



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
NOVEMBER 15, 2010 – 5:00 PM

AMENDED

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

NOVEMBER 1, 2010

CITY CLERK'S OFFICE

DATE 11-12-10 TIME 10:10 am

STAMPED BY

Uplander Green

RECEIVED BY

[Signature]

CONSENT AGENDA

6. BID OPENINGS:
 - A. BID NO. 11/13/B AND 11/14/B – CHEMICALS FOR WATER TREATMENT PLANT; THATCHER COMPANY (VICTOR ARCHULETA)
 - B. BID NO. 11/15/B – CHEMICALS FOR WATER TREATMENT PLANT; DPC INDUSTRIES (VICTOR ARCHULETA)
 - C. BID NO. 11/19/B – CITY WIDE SEWER LINE SPOT REPAIR CONSTRUCTION CONTRACT FOR WASTEWATER MANAGEMENT DIVISION; ADVANTAGE ASPHALT & SEAL COATING, LLC (STAN HOLLAND)
7. REQUEST FOR APPROVAL OF GRANT AWARD – FY 2010 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FOR POLICE DEPARTMENT; DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE (POLICE CHIEF ARIC WHEELER)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND
8. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – COMPLETE HVAC AND BOILER RETROFITS AT THREE (3) CITY FACILITIES; WELCH'S BOILER SERVICE, INC. (NICK SCHIAVO)
9. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SECURITY SERVICES FOR CITY OF SANTA FE WATER FACILITIES (RFP #11/04/P); CHAVEZ SECURITY, INC. (MICHAEL GONZALES AND BILL HUEY)



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10. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – CITY OF SANTA FE EMPLOYEE ASSISTANCE PROGRAM (RFP #11/02/P); THE SOLUTIONS GROUP (VICKI GAGE)
11. REQUEST FOR APPROVAL OF TWO (2) POSITIONS CHANGES – TEMPORARY TO TERM DOMESTIC VIOLENCE OFFENDER COMPLIANCE AND PROBATION OFFICER POSITIONS FOR DISTRICT AND MAGISTRATE COURTS (CAROL HORWITZ)
12. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO LEASE AGREEMENT – STATE ANTI-DONATION REQUIREMENTS AND CAPTURES 2009 LEGISLATIVE SPECIAL SESSION SEVERANCE TAX BOND AND GRANT AGREEMENT; LA FAMILIA MEDICAL CENTER (DAVID CHAPMAN)
13. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT – AUTOMATED BUS SYSTEM BRUSHES FOR TRANSIT DIVISION; GALAXY ASSOCIATES (JON BULTHUIS)
 - A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT – TRANSIT FACILITY CIP GRT FUND
14. REQUEST FOR APPROVAL OF SALE OF REAL ESTATE – LOCATED AT 605 GARCIA STREET; LEVON D. TASHJIAN ND STEFANIE M. TASHJIAN, TRUSTEES UNDER THE LEVON D. TASHJIAN AND STEFANIE M. TASHJIAN LIVING TRUST DATED JUNE 24, 1996 AS RESTATED ON MARCH 14, 2001 (EDWARD VIGIL)
15. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO LEASE AGREEMENT – INCREASE LEASE PARCEL AND DEVELOPMENT OF TRANSFER STATION LOCATED AT 2600 BUCKMAN ROAD; RANDALL KIPPENBROCK (EDWARD VIGIL)
16. REQUEST FOR APPROVAL OF CONTRACT – COMMUNITY DEVELOPMENT BLOCK GRANT FOR HCDD/AFFORDABLE HOUSING; SANTA FE HABITAT FOR HUMANITY (KYM DICOME)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – AFFORDABLE HOUSING LOAN FUND
17. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE STATE'S DRUG COURT PROGRAM AND REQUESTING THAT FUNDING FOR THE DRUG COURT PROGRAM BE A STATE PRIORITY (COUNCILOR WURZBURGER) (JEANNE PRICE)



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Committee Review:

Public Safety (scheduled)	11/16/10
Public Works (scheduled)	12/06/10
City Council (scheduled)	12/08/10

Fiscal Impact – No

18. REQUEST FOR APPROVAL OF AN ORDINANCE APPROVING A LEASE BETWEEN THE CITY OF SANTA FE AND THE MONTE SOL GROUP, LTD FOR APPROXIMATELY 1.57 ACRES OF CITY OWNED LAND LOCATED AT THE SANTA FE MUNICIPAL AIRPORT IN ORDER FOR THE LESSEE TO USE AND OCCUPY THE PREMISES TO HANGAR AIRCRAFT FOR THE LESSEE'S PRIVATE USE AND OTHER RELATED PURPOSES (COUNCILOR WURZBURGER AND MAYOR COSS) (JIM MONTMAN)
- A. REQUEST FOR APPROVAL OF A LEASE AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE MONTE SOL GROUP, LTD. FOR THE PURPOSE OF USING THE OCCUPYING THE PREMISES TO HANGAR AIRCRAFT FOR IT'S OWN PRIVATE USE AT THE SANTA FE MUNICIPAL AIRPORT (JIM MONTMAN)

Committee Review:

Public Works (approved)	11/08/10
City Council (request to publish)	12/08/10
City Council (public hearing)	01/12/11

Fiscal Impact – Yes

19. REQUEST FOR APPROVAL OF A RESOLUTION RECOGNIZING THE BAILE DE LOS CASCARONES HELD BY THE SOCIEDAD FOLKLORICA AS AN OFFICIAL ANNUAL EVENT OF THE GOVERNING BODY AND WAIVING ALL RELATED FEES AND CHARGES AT THE SANTA FE COMMUNITY CONVENTION CENTER FOR THE ANNUAL EVENT INCLUDING ROOM RENTAL AND EQUIPMENT USE AND PARKING (MAYOR COSS, COUNCILORS DOMINGUEZ, TRUJILLO AND WURZBURGER) (KEITH TOLER)

Committee Review:

Public Works (scheduled)	12/06/10
City Council (scheduled)	12/08/10

Fiscal Impact – Yes



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20. REQUEST FOR APPROVAL OF A RESOLUTION ASSESSING AN ADDITIONAL ONE DOLLAR (\$1.00) PARKING FEE AT THE SANDOVAL PARKING GARAGE ON ALL USERS AFTER 6:00 P.M. ON THOSE EVENINGS WHEN THE LENSIC PERFORMING ARTS CENTER HAS EVENTS; AND DEDICATING THE ADDITIONAL FUNDS FOR THE SUPPORT OF THE PERFORMING ARTS THROUGH A PROFESSIONAL SERVICES AGREEMENT WITH THE LENSIC PERFORMING ARTS CENTER (COUNCILORS WURZBURGER AND MAYOR COSS) (SEVASTIAN GURULE)

Committee Review:

Public Works (approved)

11/08/10

City Council (scheduled)

12/08/10

Fiscal Impact – Yes

21. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PREPARE A MEMORANDUM OF UNDERSTANDING WITH THE U.S. DEPARTMENT OF VETERAN'S AFFAIRS THAT WOULD COMMIT THE U.S. DEPARTMENT OF VETERAN'S AFFAIRS TO INSTALL ALL FUTURE HEADSTONES AT THE SANTA FE NATIONAL CEMETERY IN THE UPRIGHT POSITION (COUNCILORS CALVERT, TRUJILLO AND DOMINGUEZ) (JEANNE PRICE)

Committee Review:

City Council (scheduled)

12/08/10

Fiscal Impact – No

22. REQUEST FOR APPROVAL OF A ORDINANCE AMENDING VARIOUS SECTIONS OF THE TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY ORDINANCE, ARTICLE 27-2 SFCC 1987: SECTIONS 27-2.2 (APPLICABILITY); PORTIONS OF 27-2.3 (DEFINITIONS); 27-2.4 (APPLICATIONS); 27-2.5 (COMPENSATIONS AND CHARGES); 27-2.7 (OBLIGATIONS OF PROVIDERS REGARDING THE PUBLIC RIGHTS-OF-WAY); 27-2.13 (LAND USE REVIEW); AND CREATING A NEW SECTION 27-2.16 (SEVERABILITY); AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY (MAYOR COSS) (KELLEY BRENNAN)

Committee Review:

City Council (request to publish)

11/10/10

Public Works (scheduled)

12/06/10

City Council (public hearing)

12/08/10



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Fiscal Impact – No

23. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2010/2011 QUARTER ENDING SEPTEMBER 30, 2010 (CAL PROBASCO)

END OF CONSENT AGENDA

DISCUSSION

24. **(PUBLIC HEARING)**
REQUEST FOR APPROVAL OF AMENDMENT TO SETTLEMENT AGREEMENT – ADDITIONAL 150 ACRE-FEET PER YEAR (AFY) OF TREATED EFFLUENT; CLUB AT LAS CAMPANAS (BRIAN SNYDER AND MARCOS MARTINEZ)
25. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – SERVICES AT SANTA FE UNIVERSITY OF ART AND DESIGN; COLLEGE OF SANTA FE MANAGEMENT, LLC (LEE DEPIETRO) (Postponed at City Council meeting of November 10, 2010)
26. UPDATE ON CITY'S QUARTERLY INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2010 (HELENE HAUSMAN)
27. UPDATE TO CIP BOND ISSUE (KATHRYN RAVELING AND ISAAC PINO)
28. OTHER FINANCIAL INFORMATION:
 - A. UPDATE OF GROSS RECEIPTS TAX REPORT RECEIVED IN NOVEMBER 2010 (FOR SEPTEMBER 2010 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN OCTOBER 2010 (FOR SEPTEMBER 2010 ACTIVITY) (KATHRYN RAVELING)
 - B. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET (KATHRYN RAVELING AND ROBERT ROMERO)
29. MATTERS FROM THE COMMITTEE
30. ADJOURN



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Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520 five (5) working days prior to meeting date.

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, November 15, 2010

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: NOVEMBER 1, 2010	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF GRANT AWARD – FY 2010 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FOR POLICE DEPARTMENT; DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE	Approved	4-5
REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND	Approved	4-5
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO LEASE AGREEMENT – INCREASE LEASE PARCEL AND DEVELOPMENT OF TRANSFER STATION LOCATED AT 2600 BUCKMAN ROAD; RANDALL KIPPENBROCK	Approved	6-7
REQUEST FOR APPROVAL OF A RESOLUTION ASSESSING AN ADDITIONAL ONE DOLLAR (\$1.00) PARKING FEE AT THE SANDOVAL PARKING GARAGE ON ALL USERS AFTER 6:00 P.M., ON THOSE EVENINGS WHEN THE LENSIC PERFORMING ARTS CENTER HAS EVENTS; AND DEDICATING THE ADDITIONAL FUNDS FOR THE SUPPORT OF THE PERFORMING ARTS THROUGH A PROFESSIONAL SERVICES AGREEMENT WITH THE LENSIC PERFORMING ARTS CENTER	Approved [amended]	7-11

ITEM

ACTION

PAGE

REQUEST FOR APPROVAL OF AN ORDINANCE
AMENDING VARIOUS SECTIONS OF THE
TELECOMMUNICATIONS FACILITIES IN THE PUBLIC
RIGHTS-OF-WAY ORDINANCE, ARTICLE 27-2 SFCC
1987; SECTIONS 27-2.2 (APPLICABILITY); PORTIONS
OF 27-2.3 (DEFINITIONS); 27-2.4 (APPLICATIONS);
27-2.5 (COMPENSATIONS AND CHARGES); 27-2.7
(OBLIGATIONS OF PROVIDERS REGARDING THE
PUBLIC RIGHTS-OF-WAY; 27-2.13 (LAND USE
REVIEW); AND CREATING A NEW SECTION 27-2.16
(SEVERABILITY; AND MAKING SUCH OTHER
CHANGES AS ARE NECESSARY

Approved

11-12

REQUEST FOR APPROVAL OF A RESOLUTION
RELATING TO A REQUEST FOR APPROVAL OF
FIRST QUARTER BUDGET ADJUSTMENTS FOR
FISCAL YEAR 2010/2011 QUARTER ENDING
SEPTEMBER 30, 2010

Approved

12

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

(PUBLIC HEARING)

REQUEST FOR APPROVAL OF AMENDMENT TO
SETTLEMENT AGREEMENT – ADDITIONAL 150
ACRE-FEET PER YEAR (AFY) OF TREATED
EFFLUENT; CLUB A LAS CAMPANAS

To Council w/o recommendation

13-22

REQUEST FOR APPROVAL OF AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT –
SERVICES AT SANTA FE UNIVERSITY OF ART AND
DESIGN; COLLEGE OF SANTA FE MANAGEMENT, LLC

Approved [amended]

23-28

UPDATE ON CITY'S QUARTERLY INVESTMENT
PORTFOLIO AS OF SEPTEMBER 30, 2010

Information/discussion

29-33

UPDATE TO CIP BOND ISSUE

Information/discussion

33-34

ITEM**ACTION****PAGE****OTHER FINANCIAL INFORMATION:**

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RECEIVED IN OCTOBER 2010 (FOR AUGUST 2010
ACTIVITY) AND LODGERS' TAX REPORT RECEIVED
IN SEPTEMBER 2010 (FOR AUGUST 2010 ACTIVITY

Information/discussion

34

CONTINUING DISCUSSION, REPORTS AND
RECOMMENDATION OPTIONS ON STATUS OF
FISCAL YEAR 2010/2011 BUDGET

Information/discussion

34

MATTERS FROM THE COMMITTEE

Information/discussion

34-35

ADJOURN

35

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, November 15, 2010

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 5:00 p.m., on Monday, November 15, 2010, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Matthew E. Ortiz, Chair
Councilor Patti J. Bushee
Councilor Rosemary Romero
Councilor Rebecca Wurzbarger

MEMBERS EXCUSED:

Councilor Carmichael A. Dominguez

OTHERS ATTENDING:

Kathryn Raveling , Acting Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Chair Ortiz noted the Amended Agenda which has been passed out to the Committee, noting Item 25 was added after the Public Hearing, which was sent back to the Committee from the City Council, which changed the numbering and moved packet items back.

MOTION: Councilor Dominguez moved, seconded by Councilor Romero, to approve the Amended agenda, as presented.

VOTE: The motion was approved on a voice vote with Councilors Romero, Bushee and Dominguez voting in favor of the motion, no one voting against and Councilor Wurzbarger absent for the vote.

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Romero moved, seconded by Councilor Bushee, to approve the following Consent Agenda as amended.

VOTE: The motion was approved on a voice vote with Councilors Romero, Bushee and Dominguez voting in favor of the motion, no one voting against and Councilor Wurzbarger absent for the vote.

CONSENT AGENDA

6. BID OPENINGS:

- A. BID NO. 11/13/B AND 11/14/B – CHEMICALS FOR WATER TREATMENT PLANT; THATCHER COMPANY. (VICTOR ARCHULETA)
 - B. BID NO. 11/15/1 – CHEMICALS FOR WATER TREATMENT PLANT; DPC INDUSTRIES. (VICTOR ARCHULETA)
 - C. BID NO. 11/19/B – CITY WIDE SEWER LINE SPOT REPAIR CONSTRUCTION CONTRACT FOR WASTEWATER MANAGEMENT DIVISION; ADVANTAGE ASPHALT & SEAL COATING, LLC. (STAN HOLLAND)
7. *[Removed for discussion by Councilor Bushee]*
8. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – COMPLETE HVAC AND BOILER RETROFITS AT THREE (3) CITY FACILITIES; WELCH'S BOILER SERVICE, INC. (NICK SCHIAVO)
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13. REQUEST FOR APPROVAL OF EXEMPT PROCUREMENT – AUTOMATED BUS SYSTEM BRUSHES FOR TRANSIT DIVISION; GALAXY ASSOCIATES. (JON BULTHUIS)
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14. REQUEST FOR APPROVAL OF SALE OF REAL ESTATE – LOCATED AT 605 GARCIA STREET; LEVON D. TASHJIAN AND STEFANIE M. TASHJIAN, TRUSTEES UNDER THE LEVON D. TASHJIAN AND STEFANIE M. TASHJIAN LIVING TRUST, DATED JUNE 24, 1996, AS RESTATED ON MARCH 14, 2001. (EDWARD VIGIL)
15. *[Removed for discussion by Councilor Bushee]*
16. REQUEST FOR APPROVAL OF CONTRACT – COMMUNITY DEVELOPMENT BLOCK GRANT FOR HCDD/AFFORDABLE HOUSING; SANTA FE HABITAT FOR HUMANITY. (KYM DICOME)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – AFFORDABLE HOUSING LOAN FUND.
17. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE STATE'S DRUG COURT PROGRAM AND REQUESTING THAT FUNDING FOR THE DRUG COURT PROGRAM BE A STATE PRIORITY (COUNCILOR WURZBURGER). (JEANNE PRICE) Committee Review: Public Safety (scheduled) 11/16/10; Public Works (scheduled) 12/18/10; and City Council (scheduled) 12/08/10. Fiscal Impact – No.
18. REQUEST FOR APPROVAL OF AN ORDINANCE APPROVING A LEASE BETWEEN THE CITY OF SANTA FE AND THE MONTE SOL GROUP, LTD, FOR APPROXIMATELY 1.57 ACRES OF CITY OWNED LAND LOCATED AT THE SANTA FE MUNICIPAL AIRPORT IN ORDER FOR THE LESSEE TO USE AND OCCUPY THE PREMISES TO HANGAR AIRCRAFT FOR THE LESSEE'S PRIVATE USE AND OTHER RELATED PURPOSES (COUNCILOR WURZBURGER AND MAYOR COSS). (JIM MONTMAN)
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Committee Review: Public Works (approved) 11/08/10; City Council (request to publish) 12/08/10; and City Council (public hearing) 01/12/11. Fiscal Impact – Yes.

19. REQUEST FOR APPROVAL OF A RESOLUTION RECOGNIZING THE BAILE DE LOS CASCARONES HELD BY THE SOCIEDAD FOLKLORICA AS AN OFFICIAL ANNUAL EVENT OF THE GOVERNING BODY AND WAIVING ALL RELATED FEES AND CHARGES AT THE SANTA FE COMMUNITY CONVENTION CENTER FOR THE ANNUAL EVENT, INCLUDING ROOM RENTAL AND EQUIPMENT USE AND PARKING (MAYOR COSS, COUNCILORS DOMINGUEZ, TRUJILLO AND WURZBURGER). (KEITH TOLER) Committee Review: Public Works (scheduled) 12/06/10; and City Council (scheduled) 12/08/10. Fiscal Impact – Yes.

20. *[Removed for discussion by Councilor Bushee]*

21. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PREPARE A MEMORANDUM OF UNDERSTANDING WITH THE U.S. DEPARTMENT OF VETERAN'S AFFAIRS THAT COULD COMMIT THE US. DEPARTMENT OF VETERAN'S AFFAIRS TO INSTALL ALL FUTURE HEADSTONES AT THE SANTA FE NATIONAL CEMETERY IN THE UPRIGHT POSITION (COUNCILORS CALVERT, TRUJILLO AND DOMINGUEZ). (JEANNE PRICE). Committee Review: City Council (schedule) 12/08/10. Fiscal Impact – No.

22. *[Removed for discussion by Councilor Bushee]*

23. *[Removed for discussion by Councilor Bushee]*

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: NOVEMBER 1, 2010

MOTION: Councilor Dominguez moved, seconded by Councilor Romero, to approve the minutes of the Regular Finance Committee Meeting of October 18, 2010, as presented.

VOTE: The motion was approved on a voice vote with Councilors Romero, Bushee and Dominguez voting in favor of the motion, no one voting against and Councilor Wurzbarger absent for the vote.

CONSENT CALENDAR DISCUSSION

[STENOGRAPHER'S NOTE: At the time this item was called for discussion, Chief Wheeler was out of the Council Chambers, so the Chair heard Item #15, and following that heard this item.]

7. REQUEST FOR APPROVAL OF GRANT AWARD – FY 2010 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM FOR POLICE DEPARTMENT; DEPARTMENT OF JUSTICE, BUREAU OF JUSTICE ASSISTANCE. (POLICE CHIEF ARIC WHEELER)
- A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND

Councilor Bushee said she has questions for Chief Wheeler. She asked how the Department decided to target domestic, sexual and dating violence, given that the funds could be used to prevent and control crime at the local level.

Chief Wheeler said the Department has been providing these funds for the past several years. He said Carol Horowitz can go into great depth as to how these funds are used.

Councilor Bushee understands the issues in the community relating to domestic violence, and she doesn't know what grants we get, asking how many years we have been receiving these funds.

Chief Wheeler said the funds are received annually, but he doesn't know how many years we've been receiving this grant which is based on the size of the population of the agency.

Councilor Bushee asked if we have tracked the statistics on domestic violence, noting she is looking for money for property crimes prevention as well, and doesn't know if the Department gets other funds.

Carol Horowitz said Edward Burns is a discretionary grant, and they receive it in conjunction with the Sheriff's Office. This year they received \$60,000, noting \$15,000 was used to support the Community Response Council, with the majority of funds being used to purchase equipment for the Police Department. She has been collecting statistics on domestic violence, sexual assault, stalking and other such crimes since she has held this position the last four years. She said she found this year that the 911 calls for domestic violence, domestic violence arrests, children witnessing domestic violence have decreased.

Councilor Bushee asked Ms. Horowitz to prepare a brief memorandum detailing what has happened during the past 4 years, so we can track, year by year, how those calls have gone, as well as any other details and statistics.

Ms. Horowitz said she will be happy to send that information to her.

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to approve this request.

DISCUSSION: Chair Ortiz said in his viewing of the work Carol does at the District Court, and her tireless efforts to reduce these crimes, he would like to get Joe Abeyta to do a feature on the work Carol is doing. He said at this time, and this climate, to have these statistics is astonishing and points to the good work being done by Ms. Horowitz and the Police Department. He said she truly is a gem in Santa Fe, and he would like something more than just a Memo, in terms of publicity, which he believes would be good for the City.

VOTE: The motion was approved unanimously on a voice vote.

Chief Wheeler commented that he agrees with the Chair that Ms. Horowitz is a gem.

15. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO LEASE AGREEMENT – INCREASE LEASE PARCEL AND DEVELOPMENT OF TRANSFER STATION LOCATED AT 2600 BUCKMAN ROAD; RANDALL KIPPENBROCK. (EDWARD VIGIL)

Councilor Bushee said she is not in support of this request. She asked, if this is approved and the building is constructed, what will be done in the interim for household hazardous waste collection which was stopped last year.

Mr. Kippenbrock said the plan is to build the HHW building. He is looking to go out to bid in January or February 2011, and expecting construction to be complete in 4-6 months, with the opening of the facility in June 2011. He said the area identified is in front of the pay station, but because the fence is so close to the road, it will be necessary to move the fence back.

Councilor Bushee asked if they will be doing the one-day household hazardous waste, which they did not do last year, in the Spring.

Mr. Kippenbrock said it is planned to do this at the time of the grand opening.

Councilor Bushee asked if the facility will be built by Spring 2011.

Mr. Kippenbrock said no, June 2011. He said they are still looking at the one day in the Spring, as well as to coincide with the grand opening in June 2011.

Councilor Bushee said she feels strongly there is no need for this facility and she will be moving to deny, although she doubts there will be a second.

MOTION: Councilor Bushee moved to deny **The motion died for lack of a second.**

MOTION: Councilor Romero moved, seconded by Councilor Ortiz, to approve this request.

DISCUSSION: Councilor Romero said the question has been asked about the one day per year that we have the Household Hazardous Waste drop-off, and she asked about the long-term plans which haven't been on the record.

Mr. Kippenbrock said the facility will be open on Fridays and Saturdays.

Councilor Romero said then this is the better deal for the City. She said the one day event costs approximately \$60,000, which is about 1/4 of the cost for the entire facility, and asked Mr. Kippenbrock the cost to run the facility for a year.

Mr. Kippenbrock said it would cost about \$100,000 to be open twice a week throughout the year.

Councilor Romero asked if the staffing will be done in-house.

Mr. Kippenbrock said it will be done in-house.

Councilor Wurzbarger arrived at the meeting and Councilor Dominguez departed the meeting

Councilor Bushee said it is her understanding that such a facility takes a lot of staffing. She is not opposed to having hazardous household waste collection, but her fear is that SWMA will be back again next year to raise tipping fees. She said the City is the major customer for SWMA, and that would be asking the residents of Santa Fe for an increase. She said she is not convinced at this juncture, and having had discussions with the City's Solid Waste Director and others, she is concerned that this will be more costly than we think.

Chair Ortiz said he shares her concerns about the impacts on the ratepayers. However, that is a discussion we need to have at budget. He said as he reads the lease, he believes it is a good thing for two reasons. First, it will make recycling easier, noting it is a hassle to go through the pay station, and secondly this will provide additional monies for the City. He supports the lease amendment, but he still will be looking at the SWMA budget numbers with a critical eye during that process.

Councilor Wurzbarger said she is committed for the City and for SWMA to cut every possible expenditure from the budget, but she will be supporting this motion.

VOTE: The motion was approved on a voice vote, with Councilors Romero, Wurzbarger and Ortiz voting in favor of the motion and Councilor Bushee voting against the motion.

20. **REQUEST FOR APPROVAL OF A RESOLUTION ASSESSING AN ADDITIONAL ONE DOLLAR (\$1.00) PARKING FEE AT THE SANDOVAL PARKING GARAGE ON ALL USERS AFTER 6:00 P.M., ON THOSE EVENINGS WHEN THE LENSIC PERFORMING ARTS CENTER HAS EVENTS; AND DEDICATING THE ADDITIONAL FUNDS FOR THE SUPPORT OF THE PERFORMING ARTS THROUGH A PROFESSIONAL SERVICES AGREEMENT WITH THE LENSIC PERFORMING ARTS CENTER (COUNCILOR WURZBURGER AND MAYOR COSS). (SEVASTIAN GURULE). Committee Review. Public Works (approved) 11/08/10; and City Council (scheduled) 12/08/10. Fiscal Impact – Yes.**

Councilor Bushee said she has questions for City legal, and asked if the City's parking fees are set by ordinance.

Geno Zamora, City Attorney said, "Not that I'm aware of. The parking fees are not set by ordinance."

Sevastian Gurule said the parking fees are approved by the Governing Body, although there may be a fee structure giving a maximum amount which is done during the budget. He said with regard to the rate structure itself, his understanding is that it is not set by ordinance.

Councilor Bushee said Bill Hon presented rates for the Railyard to this Committee after having gone through the Parking Advisory Committee. She said any time they wanted to do a special arrangement, for example on the weekend for the Farmer's Market, Mr. Hon would bring those rates through this Committee. She thought it is a more structured "thing than just by resolution."

Mr. Gurule said he has been researching this in preparation for the budget review, and his understanding after speaking with Mr. Hon, is that questions and concerns have arisen regarding the Railyard parking fees, but that may have been in response to a particular event. He said there is a maximum amount which can be charged.

Councilor Bushee asked if this request would be considered as a special event situation.

Mr. Gurule said no. He said they go to a prepaid parking fee at 5:00 p.m., and the proposed fee would be in addition to that during the evenings when there are performances at the Lensic Theater.

Councilor Bushee said she is concerned about having one parking facility with a different rate structure than the rest, as well as the anti-donation clause. She asked if this will open the floodgate for other nonprofits which want to raise funds. She asked, if this is the way the City wants to operate, why wouldn't the City do this to raise funds for the City budget, noting she is unsure if all of these are legal questions.

Chair Ortiz said the only legal issue he heard was the anti-donation question.

Mr. Zamora said this Resolution, as drafted, permits an increase of \$1 at the Sandoval Garage for the purpose of, and dedicated to, the City's support of the performing arts, which is the first part. He said the City is increasing the fee by \$1 and dedicating those proceeds for performing arts purposes.

Mr. Zamora said the second part of this Resolution is also to enter into a Professional Services contract with an entity that is capable of putting on performing arts programs which benefit the City, being the Lensic in this particular instance. He said that gets around and complies with the law for two reasons. First, it is not anti-donation because you are not collecting money and giving it to a nonprofit organization. If the funds are collected for a particular purpose, which is encouraging performing arts programs within the City, and we also are entering into a professional service entity to provide those services.

Councilor Bushee asked, for example, if Warehouse 21 or the Farmer's Market wanted to raise money from the Railyard Parking Garage, if it would require the same kind of resolution, noting that we have arrangements with them as well.

Mr. Zamora said a Resolution is a policy position of the Governing Body. If the City wanted to raise money at the Railyard for performing arts programs, and it chooses to enter into a PSA with Warehouse 21 or another entity in that space, it would be okay.

Chair Ortiz asked the reason it has to be in close proximity. He asked, for example, if we could assess a \$2 fee on the Water Street facility and give the proceeds to the Boys and Girls Club or to St. Michaels, would that be allowed.

Mr. Zamora said the commonality between those two types of agreements would be proximity. "You're collecting it here, you can expend it there, but it's not a requirement to expend it in close proximity."

Councilor Bushee asked if this has gone through the Parking Advisory Committee, and Mr. Gurule said no..

Councilor Bushee asked the names of the people on that Committee, and Mr. Gurule enumerated the names of those whom he could remember. Councilor Bushee would like the full Committee list before this item goes before the City Council, saying she presumes it will go to the Parking Advisory Committee before it goes to the Council.

Mr. Gurule said the Resolution is scheduled to go before the City Council on December 8, 2010, and the next Parking Advisory Committee meeting is in January in 2011.

Councilor Ortiz asked if there is a dollar cap on the potential PSA to be worked out with the Lensic Performing Arts Center.

Mr. Zamora said he understands from an analysis of the parking spaces, it would be about \$25,000 per year, so it will not exceed the \$50,000 cap in the Procurement Code.

Chair Ortiz said then the \$13,500 is an estimate for the second half of the fiscal year.

Mr. Gurule said the original Resolution provided that the \$1 additional fee would be charged to all users of this facility after 6:00 p.m. He said the Public Works Committee amended the Resolution to provide that it would be charged only on the evenings when there is a performance at the Lensic. He said the difference between the \$25,000 and the \$13,500 reflects that change.

Councilor Bushee asked who collects and receives the fees, and who decides how those fees are expended.

Mr. Gurule said that will worked out through the PSA, and the fees would be used directly for performances and not for administration.

Chair Ortiz said there was discussion at the Public Works Committee as to whether or not these fees would be used for civic or community outreach or other things. He asked if we can we direct that to be done in the PSA.

Mr. Gurule said his understanding is that Public Works recommends that the fees be directed for the performances at the Lensic.

Councilor Bushee asked if there is a cap of \$25,000.

Mr. Gurule said there is no cap and these are the estimated numbers based on last year's data of the number of patrons parking in the Sandoval Garage.

Councilor Bushee said she believes this parking garage takes the brunt of things like Indian Market. She asked, if the Lensic has a performance during Indian Market, and the City already is bumping up the fee for Indian Market, for example, if the additional dollar will be added on top of that.

Mr. Gurule said it will, noting this is what this Resolution directs staff to do.

Councilor Ortiz asked if there is any estimation that the City will be raising its parking fees for the next budget year, and asked "how the fund is looking."

Mr. Gurule said he reviewed the first quarter report, and revenues are down from the previous year.

Chair Ortiz said there are no reserves in that fund.

Mr. Gurule said this is correct, and there may be some suggestions coming forward, noting we had to add the GRTs to the hourly parking, and this has created some concern among staff. He will be working with the City Manager in this regard.

Councilor Romero said we can require that all proceeds generated by this increase will go for programming, and the Lensic was amenable to that. So, we could adopt the Resolution with the caveat in the contract, that all revenues will be used specifically for programming, as discussed at Public Works which she doesn't see reflected in the packet. She said the Public Works Committee also decided not to expand this to other parking facilities, and this essentially would be a pilot program. She said Councilor Calvert wanted to make it specific to this parking garage. She said she wants to ensure that all of the revenues go to the program.

MOTION: Councilor Romero moved, seconded by Councilor Wurzbarger, to approve this request, with the condition that all proceeds go to performing arts programming.

DISCUSSION: Councilor Bushee said, conceptually, she doesn't disagree with how the money would be spent, but she would have preferred not to open the possibility that different parking facilities would charge different rates at different times for different reason for different entities. She would have preferred, for example, for the Lensic to program additional fees on its ticket prices. This would be more direct and more appropriate in her opinion. She said this is a misplaced way of policymaking, given that we have City-wide facilities we want people to utilize. She is concerned with how this will be done and that it will open it for others. She would like to see more funds raised for the performing arts, but she is concerned about doing it this way, and she will be voting against the motion.

VOTE: The motion was approved on a voice vote, with Councilors Romero, Wurzbarger and Ortiz voting in favor of the motion, and Councilor Bushee voting against.

Chair Ortiz stressed that information regarding the parking revenues needs to accompany this as it moves forward to the Council.

22. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING VARIOUS SECTIONS OF THE TELECOMMUNICATIONS FACILITIES IN THE PUBLIC RIGHTS-OF-WAY ORDINANCE, ARTICLE 27-2 SFCC 1987; SECTIONS 27-2.2 (APPLICABILITY); PORTION OF 27-2.3 (DEFINITIONS); 27-2.4 (APPLICATIONS); 27-2.5 (COMPENSATIONS AND CHARGES); 27-2.7 (OBLIGATIONS OF PROVIDERS REGARDING THE PUBLIC RIGHTS-OF-WAY; 27-2.13 (LAND USE REVIEW); AND CREATING A NEW SECTION 27-2.16 (SEVERABILITY; AND MAKING SUCH OTHER CHANGES AS ARE NECESSARY (MAYOR COSS). (KELLEY BRENNAN). Committee Review: City Council (request to publish) 11/10/10; Public Works (scheduled) 12/06/10; and City Council (public hearing) 12/08/10. Fiscal Impact – No.**

Councilor Bushee said the Telecommunications Committee has been unable to work because of the Qwest lawsuit, and asked why we are doing this with such urgency, and asked if it is because of the Qwest lawsuit.

Mr. Zamora said yes, it is because of the Qwest lawsuit.

Councilor Bushee asked Mr. Zamora to outline briefly exactly what we are changing, so she can be clear about this.

Mr. Zamora said he is unable to do this, but he believes Jeanne Price can do so.

Ms. Price said this information is in the Memorandum in the Committee packet as follows:

- a) Deletes any reference to an affiliate of a telecommunication provider being required to obtain a franchise. This applies the franchise to the party that actually has the facility in the ground or in the air, and not to someone with whom they have an arrangement to use it. There are facilities in the right-of-way ["ROW"] with Qwest, and so we are removing that provision.
- b) Clarifies that Land Use approval is required only for new construction and material modifications to approved plans and not for maintenance and repair. This means if Qwest has something already in the ground it is not necessary to obtain Land Use approval for those facilities already in the ground. If they were to add new facilities, and not just repair and replacement, they would need Land Use approval for anything new.

- c) Adds a new section regarding severability. The Judge felt a severability provision was needed. She said there is a severability clause in the whole Code, but the Judge thought that should be "beefed up." This means if one section is "undone, it doesn't pull down the whole thing."
- d) Minor amendments. Ms. Price said, for example, regarding graffiti removal, the provision was to remove those within two days from a box, or such, and they didn't think that was enough time. She said when they looked closer at this provision, they realized there was a longer time for removal in the Graffiti Ordinance, so they included the removal provision from that Ordinance. She said these are the kinds of minor changes which were made.

Councilor Bushee asked if any activity is being allowed for the Telecommunications Committee, when will it be reporting to this Committee again, if the City will be "opening up" this ordinance again to incorporate these things, and asked "if we can't actually do both, so we open it up only one more time."

Mr. Zamora said the Communications Franchise Advisory Committee is on hold until the completion of the litigation, especially the preliminary injunction litigation, in which the Court has said it will be directing some changes. He said we don't want to see an overlap of work – the Court directing one set of changes and the Committee directing a separate set, or the Committee doing work which contradicts the Court. He said we "put the Court in as priority, and it will proceed through the Court first. The work of the Committee will proceed once the Court is done with its revision."

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

23. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FIRST QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2010/2011 QUARTER ENDING SEPTEMBER 30, 2010.

Councilor Bushee said she had no specific issues, and she pulled this to make sure we would have the opportunity to discuss it if necessary.

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

24. PUBLIC HEARING. REQUEST FOR APPROVAL OF AMENDMENT TO SETTLEMENT AGREEMENT – ADDITIONAL 150 ACRE-FEET PER YEAR (AFY) OF TREATED EFFLUENT; CLUB A LAS CAMPANAS. (BRIAN SNYDER AND MARCOS MARTINEZ)

Chair Ortiz gave each person 4 minutes to speak to the issue.

Brian Snyder said nothing has changed since this was before the Committee previously.

Councilor Romero noted she is not a member of the Public Utilities Committee, and she contacted Mr. Snyder directly to answer her questions, so she is up to speed.

It was the consensus among the Committee that no formal presentation is needed by staff and to proceed directly to the public hearing.

Public Hearing

Will Barnes, teacher at the Santa Fe Girl's School, said he runs an environmental education program called, "Project Preserve," and they work on a piece of property on the Santa Fe River. He said they take schoolchildren to the site every week and currently are working on a restoration project. He said over the years, they have planted 14,000 Russian Olive trees and exposed hundreds of children to the restoration and ecology of the Santa Fe River. He said they are concerned about the loss of the water in the River for two reasons. One, the loss of value to our property, and secondly the loss of value to our program. He said without water on the property "it's not going to work."

Alonzo Gallegos said he represents the La Bajada Community Ditch, Inc., which is registered with the Public Regulation Commission, noting they have been in existence for a few hundred years. They have been diverting water from the Santa Fe River, noting a number of them make their living from the water in the River. Mr. Gallegos noted he has a letter from Robert Romero, City Manager, dated October 20, 2010, responding to his letter of September 2010, addressing concerns about specific studies which have been done on the River. He said, "Mr. Romero said, after analyzing the flows available, and the data, they're looking at other options of receiving return flow credits from the State Engineer's Office. But he states in here that it would be subject to obligations... existing long term obligations the City has for delivery of their effluent water. I find it odd that they went forward prior to October 20, 2010, to bring that new contract of additional 150 afy of water to Las Campanas knowing that there is a shortage of water downstream, and it's affecting cultural historical use. So I recommend, and ask and pray that you guys reject this additional request for water, because if you go to Las Campanas, you'll see the water that they have for esthetic purposes in arroyos, which have previously been dry in that subdivision area, is just sitting there and being evaporated, being wasted in my opinion, when it could be used for agriculture purposes downstream."

Carl Dickens, President, La Cienega Valley Association, said he is curious about this request and whether the community understands the ramifications to communities like ours, because water "out our way is more than a signature on a piece of paper."

Mr. Dickens continued, "The La Cienega Valley Association has been very active in promoting the revitalization of agriculture production in our community. We've recently received a grant from the McCune Foundation to start a Farmer's Market in conjunction with the flea market. And, we're also working with the Santa Fe Alliance in hopes of creating a commercial kitchen in our Community Center. These things are important endeavors and opportunities for us to promote local economic development. But our farmers cannot grow crops and our acequias, our three centuries old acequias will not flow without water. Every time a political entity in Santa Fe County makes a decision about water, our area is affected."

Mr. Dickens continued, "I wanted to bring to the Committee's attention, an agreement the City has with the State Engineer's Office, that has to do with the expansion of the Buckman Well Field. When that happened, the State Engineer's Office now requires the City to provide offsets to the effect on our water sources, our regional water sources. And that has been in effect for two years, and we're still negotiating what those conditions will be and how those offsets will be presented or allowed to provide water in the community. One of the ideas, which I think is really nuts, is that they'll be pumping water from the Buckman Diversion to put into our ditches, into our acequias, which seems like kind of an odd idea. But, even odder is the fact that it will have to be dechlorinized before it can be put into the acequias. So this is the kind of thing.... and when we talk about water planning, to me this is an example of when the water planning isn't very good, and there has to be some understanding that the impact that folks have.. the wells that go in, the additional water versus being taken out of the River have an impact, a real impact on the traditions of our community. And those offsets are an interesting concept to us. The effluent flow in that River has diminished over the years and it provides water for farms in La Cieneguilla, El Canon, La Cienega and to La Bajada, and any reduction in the flow affects those farmers. And so we hope you will take this decision... make this decision carefully and oppose the expansion of any more water rights to Las Campanas."

J.J. Gonzales, La Cienega, said we have heard that the Santa Fe River is one of the most endangered rivers in this country, and there is always talk about putting water in the Santa Fe River where it flows through downtown Santa Fe. He said that's been a big effort, and hopes the City can do something about that. He said below the Wastewater Treatment Plant, there is an area which today survives on treated effluent. He said several things have happened. A wetlands area has been developed which severely restricted the flow in that area, preventing water from going to La Cieneguilla and getting down to La Bajada and Canon, and further blow. I am concerned about this."

Mr. Gonzales said the request from Las Campanas asks to remove more water during the irrigation season, which really impacts downstream irrigators. He would like this Committee to determine that diverting the additional 150 cfs to Las Campanas will be done in such a manner that it doesn't reduce the amount of water in the summer. He said in the off season perhaps "they" can store more water. He said if you grant this request, please do it where it doesn't impact water for farmers in the summer and during irrigation season. He would like this Committee to consider the effects whether the water is for a

golf course or for farmers. He said they are trying to develop sustainable irrigation for agriculture and grow more food locally, and this is a detriment to that effort.

David Harrington, Farmer, La Bajada, and a former Mayordomo of the La Bajada Community ditch, said he opposes any further water to Las Campanas. He said in the summer, they barely have sufficient water to keep the crops alive, noting he grows hay and vegetables which he brings to the Farmer's Market. He said they perform a valuable service for Santa Fe. He said, in a certain way, your choice this evening is between "putting greens or salad greens." He suggested, at this point, "salad greens are more important than putting greens." He said this Finance Committee is looking at the money coming in, and suggested that you look at the money you are receiving from Las Campanas for the water, in terms of the money you will have to spend on legal things to defend this transfer. He said he won't be able to continue to do business as a farmer if the water is cut back any further than it is right now. He said they oppose it, and there are other things which he thinks can be done. He said if the City needs to give Las Campanas more water, let them pump it out of the Rio Grande themselves, commenting "they're rich folks."

The Public Hearing was closed

Chair Ortiz said the questions he had in Public Utilities Committee have been answered, which are whether this new entity, the new group of owners at Las Campanas, have the right to get the assignment from the Settlement Agreement which the City entered into with the corporate entity of Las Campanas in 2003. He said the Settlement Agreement is the result of litigation. He asked Marcos Martinez to speak to this issue, so it is on the record.

Marcos Martinez, Assistant City Attorney, said, "The answer short answer is yes. As you already indicated, the City and Las Campanas entered into a Settlement Agreement as the result of a lawsuit on September 30, 2003. The Settlement Agreement provided that LC Las Campanas Limited Partnership could assign and transfer all or any part of Las Campanas' right, title or interest in the Settlement Agreement to a related successor, club entity or utility association responsible for service on Las Campanas property. And so, on May 5, 2010, Las Campanas Limited Partnership did assign to the Club at Las Campanas, all of Las Campanas' right under the said Settlement Agreement insofar as they pertain to water for golf irrigation, water for commercial purposes and water for the equestrian center."

Chair Ortiz said, "The second question I had, as it relates to the fee that was negotiated as part of the Settlement, is there any ability that we have, as a City, to change either the structure of the fee, or the availability of the treated effluent to this new entity, this new Las Campanas. Because the Settlement talks about... that the rate that should be paid for treated effluent is our City's available commercial rate in existence, less 50%. And so, it's my understanding that they have always agreed that that's the amount that they want to continue paying. Is that right."

Mr. Snyder said, "I believe that is correct. Las Campanas currently pays 50% of the potable water rate which is... the potable water rate is \$4.79 per thousand gallons, and currently they are paying \$2.51 per thousand gallons, which includes a 5% gross receipts tax. So, when our water rates increase in

January 2011 to \$5.18, and they will no longer be paying \$2.51 per thousand, they'll be paying \$2.72 per thousand. And every time we increase our potable rates, their effluent rates go up as well."

Chair Ortiz asked, if the Committee were to deny this request, what source of water would be available for Las Campanas to use at its facilities. He said currently they are a customer of the County in terms of the Buckman Diversion, and asked if they would have to pay for potable water from Santa Fe County.

Mr. Martinez asked if the Chair if he is speaking about the Club or the coop, and Chair Ortiz said, "Whichever."

Mr. Martinez said, if you're asking about the successor under this proposed amendment to the Settlement Agreement, if they couldn't obtain effluent, they would have the right under the agreement to get water through the Buckman groundwater permit.

Chair Ortiz said, "Then what they would have an ability to do, if they wouldn't get potable water, they would have an ability to access potable.."

Mr. Martinez said, "Until the BDD goes on line."

Chair Ortiz asked what rate Las Campanas would be charged for the potable water.

Mr. Snyder said he is unsure of the exact rate they would pay for potable water, but it would be the rate in the Settlement Agreement, saying he is unsure what that is.

Chair Ortiz asked if that would be the rate in the Settlement Agreement for the County or the City, and Mr. Snyder said it would be the rate for the City.

Councilor Wurzbarger quoted from page 2 of the Staff Memo, "The City has reviewed the current treated effluent allocations (e.g. MRC, Santa Fe Country Club, Las Campanas, Santa Fe River, etc.) and believes it can provide the requested additional treated effluent per the schedule provided by Las Campanas at this time." She said she infers from that he means that can be done without impacting the existing agreements which we have already.

Mr. Snyder said this correct, noting currently he tries to keep a minimum of 1 million gallons per day discharged into the River from the Wastewater Treatment Plant. He said this will not be impacted by the additional Las Campanas effluent.

Councilor Wurzbarger asked if this is the water which flows down River to meet the needs of the farmers, even though we don't have an agreement to do that – that is the water which fluctuates in the summer that we do put into the River.

Mr. Snyder said this is correct, reiterating that the goal is to put 1 million gallons per day into the River, and that will not be affected by this agreement.

Councilor Bushee asked about the possibility of a return flow credit application, noting she sees an 18 month time frame, and asked how this applies with regard to the choices we have.

Mr. Martinez said the City has never attempted to obtain a return flow credit for the water we discharge into the lower Santa Fe River, but we do have that option, which has come up in discussion with the State Engineer's office. He said he is unsure if he understood Councilor Bushee's question..

Councilor Bushee said she doesn't understand the part of the Memorandum which says the 18 month time frame is when we can terminate the agreement, because that helps Las Campanas folks that want to get the ability to borrow money to do this. The Memorandum also provides, "This is also the anticipated time period it would take the City to make and receive approval on a return flow application..."

Mr. Martinez said, "That is just a rough estimate, based on the time it takes applications to get to the State Engineer."

Councilor Bushee asked if the City intends to apply in relation to this additional 150 afy of effluent.

Mr. Martinez said, "We are intending to apply this additional 150 afy, but we would be intending to seek return flow credits for the water that we do put into the Santa Fe River.

Councilor Bushee said we haven't done that to date, and Mr. Martinez said this is correct. Councilor Bushee asked when we anticipate doing that, noting she has been hearing talk about return flow credits for a decade or more.

Mr. Snyder said he plans to initiate a treated effluent master plan which looks at some of the things which are listed in the Staff Report, one of which is treated effluent return flow credits. He believes, as you heard tonight, water is a valuable resource, and he wants to ensure there is a balance between water going into the River, selling the treated effluent, return flow credits and how that is evaluated. He said his goal, within the next 6-9 months, is to have that treated effluent master plan completed, with analysis done on how much we will apply for the return flow credits.

Councilor Bushee said, then conceivably if we were to apply on behalf of the City, the 150 afy which no longer would go down the River, but be diverted to golf courses, would not be part of our application. The City is selling the treated effluent, so it wouldn't be considered to be available downstream to be included in the return flow credit application.

Mr. Snyder said this is the purpose of the "18 month out." Once we have the master plan done, if it is determined that the 150 afy could be used better for return flow credits in the River, as determined by the master plan, then the City would notify Las Campanas. He said staff has been up front with Las Campanas that the City will be looking at this option and considering all its options.

Councilor Bushee said we can terminate this agreement within 18 months, although it runs to 2027, and asked to whose purpose.

Mr. Snyder said the reason the 2027 term is included, is because we are mirroring the Settlement Agreement which speaks about treated effluent until 2027, with 4-5 year renewal increments.

Councilor Bushee asked if we need to do this for the purposes of people who need to borrow money, and asked if we could have a term of 18-24 months.

Mr. Snyder said he believes that would be okay.

Councilor Bushee said, in terms of policy, she doesn't believe the Committee has all the information before us in terms of the study being completed, and the possibilities for using the additional 150 afy. She said the City has its own projects on the south side where it would like to use treated effluent, but we haven't been able to bring those projects to fruition because there is no money. She is less comfortable with the "long date that's on here."

Chair Ortiz said Councilor Bushee is asking, because Las Campanas is requesting something in addition to what it already has, if it opens all the other terms of the Settlement Agreement which would allow us to charge a different rate, or condense the renewal period, or require a mutual decision on renewal, even though they have a proper assignment and can step into the shoes of the corporate Las Campanas.

Councilor Bushee said she believes we could operate outside the Agreement in providing the additional water.

Chair Ortiz said this is the legal question.

Mr. Martinez said, "This Amendment specifies that those parts of the Agreement that are not changed by the Amendment, remain in full force and effect. So, I think that we could add another provision in here that you could negotiate another provision in here that would be changing the original termination date that is in the original Agreement."

Chair Ortiz said, "Then this could act as a zipper and we could open up whatever terms of the Settlement Agreement, but we can add new terms because they asked for new terms. Is that what you're saying we can do."

Mr. Martinez said, "I think we could reject that, and stay with the existing Settlement Agreement though, and have what effluent they have through 2027. If they wanted to agree to a shorter term for this increase, that may be something they are willing to consider. I don't know though. It hasn't come up."

Chair Ortiz asked if this because it hasn't been presented or negotiated, and Mr. Martinez said this is correct.

Councilor Bushee said many attorneys before Mr. Martinez have told her that our existing agreements to downstream users will not be affected each time we've had one of these kinds of decisions before us, and yet we hear differently from the downstream users. She said, "Given that two growing

seasons would be encompassed in the 18 months, I want to hear, on the record, that we're not affecting our existing agreements."

Mr. Martinez said, "Right now, the City has no existing obligations to provide water on the lower Santa Fe River, no State Engineer mandated obligation. What the City would be seeking is to get credit for the water the City already puts down there. So, to answer your question, no this doesn't affect any agreements because there are none in place, through either the Anaya... the adjudication of the Santa Fe River or any other permit condition."

Councilor Romero said, "I think this is more for the record, and a comment, but it seems if they're reducing... if Las Campanas is reducing their groundwater use and going to more treated effluent, by default, or common sense, it would tell us that the downstream users would benefit from not having the groundwater pumped that Las Campanas actually has the right to do. I think that is what Chair Ortiz was saying earlier. Am I going in the wrong direction with that thinking."

Mr. Martinez said, "Our pumping doesn't affect, and I'm not a hydrologist, and if Claudia were here, she could answer this question much better than I could, but my understanding is that our pumping centers are so far away from Las Campanas they don't affect it that much. I don't know if that plays into this calculus, but again, I'm not a hydrologist."

Chair Ortiz said, "My sense of it is that what we're hearing from some of the downstream users, what you can read in the Settlement Agreement, is that this group, Las Campanas, has the right to ask for potable water. That is, to ask for the delivery of fresh water from the Buckman Well Field, and they have to pay the commercial rate. They have to pay that four something, that amount. From the downstream users, they are okay with that, because it's up above them and it doesn't affect them, and they want to keep the flows however they want to keep them. I don't think we have a legal obligation to keep any flows. I think Marcus is consistent with advice we've received at this Committee and the Public Utilities Committee in the past. I guess the question for us is a financial matter. Do we want to take the full amount of the commercial rate, or do we want to accept and give the 50% discount for the treated effluent. That's the policy decision for us to have."

Councilor Bushee said we can talk about the term.

Chair Ortiz said it seems to him, because of what Mr. Martinez has said, we could come up with additional negotiating points and we can go back to Las Campanas and say there are some different terms which can be applied, if that is what we choose to do.

Councilor Bushee said if we were to charge the full amount, it would be double the \$117,000 referenced in the memorandum.

Mr. Snyder said this is correct.

Councilor Bushee asked if staff has a reason for recommending the lesser amount.

Mr. Snyder said it is consistent with the current selling price of the treated effluent and the 450 afy we currently are in agreement to sell Las Campanas.

Councilor Bushee said she is confused as to the reason we have to work within the framework of the Settlement Agreement just to provide additional effluent. It would seem to her that it would be done as if another customer had applied and "charge the rate we would charge" because it is a valuable resource.

Chair Ortiz said, "I know this, because we put this in the original agreement. The amount that Las Campanas, the corporate entity is assuming is a higher amount for treated effluent that they agreed..."

[Too many people talking at the same time here to transcribe]

Councilor Bushee is more concerned about future use, and said we have a lot of work ahead of us.

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to approve the amendment with a new term of two years.

DISCUSSION: Councilor Romero asked Mr. Snyder, with the change to two years, if the study of uses of effluent would be done, and if the two year time frame would be sufficient to do that.

Mr. Snyder said he believes it is, reiterating his goal is to have this done within the next 6-9 months.

Councilor Wurzbarger said technically, she would prefer to go with staff's proposal, recognizing that in 18 months, after the 6 months, this will be over, which is two years, but if we don't have the plan done in that time frame, we won't have to revisit this. She would prefer not to have to continue to renegotiate this. She is comfortable in relying on staff's statement that we do not need this water for 18 months. She doesn't know what this would give us other than extending the process of trying to get a short term agreement, and we have the protection of the 18 months, we add 6 months to that.

Chair Ortiz hears that the intent of the motion is that we change the agreement and instead of having the 5 year unilateral decision to renew, the Agreement will provide that there is a two year renewable term, which changes the terms of the original Settlement Agreement, and asked if he understands the motion correctly.

Councilor Bushee said, "Yes. And honestly, I just think that it forces the issue and everybody gets to come back at the same point and decide what our real policies are, because we've been in flux, and I'm grateful that Brian is trying to tackle it in a comprehensive way. It's been needed and we've been talking about all the different possibilities. We talked about everything from the River to southside pipeline for effluent. And I honestly think... we talk about how valuable this resource is and I think I would prefer to start from that basis and have a real policy discussion."

Chair Ortiz asked, "So Councilor Bushee, in understanding your motion, if we were to pass, if the Committee were to pass this and it were to get passed by the City Council, the practical effect of the amendment of the amended motion is really to force that term... to require staff to go back and negotiate

that term with this entity. Right. Because, if we pass this and they reject it, then it's a non-starter. I mean, the practical result for this amendment is to require staff to do more negotiation.

Councilor Bushee said, "No, but the reality is, the agreement as it's stated, we can terminate in 18 months. I mean, passing this with a policy... an end date of 2027 feels like we're punting on the policy piece of it. And I feel like if we now say, okay, we now realize that 18 months gives everybody a chance to figure things out from return flow credits to what we want to do with the River, with downstream users, everybody taking into account every possibility, the highest and best uses. That's essentially what I understand that study to be, for that limited important resource. So, that's all I was trying to say is, you know, I would feel more comfortable, as a policy to say that, you know, we're not going to go out to 2027 with it. I don't care if it's just for the 150 afy, if it's too much on the whole Settlement Agreement.... all of it is thrown up in the air in two years anyhow, I hope we have a plan."

Chair Ortiz said, "Then I guess I misunderstood the motion too. So, really what you want to have done as a result is to approve the amendment and then to put the parties on notice that in 6 months we're giving our notice... that in 6 months we're going to give our notice under the termination clause so that it ends in 18 months, that the obligation ends in 2 years. Is that what your purpose is really all about."

Councilor Bushee said, "No. I think... by then you will have that study done right."

Mr. Snyder reiterated that is his goal.

Councilor Bushee said, "So we will be making those policy decisions anyhow. If not, we'll slip into... we'll forget 18 months has happened, I mean, I think it puts it in particular where we have to, in 18 months, get this done, and get answers to all the people interested in that water."

Councilor Wurzbarger said what this proposal does is that it measures all of the unanticipated consequences of Las Campanas going ahead and deciding to use potable water. She said, "From a policy perspective, I think using potable water on a golf course is not in the interest of any user of the water in our basin. So that's what I'm concerned about." She is concerned about the unanticipated consequences of using staff time to do negotiation back and forth for the next 6 months, and would be more comfortable if we skip the study and we sit down now, which means we can start the 18 month clock ticking in 6 months, if we discover, indeed this is the best way to go.

VOTE: The motion, as amended, failed to pass for lack of a majority vote, with Councilor Bushee and Chair Ortiz voting in favor of the motion, and Councilors Wurzbarger and Romero voting against the motion.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve the Staff's proposal for this item, with clear direction that the notice be given no sooner than 6 months and no later than 9 months, and at that point the City will be giving notice to Las Campanas with respect to the continuation of this contract.

DISCUSSION: Councilor Wurzburger said she believes the first motion did same thing, but she was more comfortable with that term, rather than leave the term to 2027.

VOTE: The motion failed to pass for lack of a majority vote, with Councilors Wurzburger and Romero voting in favor of the motion, and Councilor Bushee and Chair Ortiz voting against the motion.

Mr. Martinez said that the Chair and Councilor Bushee did point out that both motions functionally are equivalent, which is to approve the Agreement as is and terminate it within 6 months, plus 18 months, or two years notice. He advised this is going to the Public Works Committee on December 6, 2010.

Chair Ortiz asked if there is an indication from the Public Works Chair, Councilor Dominguez, if that will be a public hearing, and Mr. Snyder said he doesn't know.

Chair Ortiz asked if the Committee would like to have this back on our agenda after it goes to Public Works, or move it forward without recommendation.

MOTION: Councilor Wurzburger moved, seconded by Councilor Romero, to move this item forward to the City Council without recommendation.

DISCUSSION: Chair Ortiz said, "And I will say, and I want this direction to be heard by the parties, by Las Campanas, I do want to go back with the parties and see if there can be some renegotiation on the terms and the periods. I think for financial reasons, they're not going to do potable water because it costs them twice as much, and so I think there's room for negotiations, even as to the amounts they're requesting in addition, as well as the dollars they're willing to pay, and I think this time idea is one thing for us to say, well we're going to give notice or direction to staff that in 9 months we're giving the 18 month notice. It is another thing to change this term to allow us to decide the termination and not just the renewal period that is unilaterally by Las Campanas. And so, that is a material change, it would be a significant change. I don't know if the parties would agree to that. But, I heard where Councilor Bushee is going. I know that this has to end, and I think that allowing it to continue in perpetuity, which is how we agreed to it when the litigation was wrong. And so, I hope that the parties hear that and negotiate with staff further as it continues through the budget process."

Councilor Bushee said she does have to remark, "how times have changed." She recalled that at that time in the past the former owners didn't want to use effluent.

VOTE: The motion was approved unanimously on a voice vote.

Chair Ortiz said interested parties can contact Brian Snyder to find out whether this item will be the subject of a public hearing at the Public Works Committee on December 6, 2010.

25. REQUEST FOR APPROVAL OF AMENDMENT NO. TO PROFESSIONAL SERVICES AGREEMENT – SERVICES AT SANTA FE UNIVERSITY OF ART AND DESIGN; COLLEGE OF SANTA FE MANAGEMENT, LLC (LEE DePIETRO). (Postponed at City Council meeting of November 10, 2010)

A Memorandum dated November 8, 2010, to the Mayor and City Councilors, from Lee M. DePietro, Special Projects Manager, is incorporated herewith to these minutes as Exhibit "1."

Chair Ortiz noted there is a copy of a Memorandum which also was put in the Councilors' boxes [Exhibit "1"].

Chair Ortiz asked if the questions were answered at the Council meeting, and Councilor Bushee said no. Chair Ortiz asked the wishes of the Committee in this regard.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve this request.

DISCUSSION: Councilor Bushee said the Memo didn't answer her questions from the last Finance Committee meeting, and she doesn't understand the reason for the level of the fees which were imposed.

Chair Ortiz said he has the same concerns, noting he read the Memorandum and didn't believe it answered the questions which were asked at Finance. He asked how the Memo addresses those questions.

Ms. DePietro said it is her recollection, and in reading the minutes from the last Finance Committee meeting, that the members would like a history of the last RFP, who had responded, the components of some of the responder's bids, so people could see how the pricing was approached for the contract. It could then be compared and contrasted with the way the CSF Management approached the pricing of its contract and came up with the 3 components. She also thought it was important to show who had been interviewed and how the staff had put a cap, because we were unclear about what it would cost to deliver services to the City. She tried to incorporate that into the Memo based on the prior minutes.

Chair Ortiz said his question is, for example, if there was an RFP to do management and the overview of the College, and there was a bid, and this company was selected, why would the group be able to come back, after the fact and say, in addition to the amount bid, we need these other monies in addition to the bid amount. He said this is a situation where the bid is artificially low and then they come back with an amendment with a cost overrun. He said if the cost overrun was in the original bid, perhaps there would be a different group or entity.

Ms. DePietro said she recalls this conversation from the last meeting, and she said she provided misinformation at the last meeting from memory. She said there were 3 components of CSF Management's bid – a flat fee, an hourly rate for the staff delivering the services, a fee for the board, and staff imposed a cap of \$200,000, because as a responder they couldn't give us a total amount. It could provide the components of the costs, but it was an unknown, in terms of how much time the General Manager would spend over the 13 month period, how much time was needed for a construction manager.

She said because it was a variable, staff looked at the 3 components and said we can work within the flat fee and within the hourly based on the actual hours of service, but we are going to impose a cap of \$200,000. She said what has happened is that we found ourselves at the end of October with \$10,000 left on the \$200,000 contract, with the contract to run through January 31, 2011. She said the driver of costs has been the cost of the construction management for the deferred maintenance fund. She said when you look at the percentage of where the funds have been spent through October, you can see that the largest driver has been construction management.

Chair Ortiz asked if the break-down of the expenditures in the 3 components is provided in the packet.

Ms. DePietro said that was provided in the original Memo. She said, for example, 33% of the overall dollars are for construction management, versus 6% for the Board meetings, 5% for property management, 15% for the general manager, so you can see where those funds are allocated.

Councilor Bushee asked when the arrangement for paying Board members started, and asked if there are other Boards which the City pays. She said when you hire a project manager there is a set fee, and a set list of goals which is in the RFP. She asked when the additional things were added.

Ms. DePietro said all of this was in the original contract, including paying the Board, reiterating that the 3 components of the PSA were in the RFP response from CSF and are in the original PSA. She said in her experience in real estate management, oftentimes you have components such as this one.

Councilor Bushee asked where else in the City have we done this, and Ms. DePietro said she can't answer that question.

Councilor Bushee said she knows of none. She asked if this is the same board Mr. Czoski has at the Railyard.

Ms. DePietro said it is her understanding that it is not the same board, and is a separate board. She said CSF is a separate entity from the Railyard, and she doesn't know the components of the Railyard contract.

Councilor Bushee said, "I have an objection to this. I just do."

Councilor Romero asked if the LLC which was formed to manage the contract is a private non-profit, or if it is a for-profit entity, and Ms. DePietro said it is a non-profit entity.

Councilor Romero said it is common for non-profit Boards to pay themselves, noting that is not uncommon. She said in this situation, the Board members are the employees of this LLC.

Ms. DePietro said the non-profit board is analogous to this Committee, in that it is providing oversight, guidance and direction in the same manner you provide direction to staff at the City.

Councilor Romero said she understood we backed into the dollar amounts, which may or may not be the correct amounts, to get to the \$200,000.

Ms. DePietro said, "In their original response, and as written in the PSA, the three components are broken down, so you have a flat monthly fee that annualizes at \$72,000 per year, and the two variables are the number of Board meetings and the hourly rates each of the CSF staff is providing, so those are different rates depending on what the services are, and those are actual rates. So, they give us time sheets and such." She said we will subtract the \$72,000 from the \$200,000, and the balance is the amount they have for hourly staff and for the Board. She has been tracking this monthly.

Councilor Romero said Councilor Wurzbarger asked at the previous meeting, what are the repercussion of not approving this Amendment, noting she understood they stopped work without being reimbursed.

Ms. DePietro said they would continue not to provide services through the end of the contract.

Councilor Wurzbarger said the implication of the question was if they haven't worked for a month, what has not been done due to the lack of management. She asked if the project has continued.

Ms. DePietro said the project has continued but they have not worked for a month.

Councilor Wurzbarger said she isn't asking if they have worked, she is asking what is not being done because they aren't working. She understands project activities have continued at the College. She asked if all work has stopped at the College and they are no longer doing anything because they don't have the management.

Ms. DePietro said what is on hold is the processing of the latest construction management to our request for \$1.3 million.

Councilor Wurzbarger said then the only way we could get this processed would be to have someone else to review them.

Ms. DePietro said, "Yes. We do review them anyway."

Councilor Wurzbarger said then they could be paid, asking if there is a joint review process, and Ms. DePietro said yes.

Councilor Wurzbarger said then they review and then you review, and Ms. DePietro said yes.

Councilor Wurzbarger asked if the scope of services listed on pages 30-32, is a repeat of the contract, or if it is specific with respect with what is supposed to be done for the \$50,000, commenting that she doesn't see the difference.

Ms. DePietro said no, and with the Memorandum to Public Works, she also provided a copy of the original PSA which included Exhibit A which lists the scope of services.

Councilor Wurzbarger asked the specific scope of services for this extension, and if we have a document which says that.

Ms. DePietro said it is everything included in the original Exhibit A.

Councilor Wurzbarger said then it is exactly what they been doing, except now they're doing it for 4 months.

Ms. DePietro said this is a 13 month contract with 2½ months left to run on it.

Councilor Wurzbarger asked if this Amendment adds time to the contract.

Ms. DePietro said it does not

Councilor Wurzbarger said the original contract was for \$200,000 for 13 months, and the new contract is for 2 months for \$50,000.

Ms. DePietro said, "Yes. We are asking for an amendment to the original contract to add \$50,000."

Councilor Wurzbarger asked how we justify spending \$50,000 for two months, when the original contract was \$200,000 for 13 months, and we all agree what is the most intensive and undefined work. She asked how we justify how this has to happen. She is supportive of what is being done, but she doesn't understand the rationale for the figures, noting the proportions are off. She wants to know the specific programs being managed at the College for the next two months and the justification based on that.

Ms. DePietro referred to the Memorandum to the Public Works Committee, noting at that time they had expensed \$183,000 in October, so there is \$10,000 remaining on the \$200,000 contract, so they are looking for \$50,000 to cover the balance of October, and November through January which isn't two months.

Councilor Wurzbarger asked if part of the Amendment is for retroactive payments.

Ms. DePietro said currently the City has an invoice from CSF and there is about \$10,000 to pay that bill. She said secondly, they have averaged \$20,000 per month in payments. She said staff felt \$50,000 would be sufficient to cover the balance of the contract.

Councilor Wurzbarger said she could be convinced with the tasks if she knew what those were. She said we aren't building a cafeteria nor renovating the dormitories. She would be happy to hear verbally, the scope of work which will be done for the next 3 ½ months, with the rationale that it will take the same amount of time as the very intensive work which has proceeded. She would like an answer to her question about the scope of work which will be covered with this Amendment.

Ms. DePietro said the work in progress is: Closing out the work on dormitories and the cafeteria; working on the phase 2 update of the electrical from the infrastructure funds.

Councilor Bushee asked how we exceeded the \$200,000.

Ms. DePietro said we have not yet exceeded the \$200,000, noting there is still \$10,000 remaining. Responding to Councilor Bushee, Mrs. DePietro said the contract was for \$200,000 for 13 months.

Councilor Bushee asked the reason we need this money.

Ms. DePietro said because we don't have enough money to pay them to work for us through the end of their contract.

Councilor Wurzbarger said a better way to say that is that the funds are insufficient to cover the expenses to date.

Councilor Bushee said the "RFP is what you bid for, that's what you do the work for."

Ms. DePietro said the RFP was for lease administration, property management and construction management. The bulk of the dollars spent to date on the contract are related to construction management which is related to the \$6 million on the deferred maintenance plan in the first year and \$500,000 for infrastructure because they did a phase one electrical upgrade.

Councilor Bushee said she never approves things after the fact, noting at least they came before hand. She said she can't vote for this.

Councilor Wurzbarger asked if she heard Ms. DePietro say that 33% was spent on construction management and Ms. DePietro said yes.

Chair Ortiz said she also said that 6% had been spent on meetings.

Ms. DePietro said 5% was spent on property management, 15% on general manager and 30% on the flat fee. She said the General Manager expense is for Richard Czoski's services.

Councilor Wurzbarger said we already did this and we made this agreement, so we don't get to revisit it, but we need to evaluate what we are doing now with the 3 months, recognizing our options.

Councilor Romero said she understand the challenges and difficulties of reconciling the amounts. However, we entered into an unknown, in addition to the flat fee, and that is where it is more difficult. She said we entered into the contract, and the request is for an additional amount. She said we didn't know what the additional amount would cover. She said for the future we need to know what staff is doing now to bring it int alignment, now that we've had a reality check of the costs.

Ms. DePietro said it is still an unknown, but it is staff's intention to come forward with a new 12 month contract of \$200,000 for CSF for next year.

WITHDRAWAL OF MOTION. Councilor Wurzbarger withdrew her motion, to make a different motion.

Councilor Wurzburger would like staff to come up quickly with a refined proposal which reflects the City staff taking some of the responsibility which reflects the level of effort for the next three months, saying she isn't thinking about next year.

Councilor Bushee said we asked staff to renegotiate and come back to this meeting.

Councilor Wurzburger said, "But they didn't. They've come back with the same...."

Councilor Bushee said nothing was changed really.

Chair Ortiz said to be fair to staff, he gave direction as the Chair and it wasn't a formal motion, noting he gave a "heads-up" to Richard Czoski who was in attendance.

Councilor Romero said she is looking at the proposals which were submitted, noting someone bid \$792,000, and asked where the CSF proposal fit, given there was such a range and we didn't know what we were doing.

Ms. DePietro said the \$792,000 was the highest proposal, and has to do with the structure of their proposal which was a monthly fee of \$18,000 for lease and property management service, and they wanted 10% of the lease paid by Laureate on the \$2 million, and a 6% fee on any construction infrastructure work which would have been done.

Councilor Romero asked if some of the lower fees we accepted was based on a nonprofit bidding on this versus a commercial entity which would have been twice the nonprofit rate.

Ms. DePietro said the actual pricing from CSF is on the very low side of a commercial pricing. Her experience has been that there would be a fee ranging from 5 to 10% on revenues or on the actual work being done, so they are on the low side of that.

MOTION: Councilor Wurzburger moved, seconded by Councilor Bushee, to approve an additional \$25,000 for the duration of this contract, with direction to staff to come to Council at the next meeting with a detail of what services that will provide and what services might have to be picked up by staff, if necessary, so we have a clear understanding of what services we can purchase for the \$25,000.

DISCUSSION: Councilor Bushee would like a break-down of how the \$25,000 will be allotted.

Councilor Wurzburger is concerned about not paying bills to people who are doing work. She asked Ms. Raveling and staff to see how we can close that gap where the City takes responsibility for reviewing the expenditures so we don't hold up people who have completed work.

Councilor Bushee would like that information in writing "way way" in advance of the Council meeting on December 8, 2010, so she can study the information prior to the meeting.

VOTE: The motion was approved unanimously on a voice vote.

Councilor Bushee departed the meeting

**26. UPDATE ON CITY'S QUARTERLY INVESTMENT PORTFOLIO AS OF SEPTEMBER 30, 2010.
(HELENE HAUSMAN)**

***THIS PORTION OF THE MINUTES IS VERBATIM
AT THE REQUEST OF COUNCILOR WURZBURGER***

MS. HAUSMAN: On \$202.6 million of cash and investment that the City had as of September 30, 2010, our average yield was down to 1.08%.

COUNCILOR
WURZBURGER: It could be worse.

MS. HAUSMAN: It's going to get worse. I expect it to be down around .75 by the end of January, and less than that by the end of the fiscal year. This was anticipated when I did the budget for this fiscal year, because we have older investments at higher yields that are rolling off. I had 3 maturities and a call today, so we are going to see continued drops in rates as our portfolio sort of realigns with the realities of the financial market. It's unfortunate, but that's where we are, and unfortunately, we're stuck living with it, and I wish I could fix it.

So, the consequence of that is, if I take a step back, in 07-08 we earned \$10 million in interest, FY 08-09 we earned \$5.5 million in interest, in 09-10 we earned \$3.5 million in interest. I have \$2.5 million budgeted for this year, and so far, so good, but because we will have finished rolling off all of our older investments that have higher yields, we will have significantly lower yields for the entire year next year. And, my guess is between probably around \$1.5 million in interest. And, there's no way to recover that from interest earning. And since you're working on budget decisions, I thought I should go ahead and provide you with that perspective. I truly don't expect at this point to earn more than about a million and a half in next year's budget.

And I've got all my fingers and my toes crossed that you [we] make the \$2.5 million for this year. That's why I included the *Wall Street Journal* article in your packet from the day after the Federal Reserve's announcement of their plan to try and salvage the economy again. The first time they did it, it didn't work. The second time, it's been in place for 12 days, and the upheaval worldwide is quite noteworthy. The goal of the Federal Reserve's plan was to give more money back to the banks and have them issue more mortgage loans and more auto loans and increase spending and I don't know about you, but I'm not spending,

except I bought two sets of tires this weekend. It's not happening. There are those who say 12 days for this is too soon to say if it's going to work, there are those who say if it hasn't worked in 12 days, it's not going to.

The banks are stuck in a bind where they've been required to increase their capital that they hold. They have more restrictions on them as to what they can do, the number of people who can qualify, the number of restrictions on who qualifies is tighter. Whether it's going to work, I don't know. Now, the projection in the article I gave you out of *The Wall Street Journal* was that interest rates on bonds are going to go down. Well, they did, they crashed the next day, and then they've gone up since. Whether they'll stay, I have no idea. And so, I don't think we are going to see major increase in property tax revenues because mortgages will go up and people will be buying more houses, and things will start to improve. I don't see that in the next year or two to be really candid with you. I don't see it increasing major spending items which is, unfortunately, our gross receipts tax, and I don't see it hitting our interest rates the way we need it to.

So, I don't think this QE2 plan of the Federal Reserve is going to serve the states and municipalities to any great extent all. And in discussions with our investment advisor for [First] Southwest, they are of the same mind. But, they're not talking about the impact on state and local governments. There's just this wish list of things they want to happen in 12 days. I don't know if that's enough time to see if it will happen or not. I rather suspect it's not, but I'm not expecting big gains out of it for the state and local governments. So, I hate to be the bearer of bad news. On the other hand, Wells Fargo did manage to pull their three star rating back up to a four star rating, so some of the banks are still working very hard to improve their standing and how they're viewed and their stability. I'm certainly open to any questions you may have.

CHAIR ORTIZ: Councilor Wurzburger.

COUNCILOR
WURZBURGER: I was just going to give a request if I may. I think it would be helpful to those of us on the Finance Committee if you could just write up your eloquent speech right now, just say it again, or maybe take it from the minutes. But, I'd like to pull it out, and probably won't get it verbatim, but I think it's going to be important for us as a Council to be starting off the budget process as a Council with that understanding, and since people don't sit in Finance, I would like to share that information.

CHAIR ORTIZ: Ms. Helberg.

MS. HELBERG: Mr. Chair, would you like this item to be verbatim.

CHAIR ORTIZ: Okay.

COUNCILOR
WURZBURGER: Okay, thank you.

MS. HAUSMAN: Will that suffice for you then.

COUNCILOR
WURZBURGER: Yes, of course. She got it. I'm sure she did, then thank you.

CHAIR ORTIZ: So is there any kind of... are there any efforts happening at sort of a grass roots or micro level about how local communities or smaller entities are having to.... are there any ideas floating about how they are going to try to survive in a situation that's happening at such a macro level, and yet we're feeling the effects at a micro level. Is there any kind of ideas, besides the sort of campaign stuff that was going on about a month ago.

MS. HAUSMAN: Well, part of the problem is that the primary sources of revenue vary from jurisdiction to jurisdiction. We're not as dependent on the property tax as many jurisdictions are. We're dependent on gross receipts tax which has it's own ball of problems.

CHAIR ORTIZ: Right. Right.

MS. HAUSMAN: And so every city is sort of wrestling with their own view. I can certainly take a look and work with Kathryn and see what kind of suggestions are out there. But, they're all the same [struggling with], the trade-offs between bonds and jobs. There are cities that have completely laid off staff and contracted everything out because it hit them so hard they couldn't recover quickly. We're blessed that we're not in that position, but if you'd like me to work with Kathryn and take a look at what other cities are doing, we can, of course, do that for you.

CHAIR ORTIZ: All right.

KATHRYN
RAVELING: And I've done some of that work, and we can do a summary of what some of the other cities have done. My feeling is that, like the State and the Schools, we're waiting and seeing and hoping it's getting better, but it's just not. And, of course the impact of that is going to be some more drastic action than what we've taken in the past. And I think the cities and counties and states don't want to do that, but it's just not getting any better.

CHAIR ORTIZ: But we know, if we believe that some of the actions that were promised at the State level come through in January, then we, as the seat of government, as a City that's dependent upon the government sector as a main source of our tax base, we've got to believe that whatever decisions have to be made at the State

level are going to have a direct impact on us at a local level. And so, it seems to me like we've got that benefit of realizing, well, what do we do. If we're not making any money on our investments, do we have other options of saying, well why don't we take some of our revenue and go and invest it in the community so we can start getting some of those tax revenues circulating. I mean, do we have an ability to have a micro-bank type institution. Do we have an ability to invest ourselves directly. If the banks aren't going to give out loans, do we have the ability to start issuing paper and notes. Those are the kind of ideas that in the mid term, we're going to have to think about, if as you've pointed out, we could be stuck in this period for some period of time.

And so it seems to me if our investment income has gone down 900% or we're expecting it to go down 900%, it seems to me, to find out if we have an ability to pursue these kinds of ideas. Is it worth our time to do this, or, because of our obligations under state law, are we required to have our money continue to sit and park and just wait, and bear the consequence of that waiting.

MS. HAUSMAN: Well how we invest it is governed by State statute. How we choose to spend it on programs of the City is our mandate in terms of properly managing the public's funds and explaining to them that, since our constituents, whom we all represent and serve, are cutting back and trying to make ends meet and just trying to pay the rent and get the bread on the table, that we're actually in the same boat. We actually have to conserve and reapportion and decide and make really difficult decisions. I don't think we're going to escape. It's not much consolation when you go to a conference like Kathryn and I did at the Local Government Investment Pool and everybody there is in exactly the same bind. It doesn't fix the problem. It makes us feel good that we have company, but it doesn't fix our problem.

CHAIR ORTIZ: But, if we're all in the same bind, and there is an idea that would benefit one of us, it seems it would benefit all of us, so do we pool our resources, either actual resources or intellectual resources to come up with ways of trying to cope through and get through the situation we find ourselves in. Even if it's something as simple as pooling our resources for the purposes of finding insurance, or pooling our resources for purposes of making financial decisions, I mean, is that even possible. Do we even have that ability.

MS. HAUSMAN: If the discussions aren't going on, they should be going on. I don't know at this point what has happened on that, but we can certainly look into it.

CHAIR ORTIZ: Councilor Romero.

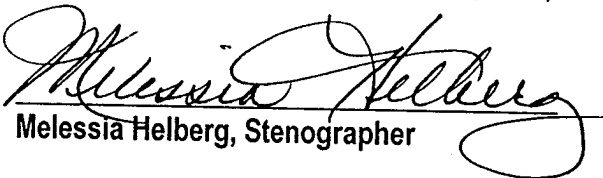
COUNCILOR ROMERO: Mr. Chair, Kathryn, I guess part of the direction was to look at what other cities have done and I think there's some real drastic examples like Phoenix is one... I

do get their City Manager email on things that they've done, and they've been really, really drastic. I guess when you're looking out to other municipalities to see what they're doing, is getting a spectrum of the types of things they've done, including salary cuts or service reductions, there's pretty drastic things that other municipalities have done that we haven't done, because we've been on the tail-end of the economic downturn, but we're there. So, it might be helpful to see what the spectrum is and what other cities... and not say but, that's not Santa Fe, or it's not the same size, but I think there's some lessons to be learned from a variety of cities of the drastic measures they've taken and what that has gotten them now. Has it really helped them in some ways, or if hurt has happened around that. I think that would be one encouragement.

And, then I will say there are some examples of [inaudible], but I haven't seen them at the municipality level. I've seen them at the non-profit level, like the Farmer's Market Institute is doing their own micro loans and they are a higher percentage than what the USDA would allow. I think the USDA micro loans are like 2.2%. But, the Farmer's Market Institute is doing their micro loans at like 6 something percent, and the reason they're taking the brunt of assuring these loans will be paid back, there's differences. But what we're all looking for is some creative things others are doing and perhaps bringing those ideas... and we can start having those conversations, because we're all looking for sympathy, but everybody else is going through the same things and maybe even worse than we have. So, I guess we need a session of some sort where we'd really get a chance to talk about some ideas that are going out with other municipalities.

MS. HAUSMAN: If it saves us from reinventing the wheel, absolutely.

I certify that this is a true and accurate transcript of Agenda Item #26, from the Finance Committee meeting on November 15, 2010, as requested by Councilor Rebecca Wurzbarger.


Melessia Helberg, Stenographer

27. UPDATE TO CIP BOND ISSUE. (KATHRYN RAVELING AND ISAAC PINO)

Ms. Raveling said this was presented to the Public Works Committee, noting there is a copy of the Memo in the packet explaining why we can't do a bond issue this year. She said on page 5 there is information on how our revenues are decreasing. She said on page 3 of her Memorandum, there is an explanation on the ½% CIP funds and the different items which have been added to that fund over the years. She said now, especially with the downturn in GRT revenue, we are unable to get additional debt service out of the fund.

Chair Ortiz said then she is recommending we use one time funds which can be freed up from the reissuance of old bonds.

Ms. Raveling said this is an idea that she and Ms. Hausman have tossed around as an option, but they need to do additional work on that, and she isn't ready to unfold that right now. She said this may be an opportunity to do a program like that.

28. OTHER FINANCIAL INFORMATION:

A. UPDATE OF GROSS RECEIPTS TAX REPORT RECEIVED IN OCTOBER 2010 (FOR AUGUST 2010 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN SEPTEMBER 2010 (FOR AUGUST 2010 ACTIVITY). (KATHRYN RAVELING)

Ms. Raveling said she will email this information when these checks are received.

B. CONTINUING DISCUSSION, REPORTS AND RECOMMENDATION OPTIONS ON STATUS OF FISCAL YEAR 2010/2011 BUDGET. (KATHRYN RAVELING AND ROBERT ROMERO.)

29. MATTERS FROM THE COMMITTEE

Chair Ortiz said there was discussion about holding a special Finance Committee meeting in December dedicated specifically to the discussion of finance, and asked if there is still a willingness by the Committee to do so, and Councilors Romero and Wurzbarger said yes. Chair Ortiz said the only available date would be on December 20, 2010. He said Councilors Bushee and Dominguez indicated they would be willing to meet on a Monday for a special Finance Committee meeting and inviting the Council to attend.

It was the consensus among the Committee to hold a special Finance Committee meeting on December 20, 2010, and invite the other members of the Governing body and the general public.

Chair Ortiz said what the Committee would like from the City Manager for this meeting are specific ideas and direction to get us out of the budget deficit for this fiscal year, and to identify for policy purposes how we anticipate addressing the budget shortfall which could be expected for the next fiscal year. He said if we have additional information the Committee could address the ideas coming from Helene's presentation. He said it would be good if we had further information on the State's status and how that would impact our action. He suspects one of the things we'll have to fight in the Legislature is the hold harmless provision on the food tax and the amount of money that we could lose, which could cause an immediate shortfall of \$3 million. He said all of these things have to be for discussion. He said we could take action if the City Manager would like on the first category. So, if you have ideas for filling the budget gap, we could have that as an action item.

Chair Ortiz said we can see how we've used CIP funds for purposes other than CIP, and that issue has to be discussed.

Ms. Raveling said it worked while our revenues were growing, but it doesn't work now that the revenues are falling.

Councilor Wurzburger would like a clarification from the City Attorney as to what degree the City could do a loan fund ourselves, and charge 2% – what we can and cannot do, similar to what Councilor Romero raised with respect to what the Farmer's Market is doing. Do we have this as option, and can we look at that as a way to jump-start the economy and get more interest.

Chair Ortiz would like to know if we have an option of working with the banks with which we deposit our funds, to use our deposited funds to guarantee loans. He doesn't know if it is an option, but we need to look at this and other things.

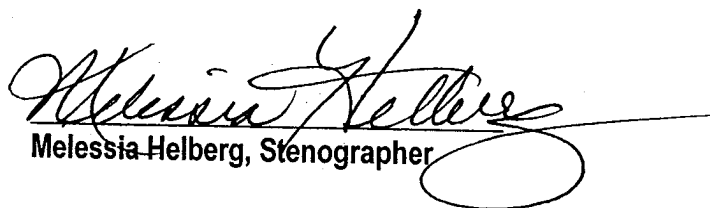
30. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:30 pm.

Matthew E. Ortiz, Chair

Reviewed by:

Kathryn L. Raveling, Director
Department of Finance



Melessia Helberg, Stenographer