meetings quarterly to discuss matters generally and broadly identified in the provisions above.
- B. Develop a work plan, which enables the sub-committee to thoroughly research and address issues and matters generally and broadly identified in the provisions above.
- C. Submit the initial sub-committee findings and phased recommendations to the governing body before the FY 2018-19 budget cycle.



Association of Local Government Auditors

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October 23, 2017

Honorable Mayor Javier Gonzales and City Councilors:

The Association of Local Government Auditors (ALGA) is a professional organization committed to supporting and improving independent performance auditing in local governments. ALGA believes that an independent local auditing function plays a key role in effective governance and public accountability. Properly staffed and operated in accordance with applicable professional auditing standards, internal audit departments can provide assurance to citizens and elected officials that scarce resources are protected by strong management controls and practices.

We recently learned that you are considering various proposals related to your internal audit department which include eliminating the department and outsourcing its current responsibilities. We are writing you to express our concerns with these proposals.

We understand that these proposals are, at least in part, a response to a fraud prevention engagement report issued by a local accounting firm that was highly critical of the City of Santa Fe's (City) financial controls. Criticism was also directed at the internal audit department for not detecting financial control weaknesses, not undergoing peer review in compliance with applicable professional standards, and for failure to issue many performance audit reports. The report correctly identifies that the function has only consisted of one individual. The report does not identify additional responsibilities, besides audits, that were assigned to your auditor.

The consultant report did not acknowledge that the New Mexico State Auditor's Office mandates that testing of both manual and automated financial controls is the responsibility of the independent public accounting firm that audits the City's annual financial reports. Regarding peer review, it is our understanding that the internal audit department was established by ordinance on October 30, 2012 and your internal auditor was hired that December. Government Auditing Standards require a peer review every three years. Given the time required to hire the auditor, establish policies and procedures and complete the myriad of other tasks required to establish a new audit function, it is not unreasonable that the department would only recently be positioned to request its first peer review. It is our understanding that

the internal auditor was in the process of requesting the Office's first review before the consultant issued its report.

As for the number of audit reports produced and given the fact that the Office was established with only one auditor and no support staff, any nonaudit services assigned to the auditor, which appeared to be considerable, would undoubtedly have an impact on audit report production, especially in the formative years of a new audit function.

The report also faults the City Auditor for not having the Certified Fraud Examiner (CFE) designation. While this is a well-recognized certification, it is only one of several that demonstrate the knowledge, skills, and abilities required to be an effective internal auditor. It is our understanding the incumbent city auditor holds many other certifications and designations that also demonstrate competency for the position, including:

- Certified Public Accountant (CPA)
- Certified Information Systems Auditor (CISA)
- Certified Internal Auditor (CIA)
- Master of Business Administration Degree

In addition, as a testament to the quality of your internal auditor's work, she was awarded the prestigious ALGA Knighton Award for Extra Small Shops in 2014 and again in 2016. This award recognizes the best performance audit reports of the preceding year that meet the criteria of: potential for significant impact; persuasive, feasible recommendations; clear and concise report; and, demonstrated innovative approach. This is an outstanding achievement for any audit department, but especially for one so recently established.

According to an article in your local newspaper, one proposal would task the City Audit Committee with managing the contract of an independent auditor. While outsourcing for audit resources makes sense when specialized skills are required, in-house audit functions can provide many advantages over outsourcing, including:

- Lower costs per audit hour
- Greater familiarity with internal operations
- Continuity of review and oversight
- Quicker response to requests

The article also indicates that there is a separate proposal directed towards the establishment of an independent inspector general for the City. While this might be a good compliment to the internal audit department, inspectors general often serve a very different purpose (i.e., conduct fraud investigations) and often follow standards other than generally accepted government audit standards.

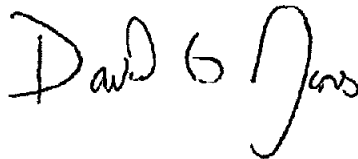
In closing, we respectfully suggest independent performance audits conducted in accordance with government auditing standards are a good governance best practice. We also suggest that maintaining an in-house or co-sourced audit function can have many advantages compared to an outsourced alternative. We urge you to proceed cautiously with any plans to eliminate your independent internal audit department and appreciate your consideration of our comments.

Our organization would be happy to answer any questions you may have about next steps in improving accountability for the City of Santa Fe. ALGA offers guidance, available on our website at www.algaonline.org (see Build on Audit Function), on how best to staff, structure, and conduct oversight of an audit function.

One of our members, Craig Kinton (City Auditor for the City of Dallas, Texas), is available, by phone or in person, to assist in your discussions regarding the future of your internal audit function. He can be reached at 214-670-3222 or craig.kinton@dallascityhall.com.

If you would like additional information, please contact me at 206-233-1095 or davidg.jones@seattle.gov.

Sincerely,



David G. Jones
Seattle City Auditor
Chair, ALGA Advocacy Committee

C: City of Santa Fe Audit Committee
Brian Snyder, City Manager
Renee Martinez, Deputy City Manager
Tina Adams, President ALGA
Santa Fe New Mexican