



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
AUGUST 22, 2011 – 5:00 PM

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

CITY CLERK'S OFFICE

DATE 8-19-11 TIME 10:50 pm

SERVED BY Yolanda Green

RECEIVED BY [Signature]

AUGUST 1, 2011

CONSENT AGENDA

6. BID OPENINGS:
 - A. BID NO. 09/36/B AND BID NO. 08/43/B (RENEWAL) – POLYELECTROLYTE CHEMICALS FOR WASTEWATER TREATMENT PLANT AND COMPOST DEWATERING FACILITY; POLYDYNE, INC. (LUIS OROZCO)
 - B. BID NO. 11/44/B – ASHBAUGH PARK RENOVATIONS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; MOUNTAIN WEST GOLFSCAPES, INC. (BEN GURULE)
7. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE AND COOPERATIVE AGREEMENTS – EMERGENCY VEHICLE EQUIPMENT AND INSTALLATION FOR POLICE DEPARTMENT; WIRELESS ADVANCED COMMUNICATIONS AND MHQ OF NEW MEXICO (POLICE CHIEF RAYMOND RAE)
8. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE AGREEMENT – EMERGENCY MEDICAL SUPPLIES FOR FIRE DEPARTMENT; BOUND TREE MEDICAL, LLC (BRIAN CALDWELL)
9. SANTA FE MUNICIPAL AIRPORT (JIM MONTMAN)
 - A. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – PAVEMENT CRACK SEALING; DISMUKE CONSTRUCTION; GRANT FUND



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- B. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – PAVEMENT MARKING; HIGHWAY SUPPLY, LLC; GRANT FUND
10. REQUEST FOR APPROVAL OF PROPOSED SANTA FE TRAILS SERVICE CHANGES – NEW ROUTE 26 (SOUTH CERRILLOS ROAD) SERVING WAL-MART AND SANTA FE PREMIUM OUTLETS (JON BULTHUIS)
11. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – FY 2010/2011 CITY-WIDE SEWER LINE SPOT REPAIR FOR WASTEWATER MANAGEMENT DIVISION; ADVANTAGE ASPHALT & SEAL COATING, LLC (STAN HOLLAND)
12. REQUEST FOR APPROVAL OF GRANT AWARDS – PLANNING FUNDS TO SANTA FE METROPOLITAN PLANNING ORGANIZATION; FEDERAL HIGHWAY ADMINISTRATION AND FEDERAL TRANSIT ADMINISTRATION (MARK TIBBETTS)
- A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND
13. REQUEST FOR APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT 2010-2011 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER) (KYM DICOME)
14. REQUEST FOR APPROVAL OF POWER PURCHASE AGREEMENT – PHOTOVOLTAIC SYSTEM AT BUCKMAN ROAD RECYCLING & TRANSFER STATION (BURRT) (RFP #11/13/P); RENEWABLE SOCIAL BENEFIT FUND SANTA FE I, LLC (NICK SCHIAVO)
15. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO ESTABLISH A WORKING GROUP CONSISTING OF CITY OF SANTA FE POLICE, FIRE AND AFFORDABLE HOUSING PERSONNEL TO EXPLORE INCENTIVE OPPORTUNITIES FOR PUBLIC SAFETY EMPLOYEES TO LIVE IN THE CITY OF SANTA FE. (COUNCILOR BUSHEE) (MELISSA BYERS)

Committee Review:

Public Safety (approved)
City Council (scheduled)

08/16/11
08/30/11

Fiscal Impact – No



Agenda

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AUGUST 22, 2011 – 5:00 PM

16. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING A PARTNERSHIP BETWEEN THE CITY OF SANTA FE AND THE SANTA FE COMMUNITY FOUNDATION TO COLLABORATE ON STRENGTHENING THE NON-PROFIT SECTOR IN SANTA FE (MAYOR COSS) (TERRIE RODRIGUEZ)

Committee Review:

City Council (scheduled)

08/30/11

Fiscal Impact – No

17. REQUEST FOR APPROVAL OF AN ORDINANCE REPEALING THE CITY TAXICAB ACT, ARTICLE 18-6 SFCC 1987; CREATING A NEW ARTICLE 18-6 REGARDING THE LICENSING OF TAXICAB SERVICES; AND AMENDING SECTION 18-8.10 SFCC 1987 TO ESTABLISH A BUSINESS LICENSE FEE FOR TAXICAB SERVICES (MAYOR COSS AND COUNCILOR CALVERT) (YOLANDA VIGIL AND JUDITH AMER)

Committee Review:

City Council (request to publish – scheduled)

08/30/11

City Council (public hearing – scheduled)

09/27/11

Fiscal Impact – No

18. DIRECTING STAFF TO REVIEW AND COMPARE EXISTING CITY OF SANTA FE TRANSPARENCY POLICIES AND PROCEDURES WITH THE TRANSPARENCY POLICIES AND PROCEDURES OF VARIOUS LOCAL GOVERNMENTS; THE TRANSPARENCY POSITION ADOPTED BY THE LEAGUE OF WOMEN VOTERS OF SANTA FE COUNTY AND OTHER RESOURCES FOR THE PURPOSE OF PROVIDING A COST BENEFIT AND ANALYSIS TO THE GOVERNING BODY FOR THE IMPLEMENTATION OF A COMPREHENSIVE CITY OF SANTA FE TRANSPARENCY POLICY AND SUNSHINE PORTAL (COUNCILOR CHAVEZ) (CARLA LOPEZ)

Committee Review:

City Council (scheduled)

08/30/11

Fiscal Impact – No

END OF CONSENT AGENDA



Agenda

FINANCE COMMITTEE MEETING
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DISCUSSION

19. REQUEST FOR APPROVAL OF ROAD IMPACT FEE CREDIT AGREEMENT – LAS SOLERAS SUBDIVISION; BECKNER ROAD EQUITIES, INC. (MATTHEW O'REILLY AND JUDITH AMER)
20. REQUEST FOR APPROVAL OF FY 2013-2017 INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP) (ISAAC PINO)
21. PRESENTATION OF BEST PRACTICES REVIEW – ORGANIZATIONAL PERFORMANCE AND STRUCTURAL ASSESSMENT REPORT FOR THE SANTA FE CONVENTION AND VISITORS BUREAU AND COMMUNITY CONVENTION CENTER (JAMES BRADBURY)
 - A. REQUEST FOR APPROVAL OF PROPOSED ORGANIZATIONAL STRUCTURE
 - B. REQUEST FOR APPROVAL TO FILL VACANT POSITIONS
22. REQUEST FOR APPROVAL OF AUDIT COMMITTEE ADVISORY RECOMMENDATION NO. 1 – CITY OF SANTA FE EXTERNAL AUDITING PROCESS (AUDIT COMMITTEE)
23. REQUEST FOR APPROVAL OF COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2010 (TERESITA GARCIA)
24. UPDATE ON CITY'S INVESTMENT PORTFOLIO AS OF JUNE 30, 2011 (HELENE HAUSMAN)
25. OTHER FINANCIAL INFORMATION:
 - A. UPDATE ON GROSS RECEIPTS TAX RECEIVED IN AUGUST 2011 (FOR JUNE 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN JULY 2011 (FOR JUNE 2011 ACTIVITY) (KATHRYN RAVELING)
26. MATTERS FROM THE COMMITTEE
27. ADJOURN

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, August 22, 2011

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1-2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: AUGUST 1, 2011	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
BID OPENINGS:		
BID NO. 11/44/B – ASHBAUGH PARK RENOVATIONS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; MOUNTAIN WEST GOLFSCAPES, INC.	Approved	4-5
REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE AND COOPERATIVE AGREEMENTS – EMERGENCY VEHICLE EQUIPMENT AND INSTALLATION FOR POLICE DEPARTMENT; WIRELESS ADVANCED COMMUNICATIONS AND MHQ OF NEW MEXICO	Approved [amended] w/condition	5-8
REQUEST FOR APPROVAL OF PROPOSED SANTA FE TRAILS SERVICE CHANGES – NEW ROUTE 26 (SOUTH CERRILLOS ROAD) SERVING WALMART AND SANTA FE PREMIUM OUTLETS	Approved	8-11
REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – FY 2010/2011 CITY-WIDE SEWER LINE SPOT REPAIR FOR WASTEWATER MANAGEMENT DIVISION; ADVANTAGE ASPHALT & SEAL COATING, LLC.	Approved	11

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT 2010-2011 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER)	Approved	11-12
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF ROAD IMPACT FEE CREDIT AGREEMENT – LAS SOLERAS SUBDIVISION; BECKNER ROAD EQUITIES, INC.	Partial approval Item #1 approved Item #4-7 moved forward w/o rec.	12-14
REQUEST FOR APPROVAL <u>UPDATE AND REVIEW OF</u> FY 2013-2017 INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)	Information only	14-15
PRESENTATION OF BEST PRACTICES REVIEW – ORGANIZATIONAL PERFORMANCE AND STRUCTURAL ASSESSMENT REPORT FOR THE SANTA FE CONVENTION AND VISITORS BUREAU AND COMMUNITY CONVENTION CENTER REQUEST FOR APPROVAL OF PROPOSED ORGANIZATIONAL STRUCTURE	Approved	15-18
REQUEST FOR APPROVAL TO FILL VACANT POSITIONS	No action	18-19
REQUEST FOR APPROVAL OF AUDIT COMMITTEE ADVISORY RECOMMENDATION NO. 1 – CITY OF SANTA FE EXTERNAL AUDITING PROCESS	Approved	19-24
REQUEST FOR APPROVAL OF COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUN30, 2010	No action	24-30
UPDATE ON CITY'S INVESTMENT PORTFOLIO AS OF JUNE 30, 2011	Information/discussion	30

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
OTHER FINANCIAL INFORMATION: UPDATE ON GROSS RECEIPTS TAX RECEIVED IN AUGUST 2011 (FOR JUNE 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN JULY 2011 (FOR JUNE 2011 ACTIVITY)	Information	30
MATTERS FROM THE COMMITTEE	None	30
ADJOURN		31

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, August 22, 2011

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Acting Chair Wurzburger, at approximately 5:00 p.m., on Monday, August 22, 2011, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Patti J. Bushee
Councilor Carmichael A. Dominguez
Councilor Rosemary Romero
Councilor Rebecca Wurzburger

MEMBERS EXCUSED:

Councilor Matthew E. Ortiz, Chair

OTHER GOVERNING BODY MEMBERS ATTENDING

Mayor David Coss
Councilor Ronald S. Trujillo

OTHERS ATTENDING:

Kathryn Raveling , 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

Ms. Raveling said Councilor Chavez asked that Item 18 be postponed to the meeting of September 6, 2011, because he can't be here this evening. Councilor Bushee asked to be added as a cosponsor. Ms. Raveling said Item 18 should read "Request for a Resolution."

Ms. Raveling said Item 20 is not a request for approval, it is an update and review.

Mayor Coss asked that the Committee postpone Item 16 to the next meeting, noting it has no funds with it yet.

Councilor Romero asked to postpone Item 15 to the next meeting.

MOTION: Councilor Romero moved, seconded by Councilor Bushee, to approve the agenda, as amended

VOTE: The motion was approved on a voice vote, with Councilors Romero and Bushee, and Acting Chair Wurzburger voting in favor of the motion, none voting against, and Councilor Dominguez absent for the vote.

4. APPROVAL OF CONSENT AGENDA

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

VOTE: The motion was approved on a voice vote, with Councilors Romero and Bushee, and Acting Chair Wurzburger voting in favor of the motion, none voting against, and Councilor Dominguez absent for the vote.

CONSENT AGENDA

6. BID OPENINGS:

A. BID NO. 09/36/B AND BID NO. 08/43/B (RENEWAL) – POLYELECTROLYTE CHEMICALS FOR WASTEWATER TREATMENT PLANT AND COMPOST DEWATERING FACILITY; POLYDYNE, INC. (LUIS OROZCO)

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

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

8. REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE AGREEMENT – EMERGENCY MEDICAL SUPPLIES FOR FIRE DEPARTMENT; BOUND TREE MEDICAL, LLC. (BRIAN CALDWELL)

9. SANTA FE MUNICIPAL AIRPORT (JIM MONTMAN)
 - A. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – PAVEMENT CRACK SEALING; DISMUKE CONSTRUCTION; GRANT FUND.
 - B. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – PAVEMENT MARKING; HIGHWAY SUPPLY, LLC; GRANT FUND.
10. *[Removed for discussion by Councilor Bushee]*
11. *[Removed for discussion by Councilor Bushee]*
12. REQUEST FOR APPROVAL OF GRANT AWARDS – PLANNING FUNDS TO SANTA FE METROPOLITAN PLANNING ORGANIZATION; FEDERAL HIGHWAY ADMINISTRATION AND FEDERAL TRANSIT ADMINISTRATION. (MARK TIBBETTS)
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.
13. *[Removed for discussion by Councilor Bushee]*
14. REQUEST FOR APPROVAL OF POWER PURCHASE AGREEMENT – PHOTOVOLTAIC SYSTEM AT BUCKMAN ROAD RECYCLING & TRANSFER STATION (BuRRT) (RFP #11/13/P); RENEWABLE SOCIAL BENEFIT FUND SANTA FE I, LLC. (NICK SCHIAVO)
15. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO ESTABLISH A WORKING GROUP CONSISTING OF CITY OF SANTA FE POLICE, FIRE AND AFFORDABLE HOUSING PERSONNEL TO EXPLORE INCENTIVE OPPORTUNITIES FOR PUBLIC SAFETY EMPLOYEES TO LIVE IN THE CITY OF SANTA FE (COUNCILOR BUSHEE). (MELISSA BYERS) Committee Review: Public Safety (approved) 08/16/11; and City Council (scheduled) 08/30/11. Fiscal Impact – No.
THIS ITEM WAS POSTPONED
16. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING A PARTNERSHIP BETWEEN THE CITY OF SANTA FE AND THE SANTA FE COMMUNITY FOUNDATION TO COLLABORATE ON STRENGTHENING THE NON-PROFIT SECTOR IN SANTA FE (MAYOR COSS). (TERRIE RODRIGUEZ) Committee Review: City Council (scheduled) 08/30/11. Fiscal Impact – No.
THIS ITEM WAS POSTPONED
17. REQUEST FOR APPROVAL OF AN ORDINANCE REPEALING THE CITY TAXICAB ACT, ARTICLE 18-6 SFCC 1987; CREATING A NEW ARTICLE 18-6 REGARDING THE LICENSING OF TAXICAB SERVICES; AND AMENDING SECTION 18-8.10 SFCC 1987, TO ESTABLISH A BUSINESS LICENSE FEE FOR TAXICAB SERVICES (MAYOR COSS AND COUNCILOR CALVERT). (YOLANDA VIGIL AND JUDITH AMER) Committee Review: City Council (Request to publish – scheduled) 08/30/11; and City Council (public hearing – scheduled) 09/27/11. Fiscal Impact – No.

18. **REQUEST FOR A RESOLUTION DIRECTING CITY STAFF TO REVIEW AND COMPARE EXISTING CITY OF SANTA FE TRANSPARENCY POLICIES AND PROCEDURES WITH THE TRANSPARENCY POLICIES AND PROCEDURES OF VARIOUS LOCAL GOVERNMENTS; THE TRANSPARENCY POSITION ADOPTED BY THE LEAGUE OF WOMEN VOTERS OF SANTA FE COUNTY AND OTHER RESOURCES FOR THE PURPOSE OF PROVIDING A COST BENEFIT AND ANALYSIS TO THE GOVERNING BODY FOR IMPLEMENTATION OF A COMPREHENSIVE CITY OF SANTA FE TRANSPARENCY POLICY AND SUNSHINE PORTAL (COUNCILOR CHAVEZ AND COUNCILOR BUSHEE). (CARLA LOPEZ) Committee Review: City Council (scheduled) 08/10/11. Fiscal Impact – No. Postponed to the meeting of September 6, 2011**

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: AUGUST 1, 2011

MOTION: Councilor Romero moved, seconded by Councilor Bushee, to approve the minutes of the Regular Finance Committee Meeting of August 1, 2011, as presented.

VOTE: The motion was approved on a voice vote, with Councilors Romero and Bushee, and Acting Chair Wurzbarger voting in favor of the motion, none voting against, and Councilor Dominguez absent for the vote.

CONSENT CALENDAR DISCUSSION

6. BID OPENINGS:

B. BID NO. 11/44/B – ASHBAUGH PARK RENOVATIONS AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; MOUNTAIN WEST GOLFSCAPES, INC. (BEN GURULE)

Councilor Bushee said when there was a discussion about dog parks in each District, Ashbaugh was up for consideration, and asked if it ever has been part of the mix.

Mayor Coss that was completely, thoroughly and strenuously opposed by the neighborhood about three years ago.

Councilor Bushee asked if it was just 2-3 people.

Mayor Coss said it was opposed by a whole lot of people.

Council Bushee asked if there will be a place for a pump track in that park.

Fabian Chavez said at the public meeting held for the Ashbaugh Park development, the issue of a dog park did come up, and again at that meeting a dog park was reject. He said regarding a pump track , they would have to look and see if there is room, noting that takes a small footprint, so there is a possibility, and something they definitely could look at.

Councilor Bushee wants him to keep this in mind to see if it is a possibility.

Mr. Chavez said he will carry that to the Advisory Committee.

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

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

7. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE AND COOPERATIVE AGREEMENTS – EMERGENCY VEHICLE EQUIPMENT AND INSTALLATION FOR POLICE DEPARTMENT; WIRELESS ADVANCED COMMUNICATIONS AND MHQ OF NEW MEXICO. (POLICE CHIEF RAYMOND RAE)

Councilor Bushee said she doesn't understand this, and asked if we have done this in-house in the past.

Mr. Rodarte said the City has done some of the installation in-house, but not all, in the past.

Councilor Bushee said she objects that we are going to have this done by a company in Colorado. She would like someone from IT to give her analysis of the reason, commenting this seems to be costly, noting this is a Tom Williams question.

Chair Wurzbarger said Jim Montman is the acting IT Director, and asked Mr. Montman to comment.

Jim Montman said the work has been done, for the most part, in-house. A decision was made a long time ago to look for other deals which might be available. This is a very complex issue, and a number of vehicles were purchased for the Police Department, before he became involved with IT, and were agreed to be drop shipped to Colorado. He said he has been in long discussions with the Police Department as who could best do this for the best cost. He said he believes Mr. Rodarte has a better understanding of the funds involved. He said they did consider moving all of the work back here, but because the vehicles were going to be drop shipped in Colorado it because a *fait accompli*.

Councilor Bushee asked if this is all of the vehicles.

Mr. Montman said not all vehicles, and the radio shop will be doing a number of vehicles which are here already, the Xteras, noting this request is for the Impalas, and there also are Ford vehicles, reiterating this is very complex.

Councilor Bushee asked the cost when installation is done in-house, commenting that not only it is being done out of State, it is expensive.

Mr. Rodarte said, "It looks expensive, but it really isn't." He said this is only a part of the install. He said a lot of installs, such as the radios, aren't included, noting the communication equipment will be installed in-house. He said the breakdown is about \$20,000 per vehicle, which is a common cost and close to what we pay all of the time, whether the Impalas or the F-250.

Councilor Bushee said, "But this is an install."

Mr. Rodarte said, "It is an install of the equipment, but not the radios – the boxes, the cages, whatever goes inside, everything but the radios."

Councilor Bushee said then we did this all in-house previously, and Mr. Rodarte said this is correct.

MOTION: Councilor Bushee moved to deny this request. **THE MOTION DIED FOR LACK OF A SECOND.**

MOTION: Councilor Romero moved, seconded by Chair Wurzbarger, for purposes of discussion, to approve this request.

DISCUSSION: Acting Chair Wurzbarger said at the previous Finance Committee meeting, a question was raised with regard to our concern about having the logo painted in Colorado, saying she feels we're "going down this trail of, because it's delivered in Colorado, and I thought we were exploring having vehicles delivered here, so we could deal with that problem, and I frankly can't remember what the financial impact of that was, but we were concerned that local people who should be able to put on a logo, weren't given the opportunity to do that. So, are these tied together."

Mr. Rodarte said, "What I wound up doing was, I went and I pulled the logos off all vehicles to be done here locally. I found 4 companies here in town that will competitively bid these things, or bring quotes to me to get the install as well as the decals."

Councilor Trujillo said he questioned the cost-effectiveness of this and met with the Deputy Chief. He is concerned about this and asked why we are outsourcing these to Colorado. He said, "I have now learned that this company, and there are companies here in New Mexico and in Santa Fe that, I guess, are actually going to be working with this company to learn how to do the wiring and all this, and hopefully with the next contract we should... we will be able to outsource it here in New Mexico, keep it locally. I don't know the whole diagram wiring, but on the Public Safety Committee, I would like to be kept up to date so this

community can have it. I would like to see these vehicles stay in New Mexico getting done, but if it's cost effective, then I do understand the reason behind it."

Councilor Romero said, "To me, it's a capacity issue. I think that we will be able to build the capacity as I understand it. What we are doing is the training and I think that's a big component of it, even though these aren't being serviced here, they're coming back in. As much as we'd like to have local, it's a capacity issue, and as long as you've built in the training aspect, I think that's the piece that's really interesting, that we're going to have the capacity built here, so that in the future we would have that capacity through this training. So, it's not just that they're going away, it's that we're bringing people here to train also. So, I'm supportive of the effort for those two reasons. And, as much as I'd like to see the local, again, I'm going to underline that the capacity isn't always there, but we're building it. And I'm pleased that we're going in that direction."

Acting Chair Wurzbarger said she spoke with Mr. Rodarte about putting an ad in the paper saying, "Here are the 63 contracts that we have systematically given out of State. Let's forget Albuquerque. Are you interested in doing business in this area, and connect people with economic development. Because I can't believe there aren't people in Santa Fe or New Mexico that couldn't, with proper training, whatever, do this work. I'd like to explore that with you, particularly around the whole car issue, because that's something that is recurring. It's going to happen again."

Councilor Trujillo his concern is that they will be doing the wiring in Colorado, and then we'll have our guys here that need to fix this. He asked if there is anything in the contract that allows our people to go to Colorado and learn to do this, or bring that company down here to train our people, in the event something should go wrong. He is hearing this is under warranty, but this is someone else's work, and if we start fidgeting with their work, does that void the warranty, or is it tainted.

Mr. Rodarte said when spoke to this company, as well as the representatives from the City of Albuquerque who have done over 300 vehicles, they guarantee their work. He said, "They set up an authorized agent in the region, which in this case is going to be MHQ which is the other company that we chose here. They're going to be representing them, because they the authorized agent for Motorola and all the major components. They're going to train our staff to replace the items here, and they guarantee their stuff. From what I understand, they'll have key components here for us, say a module that breaks commonly, they will in turn have one here for us, because our staff will know how to put them on, and they in turn will put that new one in there, send the old one back and they send another one to us. That's how they stand behind their product. They have a 7-year guarantee on the products that we're purchasing. And, the City of Albuquerque, it's about the 3rd or 4th page, there's 6 or 7 companies on this price agreement here. The City of Albuquerque has gone with this company. They have used all of these that are on there, but they decided to go with this one because of what they stand behind."

Councilor Trujillo asked if there is something in writing in the contract that states that once these vehicles are made that someone from the Police staff or you guys go out there and inspect it before it gets here in New Mexico. This is his concern. If it isn't done right and we get it here, then we have to ship it back to Colorado which increases the cost.

Mr. Rodarte said they are the authorized agent for all of the major manufacturers – GM, Ford, Dodge. He said they are so big and you can drop the vehicle there and they inspect them for you. They have a certified inspector who will sign-off on the cars.

Councilor Trujillo said but the Police Department develops the specifications for the vehicles.

Mr. Rodarte said yes. He said we have the option to go to Colorado and inspect them. However, the problem is that they drop daily, and don't drop there all at once.

Councilor Trujillo said he wants to be sure.

Mr. Rodarte said they are through here once a week with the drop-offs in Albuquerque and other cities, commenting it is expensive to send someone there, although it is possible.

Councilor Dominguez arrived at the meeting

Councilor Bushee said she is disappointed that Thomas Williams isn't here as someone "on the ground with this stuff and installations. Her concern is that we're sending the work out of state and doubling the price, and she sees no cost-effectiveness, so she will vote no.

Councilor Bushee asked, before this goes to Council, "to hear from the guys that have done the installations in the past. What you're indirectly saying with this conversation is that somebody is unhappy with how it was done previously, or, I don't understand really the new direction."

FRIENDLY AMENDMENT: Acting Chair Wurzbarger asked Mr. Rodarte to clarify Councilor Bushee's concerns before the City Council meeting in the form of a Memo. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

VOTE: The motion, as amended, was approved on a voice vote, with Councilor Romero and Acting Chair Wurzbarger voting in favor of the motion, Councilor Bushee voting against, and Councilor Dominguez not voting.

Councilor Trujillo departed the meeting

10. REQUEST FOR APPROVAL OF PROPOSED SANTA FE TRAILS SERVICE CHANGES – NEW ROUTE 26 (SOUTH CERRILLOS ROAD) SERVING WALMART AND SANTA FE PREMIUM OUTLETS. (JON BULTHUIS)

Councilor Bushee said we're adding new routes, and asked what routes will be cut to provide this service, so she is clear.

Michael Kelly said the current service on Route 21 which is serviced from Santa Fe Place to Santa Fe Community College currently served by one major bus, predominately at top of hour, M-F, 7:00 a.m. to approximately 9:30 - 10:00 p.m. He said there is a supplementary bus which runs on the off hour from 7:00 a.m. to 6:00 p.m., to offset that service. The second bus is the one they are looking to pull that service back, which still will give the predominantly top of the hour service for the majority of the ridership which currently rides on Route 21. He said they have gained ridership on Route 22 which goes the back side to Ranch Viejo and many riders choose this over the secondary bus for Route 21. He said it is the least of our ridership bus for Route 21 to Santa Fe Community College.

Councilor Bushee said we are redirecting the bus to the new Super Walmart and the Outlet Mall, rather than the Community College..

Mr. Kelly said there is duplicate service every 35 minutes on Route 24 which is west on Airport Road. The second bus on Airport Road also ties with Route 21, so they are tying the second bus on Airport and making it one big route so they pick up frequent riders on Route 24 on part of that service. He said they feel that will be a ridership builder.

Councillor Bushee said you can't project ridership to those stores, and do you expect them to be tourists or visitors wanting to ship.

Mr. Kelly they look at transit dependent riders and riders by choice, and eventually some tourists riders as well.

Councilor Bushee said given that it is a specific retail destination, could that be done by Santa Fe Pickup or another shuttle operation, noting Santa Fe Pickup already goes to the Mall.

Mr. Kelly said no.

Councilor Bushee asked if this could be considered. She said she hates to cut the ridership to the Community College in any way.

Mr. Kelly said they have had discussions with the Santa Fe Community College, and the Community College is not opposed to us pulling that service. They currently are looking at some of their green grant funds to design and operate a shuttle service to reduce the traffic on Richards Road, and they see this as a potential win-win as well.

Councilor Bushee asked if there have been public meetings so people understand this is going to happen.

Mr. Kelly said no, not at this time.

Councilor Bushee asked, "Will you have this before we vote on it, or do you want us to vote on it and then you'll go tell people that want it."

Mr. Kelly said, "I think it would be a good idea to have some public meetings about it, but we felt that the service nature at this time where we're not completely eliminating a service, doesn't rise to the level of the need for a public meeting under FTA guidelines, but we still could have a public meeting."

Councilor Bushee asked if this has gone to the Transit Advisory Board.

Mr. Kelly said yes, it was recommended by TAB.

Councilor Bushee said people get really attached to their bus routes when it is meeting their educational requirements. She thinks there should be public meetings before we do this, so she will have to vote no.

Councilor Romero noted that TAB did a strategic plan which was comprehensive, and this came out of that plan. She said the newest TAB member, who is from the Outlet Mall, highly recommended the reconfiguration to address the need of the estimated 300 employees at the Outlet Mall and Walmart. She understands that some people take the bus to the Community College, but it's not used by employees who have to get to a job. She said in the TAB plan there was a focus on getting people to use the transit system, and the \$33,000 is really not that much in light of economic development and getting people to start using transit. She said if the Community College is willing to do something similar to Santa Fe Pickup she thinks that's great. She said given the work TAB did on strategic planning, this doesn't warrant further public meeting, and that the TAB members did a lot of outreach from own constituents.

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

DISCUSSION: Councilor Dominguez asked if they will continue to maintain Route 26, and have a stop at WalMart..

Mr. Kelly said, "No. What it currently does now, if you see the map that is in your packet, the west side of that is currently one of the buses on Route 24 from Paseo del Sol West and circles around and comes eastbound on Airport to the Mall – that's the 24 portion of the Route. One of those buses. And then the rest, that goes south to WalMart and the Outlet Mall from Santa Fe Place is the new piece. But in order to define the two routes on west Airport Road, which bus are you getting on – one's going to say 26 and one's going to say 24, so that we can clearly define and educate our riders on the west side route. And those people that arrive at Santa Fe Place in order to make connections to go to WalMart..."

Councilor Dominguez said then you make a connection at Santa Fe Place to get to WalMart.

Mr. Kelly said, "Yes. There'll be a connection there for other routes."

Councilor Dominguez asked, in the case of the WalMart route, if people get on a different bus to get to WalMart.

Mr. Kelly said, "It will be the same bus that starts on the west side at Paseo del Sol West and come to the Mall, and you'll stay on that same bus. It will now be the 26."

Councilor Dominguez asked if there will be stops between Santa Fe Place and Santa Fe Outlet besides WalMart.

Mr. Kelly said, "There currently is one there at Cristo's, right out on Cerrillos at Kohl's. There's another one further down, across from a motel there at the nursery down there, and then that route would currently turn. That's the ones that Route 22 currently serves and they would be shared stops."

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

11. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – FY 2010/2011 CITY-WIDE SEWER LINE SPOT REPAIR FOR WASTEWATER MANAGEMENT DIVISION; ADVANTAGE ASPHALT & SEAL COATING, LLC. (STAN HOLLAND)

Councilor Bushee said she pulled this item so she could vote no for the same reasons she gave at PUC. Councilor Bushee said, "The original contract for Advantage Asphalt was in the \$60,000 range, the additional money we're securing is more than the original contract, over \$100,000. So again, I don't need any questions answered, I just want to vote no on it."

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

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

13. REQUEST FOR APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT 2010-2011 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REVIEW (CAPER). (KYM DICOME)

Councilor Bushee said she has similar questions when we discussed the foreclosure program. She said, "I guess it was the fiscal year or something, but is there no foreclosure training sort of program that happened under the Housing Trust that would have been reviewed under these CDBG funds."

Ms. Dicome said, "The CAPER is for the funding that occurred from 2010-2011."

Councilor Bushee said she thought it was something that happened last fiscal year.

Ms. Dicome said, "Under the Affordable Housing Trust Fund, they had a foreclosure program that is continuing and that was for \$18,000."

Councilor Bushee asked if that is in the packet for review, for funding.

Ms. Dicome said, "No, because this is for CDBG Funds, not for affordable housing. But I'm coming back in 5 months and going to give you an update, as you asked for."

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

19. REQUEST FOR APPROVAL OF ROAD IMPACT FEE CREDIT AGREEMENT – LAS SOLERAS SUBDIVISION; BECKNER ROAD EQUITIES, INC. (MATTHEW O'REILLY AND JUDITH AMER)

Mr. O'Reilly said the required materials are in the Committee packet, and noted Judith Amer and John Romero are in attendance to answer any questions.

Councilor Bushee said as she recalls when she read this for Council, "You were going to waive future impact fees. Did you drop that, or is this just going to be for the existing road impact fee that they spent money on already."

Mr. O'Reilly said, "There aren't any impact fees being waived at all. This is an Impact Fee Credit Agreement. The developer is entitled for credit against the payment of future impact fees if he builds infrastructure that's identified in the City's Impact Fee Capital Improvements Plan, so that's that this Agreement does."

Councilor Bushee said, "Right. So again, the question is, if it's a credit and all the projects have already been completed."

Mr. O'Reilly said, "No. If you will look at Exhibit C, page 31 of the packet, to the impact fee agreement, there is one portion of this that has been constructed, the Cerrillos Road improvements from Chamiso to Las Soleras, that's actually complete."

Acting Chair Wurzbarger said then that's what this credit is for.

Mr. O'Reilly said, "That is for that, plus all of the other estimated improvements that this developer is going to be required to make for the total buildout of Las Soleras, and these are the estimated amounts. As they build these, they will submit to the City the exact amounts they spend. So the number at the bottom of that impact fee amount on Exhibit C is the not to exceed amount of the credit."

Acting Chair Wurzbarger said they don't get the credit until they have done the work.

Mr. O'Reilly said they don't get the credit until they actually construct the improvements.

Councilor Bushee asked why we don't approve them project by project after they are built with accurate figures rather than an estimate, so you know when they actually are built.

Mr. O'Reilly said, "It's really 6 of 1 and half dozen of another. If we could wait and do a separate impact fee agreement each and every time infrastructure that met the eligibility requirements was constructed, we found that would be cumbersome to have to do that every single time. It really isn't necessary. This is an approval for what they think they are going to build. The actual location of the improvements will be the same. All we're doing is estimating the amount, and this is the same way we estimate infrastructure completion amounts for any project. There's an engineer's cost estimate. It's reviewed by staff. This particular one has been reviewed extensively by staff and we feel that these numbers are very close to what they actually will have to build. But should they come in and build something less, they'll get less impact fee credits for them."

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez, to approve the credit for the project on Cerrillos from Chamiso to Las Soleras.

DISCUSSION: Councilor Romero said she thought we were doing all of the improvements on page 31 of the packet.

Councilor Bushee said this isn't her motion.

Acting Chair Wurzbarger said the motion is against staff's recommendation and is with respect only to the first item.

Councilor Romero said even though we have a final on Cerrillos, we are hearing the estimate is fairly close. There has been a lot of discussion and she is comfortable doing only the one, when we have the opportunity to move forward with what we have with an estimate, which has had a lot of staff time put into it, reiterating she believes it close. She asked the repercussions if don't move forward with all 7 improvements.

Mr. O'Reilly said this would have to come before the Council "multiple multiple times, essentially to move the items you could approve this evening." He said each time the developer comes forward they can get up to these amounts, but they have to provide actual construction costs of what they've actually done. He said, "This is a way to put this before the Governing Body so they have an idea what kinds of impacts fees we're looking at for all of Las Soleras and for simplicity's sake."

Chair Wurzbarger asked what is the "feedback loop if we approve all of them. Is there a mechanism to come back to Finance and say here's the final on number 2, number, number 3, number 4, or once this is approved, it's all handled administratively as long as it's not to exceed the estimated amount."

Mr. O'Reilly said, "Madam Chair that's correct."

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

MOTION: Councilor Romero moved, seconded by Acting Chair Wurzburger, to approve the next six improvements listed on page 31 of the packet.

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

Acting Chair Wurzburger said then these 6 items will go forward to the Council without recommendation, noting that the first item will go forward as being approved.

20. ~~REQUEST FOR APPROVAL~~ UPDATE AND REVIEW OF FY 2013-2017 INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP). (ISAAC PINO)

A copy of "ICIP Categories," provided to the Committee by Mr. Pino is incorporated herewith to these minutes as Exhibit "1."

Acting Chair Wurzburger said this is the macro "wish list" totaling some \$240 million, and asked Mr. Pino how we get to a realistic figure and what the policy priority will be by the Finance Committee.

Mr. Pino presented information regarding Item #1. He said this is an annual listing of CIP projects as put together by staff and approved by the Council to go forward to DFA for use by the Legislature during years when capital funds are available for projects. He said this prioritizes projects that the City would like to move forward if funding is available, and it provides the background during the Legislative process in terms of the City's priorities. He said every City department has a number of projects, and the roll-up is fairly substantial. He said priorities #1 through #5 are the same priorities from last year, noting this is a preliminary presentation to get input from the Committees, so staff can bring back a final list in September for committee approval before going to Council for final approval.

Responding to Acting Chair Wurzburger, Mr. Pino said there are just 5 projects in each category, noting these also are listed in the cover Memo..

Councilor Bushee wants to be sure we left nothing off the list. She said she sees the Railyard park for \$2 million, but sees nothing else for the Railyard, nor for the Siler Road City Complex which she voted against. She wants to see the big projects included which are not mentioned.

Mr. Dominguez asked if staff has evaluated the list of potential projects – third parties which are advocating something for which the City would be fiscal agent..

Mr. Pino said those have been evaluated by the Human Services Division, and the reason those projects are included is because the City has agreed to sponsor funding which come forward.

Councilor Dominguez said a few months ago the Council approved a Resolution for funds for the Rodeo Grounds, and asked if this should be on the list.

Mr. Pino said they should be on the list if they have made that request.

Councilor Dominguez said he will work with staff to clarify this before it goes to Public Works, so there is a more complete request.

Councilor Dominguez asked, for the record, when this list is moved forward, is part of the objective to be broad in general, so if not spelled out specifically, it could be included in a general category. He wants to make sure when we say it is broad in general that it can encompass more than just being more narrowly focused.

Mr. Pino said there is a little of that, noting there will be a lot more detail in the final packet.

Councilor Dominguez said when this comes to Public Works, he would like to have the ranking of projects in order, rather than scattered throughout the list.

Acting Chair Wurzbarger said she also would like to see the actual projects, commenting her experience with the Legislature is that we need to be more specific about the projects rather than less specific. She said the availability of funds hasn't changed from last year, and we need to get a clear focus on the City's priorities. She is unclear about the \$5 million for improvements at the College of Santa Fe in 2013, noting there are several others about which she is unclear.

Mr. Romero said the list is supposed to be inclusive of everything we're doing, so that could be part of the total \$15 million we're spending, but he will look at it and let her know.

Acting Chair Wurzbarger said it appears the #1 categories appear to be all in water, College of Santa Fe and City Hall improvements, and Mr. Pino indicated this is correct.

Mr. Pino said no action is necessary and this is presented for information only.

21. PRESENTATION OF BEST PRACTICES REVIEW – ORGANIZATIONAL PERFORMANCE AND STRUCTURAL ASSESSMENT REPORT FOR THE SANTA FE CONVENTION AND VISITORS BUREAU AND COMMUNITY CONVENTION CENTER. (JAMES BRADBURY)

A. REQUEST FOR APPROVAL OF PROPOSED ORGANIZATIONAL STRUCTURE.

A copy of the proposed organizational chart for the Santa Fe Convention and Visitors Bureau provided by James Bradbury, is incorporated herewith to these minutes as Exhibit "2."

Mr. Romero said they came before the Finance Committee previously to discuss filling positions. The Committee directed staff to come up with a reorganization plan for the CVB. He said this report was completed, noting there is a short executive summer.

Mr. Romero said Exhibit "2" summarizes everything the report asks to do. He said they looked at the number of sales staff in comparison with other cities our size. He said everything in green are things we are requesting to add, positions in red are positions staff believes we can do without. He said there are people in some of the red positions, so it would be necessary to transition those people into the final organization.

Mr. Romero said the big ones are the Destination Marketing Manager, and we don't have anybody working on the leisure market, noting this is what others are doing about this.

[Councilor Bushee's remarks here are inaudible because she had her microphone turned off.]

Mr. Romero said the Sales managers are working to bringing conferences/conventions to the Convention Center. He said Destination Marketing is ensuring they reach people who want to come here just to visit as a family or as a couple. He said all sales people in the past have worked only on bringing conventions, and it now is common to have someone to ensure that people who are working on the marketing and the website are tying into the leisure market as well.

Councilor Bushee said previous directors have been trying to fill hotel rooms and not necessarily directing conferences to the facility.

Mr. Romero said that is true in a sense, but our sales people have been working on selling the Convention Center. He said this would be a different focus to ensure all of the marketing information also is focused on attracting the leisure market which is 60-80% of people coming to Santa Fe and not coming for conventions. He said we are hearing we need to make that strong and the numbers continue at 60-80%.

[Councilor Bushee's remarks here were inaudible because she had her microphone turned off.]

Mr. Romero said there are lots of performance standards included in the report for the sales people. He said this is how we plan to measure their success. The report has a lot of detail about what is expected from the sales people. He said we feel we can do the mailroom with 1 person instead of 3. He said they believe they can do without a Convention Center Administrator as well as an administration person. He said they have 6 Operations workers, and believe they can go with a core of 4, with 2 lead workers, and bring in temps for peak periods.

Mr. Romero said staff believes they do not need a contract sales manager, and all sales managers should be working for the City, rather than under contract, and adding the Destination Marketing Manager. He said they are asking that some of the positions should be exempt because we should be able to measure what they're doing, and if they are not producing, we should be able to terminate that person if necessary.

MOTION: Councilor Romero moved, seconded by Councilor Dominguez, to approve the proposed organizational structure.

DISCUSSION: Mayor Coss said he supports the motion and the organizational chart, noting the City has some work to do on the reorganization. He said in the meeting with the industry people, they indicated increasing the sales staff is critically important to the reorganization. He said the report provides good measurement tools to measure effectiveness. He said we are past the time when hospitality could take care of itself, and we have to do a stronger and stronger job on that. He thanked Mr. Bradbury for coming in on an interim basis and helping us to do this. He supports the direction, and likes a lot of the findings in the report. He noted for the record on page 5, there is one finding he doesn't like at all and should be stricken, "Moreover the public employee and union mind-set is a major hurdle to allowing the CCC to compete successfully, etc....." He said as a former public employee and union organizer, he objects to this language, and, although the union may need better leadership, direction and training, he doesn't believe they have a mind-set against customer service.

Mr. Romero said he believes that was deleted from the draft, and apologizes that wasn't done before it came to Committee.

[Councilor Bushee's question here is inaudible because she had her microphone turned off]

Mr. Romero said staff can analyze the fiscal impact. He said, "I guess in the end, the way I feel about it, is it might cost a little more money, but it will pay dividends over time. We'll analyze it and get that together quickly... we'll get it together before Council."

Mr. Romero said it is important to move forward with this, and it can come back to this Committee if necessary.

Councilor Bushee said she wants us to analyze the cost effectiveness of things, and doesn't want to vote on an organizational chart tonight.

Mr. Romero said it can be analyzed, but he is unsure whether it will be cheaper, but it definitely will be better and worth the investment, noting he will bring that analysis to the Committee before Council.

CLARIFICATION OF THE MOTION: Councilor Romero said the motion is to approve the organizational chart, which didn't say anything about the fiscal impact report. She said it sounds as if you will be providing that information.

Acting Chair Wurzbarger said this is correct.

[Councilor Bushee's remarks here are inaudible because her microphone was turned off.]

Mayor Coss, said with the regard to the impact on the CVB and Lodger's Tax revenues, we do need to see the analysis of the financial. He noted 3 positions are being created, 7 positions are being deleted, and

those 7 people will be moving into other positions. He doesn't it will be a big impact on the Lodger's Tax.

Councilor Bushee said we aren't losing 7 positions to the City.

Mayor Coss said we are losing 7 positions in the CVB, and those people are being moved into vacant positions in other parts of the City, so we aren't creating additional costs. He said the cost to Lodger's Tax may be changed in the CVB, but he doesn't believe it will be very much

Mr. Romero agreed with Mayor Coss, saying he can do the numbers quickly, noting the sales positions are high paid positions.

FRIENDLY AMENDMENT: Councilor Romero would like to the amend the motion to include the requested financial analysis on the positions by the time this goes to the City Council. **THE AMENDMENT WAS FRIENDLY TO THE SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COMMITTEE MEMBERS.**

Councilor Dominguez asked, with regard to the other recommendations in the plan, if there will be a lot of training.

Mr. Romero said once the positions are filled, he wants the authority to advertise the director position on a permanent basis, and ask the new director to implement everything in the plan. He said we will try to do as much as possible in-house, although it may be necessary to pay for outside training which he believes would be a good investment.

Councilor Dominguez wants to be sure we only approve the organizational chart, and not recognize the other recommendations which will be essential to ensuring the new positions are beneficial to the task at hand.

VOTE: The motion, as amended, was approved on voice vote, with Councilors Romero and Dominguez voting in favor of the motion and Councilor Bushee voting against.

B. REQUEST FOR APPROVAL TO FILL VACANT POSITIONS

Responding to Acting Chair Wurzburger, Mr. Romero said Item 21(B) is a request to fill the vacant positions which are listed in green on the Organizational Chart.

Councilor Bushee said this is unbelievable, noting we have no fiscal analysis to be able to authorize filling these positions, and "this is not what you all just said you are voting on."

Mr. Romero said he will bring that forward at Council.

Acting Chair Wurzburger said we aren't discussing Item 21(B) today.

Mr. Romero said, "In approving the Org Chart, I would ask that this is going to be the core of the employees at the CVB that I would like to fill all vacant positions. You're right Councilor Bushee, we should have done the numbers, and we'll get them done by Council."

Councilor Bushee said, "We actually have an ordinance which says we have to have a fiscal impact report for all these items... I don't know if it's an ordinance or a resolution, but it's our policy. And it seems to me this is no small shift. And so I'm just disappointed that it has to be this rushed thing, this rush job and with no real information fiscally. I just can't believe that this is.... I expected more in the packet, or at least more when you came here tonight from anybody. I'm kind of astounded actually. And so my vote... I've no idea of whether we're approving this change or not, because I don't have enough information to make a good decision, so I'm going to continue to vote no."

Councilor Dominguez asked Acting Chair Wurzbarger if she's suggesting we don't need to move Item 21(B) forward because to some degree we did it...

Acting Chair Wurzbarger said, "I think with the motion made on 21(A) it goes forward with the proper fiscal information as it goes to Council, if people will agree, positions will be passed and approved. It's a matter of a week."

Responding to Councilor Bushee, Acting Chair Wurzbarger said we won't be voting on this item, 21(B), "because it is inherent in 21(A) because of the way it was framed."

Mayor Coss departed the meeting

22. REQUEST FOR APPROVAL OF AUDIT COMMITTEE ADVISORY RECOMMENDATION NO. 1 – CITY OF SANTA FE EXTERNAL AUDITING PROCESS. (AUDIT COMMITTEE)

Deborah Moll, Chair of the Audit Committee, introduced the other members of the Audit Committee in attendance: Maurice Lierz, Clark de Schweinitz and Hazeldine Romero-Gonzales.

Ms. Moll said the issue is the Finance Department is not submitting its CAFR and other audits timely to the State Auditor, which means they aren't released by the State Auditor for as long as 6 months after the due date which was December 1, 2010. She said the problem this poses is that the City is forced to make economic and/or financial decisions based on out-of-date data, plus delaying the time to correct any findings made by the Auditors, which is the primary issue. She said the Committee found the reasons for is that the Finance Department is understaffed, and it has been given additional duties because it has taken on additional agency responsibilities for such projects as the Buckman Direct Diversion, the Railyard, the College of Santa Fe and others. She said because of that, the staff working on Audits have been strapped trying to get their additional work done and get the audits done in time to submit to the State Auditor. Ms. Moll said, additionally, staff has not been dedicated to coming up with the CAFR and submitting audits to the State Auditor.

Ms. Moll said the Committee recommendation is that the City develop a plan whereby it can

supplement staff in the Finance Department as that which are working on these particular audits and specifically on these audits, and that they are not taken off the audits to work on other projects, and that the City also work to retain staff and to recruit experienced staff which the Committee understands is difficult. She said one reason it is difficult is that there is no career ladder, so there is no incentive for experienced auditors to stay with the Finance Department and will move to other departments which may offer more money and less work.

Ms. Moll said another recommendation of the Committee is, "With the Buckman Direct Diversion you have an assessment that is assessed against the County which is their share of the fiscal agent work. The recommendation is that when you enter into these sorts of fiscal agent agreements that you do assess a fee, that you actually collect the fee and that you dedicate the fee to the audits and to the Finance Department specifically."

Councilor Bushee asked if Ms. Moll is saying the City isn't collecting the fee for the BDD.

Ms. Moll said the fee is for fiscal agent work which has begun only this year, so the fee only has started this year. However, the City needs to ensure the fee is being collected.

Councilor Bushee thanked the Audit Committee for its work on how the City conducts its audits. She said, "It was shocking to really see the timeline, in particular, to see that we essentially were a year and a half late in delivering information and completing our... to the State Auditor's Office. The paragraph that just sort of left me with my jaw dropping was we are not having timely review and evaluation of the City's fiscal affairs by various managers and committees, and the City Council and public as well, diminishing the usefulness of these audits. And the lack of current and accurate financial data could also adversely impact the City's bonds and other financial ratings. I mean, this is not small stuff. And you know, there is very specific projects that you point out, solid waste, Buckman Direct, College of Santa Fe and acquisition of the Railyard project. I understand that that's a heavy load on staff. You know, we got a new payroll system, we get new accounting systems on a regular basis. ... is this something that perhaps should be contracted out more in any way to make sure... I know some of it is just the flow of information that needs to come from our Finance Department, but it seems that, you know, that this cannot continue from my perspective."

Ms. Moll said the Committee agrees with that.

Councilor Bushee said, "Would you... I understand, other than having a plan, this is sort of a grand statement, and I wonder if you broke that down in any way that... sort of bite sized pieces that we might be able to absorb more readily and put into effect more quickly. I'm looking for answers, because this is not acceptable."

Ms. Moll said, "Well, I believe that what we did was to refer it to you all, because we thought that since you know the organization and staff knows the organization that really, it was above our pay grade. But we did indeed discuss, I believe, you know, whether they should be contracted out, but we didn't come to any conclusions on that. I think if you think that's within work we should do, or what you want us to do, we can certainly do that."

Councilor Bushee said, "Well, that's I think, my follow up question is, are you, and I understand the pay grade comment, but are you, has your work task been completed. Are you able to continue. I don't remember the resolution creating you. Are you permanent, or do you have terms and, you know, you were done six months ago."

Ms. Moll said this is a permanent committee.

Councilor Bushee said, "So you could come back with perhaps a little more fleshed in set of recommendations around this plan that we should have, and ways to effectuate it, and perhaps other ways that this is done more efficiently in other communities.

Ms. Moll said, "Yes, we certainly could do that."

Councilor Bushee said, "I would ask, I don't know if you're looking for a recommendation, I want to accept the Committee's report, and it says approval... I don't approve, unfortunately, of what has been the results, but I do... would love to see this continue and see you come back with much more specifics. That would be my motion. I thank you again profusely for all the information and lighting a fire under us."

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez, to approve the Audit Committee Advisory Recommendation No. 1 – City of Santa Fe External Auditing Process, as submitted, and "would love to see this continue and see you come back with much more specifics."

DISCUSSION: Ms. Moll said they have been working on other issues such as the Internal Auditor, and said she would like to know that City staff and staff of the BDD and such are very much helping the Committee to understand the workings of the Committee.

Councilor Dominguez asked if the causes listed on page 3 are in priority order. He said the top 3 are all human resource issues, and if we want to maintain a flat government, it means we may have to move human resources from another department, or increase our operating expenses to fix the lack of adequate staffing.

Ms. Moll said the Committee felt the lack of adequate staffing was the primary cause for the issue.

Councilor Dominguez noted Item #4 talks about staff report. He said Item #5 is happening throughout the entire organization, which is that people are having to do more with less, and the economy and the City's financial position lends to that cause. He said Item #6 really is a systems issue, and could be a human resources issue in terms of maintaining the system.

Councilor Dominguez noted Councilor Bushee asked for more information. He asked if the Committee could, with the Finance Department, do an analysis about how much more this would cost the City, or if it's a priority, where the City will be able to find the funds to fix the high rate of employee turnover and the other human resource issues. He said, "I guess the question is, could your committee do some of that work."

Ms. Moll said, "I'm unsure we know at this point Councilor, until we see what's out there and what's available, and what we can get to or not. We can certainly help you if we see ways to do that, and look for ways for you to do that."

Councilor Dominguez said, "When the Committee says 'lack of adequate staffing,' I suppose you have an idea of what adequate staffing is... and this isn't a criticism of the Committee. I absolutely thank you for the work you've done. And I remember as a Board of Education Committee, the Audit Committee was one of the most important committees we had, because, you know, it requires us to take look at ourselves from the outside. And so, it's not a criticism of you all, it's just a question."

Maurice Lierz, Audit Committee member said, "Let's go back. If you will go to the top of page 4, I think, as our Committee, we found the most essential thing, was to deal with the development of a plan. We think your City Manager, your Finance Department, have a management responsibility to come up with a plan. We're not the experts on how to get it done. I will say this, on point 2, and if you want what other cities are doing, I followed, through the press, that Albuquerque's Mayor has said that getting an audit done on time is a high priority item in my administration and make it happen. So, Madam Chair, I think the problem for our Committee is this, we do not see a fully developed plan by the Finance Department, approved by the City Manager, for us to react to."

Mr. Lierz continued, "Also, you have following us, your external auditors. By way of background, I was a partner in one of the international accounting firms. I've been on the other side. And, in response to your question, I would ask the partner or director of your external auditor, they live with you part of the year. And I would like to have their reactions and then we can react to that. Not that we're the doers. That's the reason we put the emphasis that you have to get serious and develop a plan."

Councilor Bushee said, "The other thing that I just want to mention, and then I don't know if it's a question or a response, but, you know, SWMA, Buckman Direct, College of Santa Fe, the Railyard Project, all have paid staff. Now I'm not saying... I guess I am saying, why does it then fall to our Finance staff to track down, you know, the completion of the Buckman Direct Diversion and the construction project, and an audit of all that. You know, I mean..."

Acting Chair Wurzbarger said that was the original agreement with the BDD, saying she can speak only to the BDD.

Councilor Bushee said, "Why don't those 4 individual projects or agencies, two of them at least have agencies overseeing them, that have highly paid professional staff, why aren't those costs subsumed under those agencies?"

Acting Chair Wurzbarger said, "And the answer on Buckman Diversion is that in the 9 year process, in the original agreements that took 3 years to develop, that's what we decided – that the City would be the fiscal agent. Do you know the Railyard..."

Councilor Bushee said, "... is different from being responsible from conducting the reviews and the audits of those agencies. I really think... I'm just saying, if you're worried about lack of staffing in the Finance

Department, those four projects are going to continue to add big big projects with big acquisitions which I think we could have had a lot more review in the beginning of those projects even, in terms of the initial costs and things. But, after the fact, you know, those things stand out to me. Those four projects stand out to me as, you know... if it's going to require more, more staff, more systems, more whatever, it should be paid for by those projects. They have bonds, they have, you know, responsibilities to holders of those bonds. It's.... not to say that the City staff shouldn't have their finger on the pulse of what's happening over there, but costs, or additional costs, should be borne by those entities, I believe."

Councilor Bushee continued, "And then the other comment is just that it is absolutely a priority of mine, and I don't know, I'm assuming the rest of this Committee, to make sure we have not only a plan, but a very specific plan with action steps, timelines, and goals to achieve the compliance that we are legally required to have, in terms of reporting to the State Auditor. That's not just a whim, it's a law, so I really hope that... and I'm not expecting this Committee to come back and do the work. And I think it really is a good suggestion to get our external auditor back here, and we don't hear from them really, and see what we can do."

Acting Chair Wurzbarger asked Mr. Romero to respond in terms of how we might proceed for getting such a plan.

Mr. Romero said, "Our external auditors are here and they are going to be presenting the audit that we submitted to the State. I was part of the entrance interview and the exit interview, and it my understanding that there was nothing... It was later, but, and they can speak for themselves, but it is my understanding that's there's nothing significant that they found as far as our procedures or anything else. It was late and there were some factors for why it was late. It was because we couldn't close the books fast enough because we had all those projects that were closing. It was sort of like the perfect storm – the College, the Railyard. So it took Kathryn's staff a lot time to get that done right, because we were working with all those other entities and couldn't get the information that quickly. So, what we've done since then, this year, I've told senior staff, you need to close out everything. Before, I think last year, things were getting closed out October, November. I've asked that it be closed out, I think it was August 1st for some things, and I think at the end of August for other things. So, I think that we're on the right track. We did need with the external auditors and I asked them, 'Do we need help.' And it appears we actually did a contract with them to help, so I guess, maybe I'm wrong, but I don't think this is big doom and gloom. I think it was unfortunate we were a little late."

Acting Chair Wurzbarger said it might be useful to look at other cities, and whether it would be worthwhile to compare. She said there are few cities in the State which have done the kinds of projects the City has done over the past 8 years, beginning with the Railyard. She said we would need to do a comparison that looked at cities that did something like that. "However, it might make sense to look from a human resource point review, what should we have had, we didn't have it, we were late, we know we were late, not because people were malevolent, but because we didn't have the people to get it done. And what would it take to lead to policy direction suggested by Councilor Bushee, that in the beginning, and of course she was around forever on the Railyard, and we don't have the answers on the Railyard. You know, what do we need to do in the beginning of a project to make sure that the proper staff are in place."

Mr. Romero reiterated the issues with the project, and the problems with the computer system. He said, "I think we need to look at, for the future, if we do have that kind of thing, a bunch of closings, maybe we bring in some temporary help."

Acting Chair Wurzbarger said that is what a plan would do, and she isn't trying to rehash everything and "slap ourselves around," but to move forward with some sort of prospective activity with what might happen and what would be need if we continue this. That would be my direction as the Chair or Councilor doing this."

Councilor Dominguez said, as the second to the motion, he wants to be very clear of his position, with respect to the recommendation, commenting the recommendation basically is saying we need more staff. He said, "But the bottom line is, as far as what I'm hearing from Robert, because I'm sure there's going to be some of us up here that are going to try to take advantage of this doom and gloom kind of thing. The Committee isn't saying there were these outstanding findings, and there were these findings by any external or internal or any other audit committee that puts us really in a bad position. It's just basically making a recommendation. Now, we need to be sure that the resources and a plan are in place, and make sure that we continue to have a decent, or maybe even a good track record... a better track record. That's... I just want to be sure to make it clear that that's my position. I'm not agreeing with the motion because there are horrible findings, and, you know the State Auditor is going to say, shame on Santa Fe, we're a bad City and have bad policies, etc. It's just really that the Committee's recommendations are of some, or a great deal of credence, which is that we need to make sure that the resources, including in this case a plan, are in place to continue to move forward."

Acting Chair Wurzbarger added her thank you on behalf of Chair Ortiz, noting they spoke before the meeting, and said he really appreciates the extensive work you've done, and that we will do something with this.

Councilor Bushee suggested that the motion be amended to require the external auditor to come before this Committee at the next meeting, "or do you want them to talk to us tonight."

Mr. Romero reiterated that the external auditor is the next item on the agenda this evening to talk about the audit which was submitted this year.

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

23. REQUEST FOR APPROVAL OF COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUN3 30, 2010. (TERESITA GARCIA)

A copy of the Comprehensive Annual Financial Report [CAFR] for the fiscal year ending June 30, 2010, is incorporated herewith to these minutes as Exhibit "3."

A copy of a slide presentation, "City of Santa Fe, Presented by Martin Mathieson, CPA, CGFM, Morgan Browning, CPA, CGFM," dated August 22, 2011, prepared by Atkinson Certified Public Accountants/Consultants, is incorporated herewith to these minutes as Exhibit "4."

Teresita Garcia said for the past 13-15 years that we have received an award from the GFOA, and because of the acquisition of the BDD, Railyard and such, we do need additional support, or to have Finance involved when the City enters into a JPA to be sure we have adequate staffing to pick up the additional duties. She said we had no additional employees during the BDD construction, so it would be good to plan out these projects to enable us to come to a more timely reporting requirement.

Acting Chair Wurzburger thanked Ms. Garcia for covering so many jobs for many years now, and not just during the Buckman construction.

Councilor Bushee asked, "Do we charge like we do for the attorneys for all these other agencies for the Finance Department's time."

Ms. Raveling said, "We do have charges for other services for other departments."

Councilor Bushee said, "If we were to add staff that specifically oversaw those other projects, could we have them paid for by those projects."

Ms. Raveling said that would be an option.

Martin Mathieson, CPA, Atkinson & Company, thanked the Finance Committee for being placed on the agenda, noting this is the second year they've made a power point presentation on the CAFR. He said a centerpiece of his report is the late audit, which was the area of focus, so he will address some of the other comments, the main factors. He noted the CAFR is a 275 page document and contains a "lot of stuff in it."

Mr. Mathieson presented the information in Exhibit 4. Please see Exhibit "4" for specifics of this presentation.

The Committee asked questions and commented as follows:

- Councilor Bushee asked if they were speaking of water transactions, water banking.

Mr. Mathieson said it was a review of the whole area.

- Councilor Bushee said there are a few systems around water rights, and asked if those need an individual audit or review, commenting we didn't hear those specifics.

Mr. Mathieson said they disclose a little more about the water rights, origins, and such, and there was a pre-paid water bank and the Committee couldn't see that, but believes that is in better shape now.

- Councilor Bushee asked if this is something the external auditor has reviewed previously, or should staff be involved, commenting "we have so many separate arms, I'm not sure everybody's, you know, crossing."

Mr. Mathieson said, "I have to give an opinion, my professional opinion that material balances and accounts of the City of Santa Fe are in accordance with Generally Accepted Accounting Principles for Governmental Entities. So, we looked at the water rights. We didn't adjust them, we just expanded the disclosure. I bring up the point to say we are in response to an item of interest to your Audit Committee."

- Councilor Bushee asked if there should be more specific requirements, or pay the auditor to do a review of this. She said, "I feel like the Finance staff is busy trying to balance a budget, never mind all these other agencies and stuff. I just want to make sure we're on top of that."

Ms. Garcia said they have a detailed listing of all water rights, but what the Audit Committee wanted was more detail on disclosure of the water and prepaid water rights in the Audit Report to be very clear it is part of our audit. So it is more for disclosure for our bond people and to understand where the water rights are.

- Councilor Bushee asked if this for City Legal, the Water Division.

Ms. Garcia said when the City purchases water rights, they are listed as fixed assets and entered on the balance sheet to show that there is a cost to those water rights.

- Acting Chair Wurzbarger said, "Then it wasn't as clear to the Audit Committee as it should have been, according to the Audit Committee, and you provided additional information around what those rights were as an asset."

Ms. Garcia said this is correct.

- Councilor Bushee said, "Then I can presume it's not something that is beyond the scope of staff, or should it be. You know, I'm trying to make sure we're not over-burdening Finance Staff, but if there's some other staff that should be monitoring this more accurately, I'd like to know that."

Ms. Garcia said the City Attorneys are reviewing the water rights, and Claudia Borchert at the Water Division, as well as Dale, also are reviewing the water rights. She said all Finance does is report them as assets in our capital outlay, and they are getting accurate information.

Responding to Councilor Dominguez, Ms. Garcia said it isn't a finding, all they did was to add additional information as requested – expand the disclosure note.

- Acting Chair Wurzbarger asked the Committee to focus on the findings and not the process.

- Councilor Bushee disagreed and wants to know there is a process in place to oversee the water rights.

Acting Chair Wurzbarger said she is speaking to how we are moving through the material before the Committee to be sure we get to the final recommendations of what needs to be done differently.

- Councilor Bushee asked how Police Overtime came to the auditor's attention specifically.

Mr. Mathieson asked them to design special test work to look at Police payroll, and it was rolled into the normal audit.

- Councilor Dominguez asked Mr. Mathieson if they are losing autonomy in assisting the City to complete the CAFR.

Mr. Mathieson said no, because management can approve their work if they agree with what they've done, pointing out they are not a member of management. He said in the past, auditors were allowed to prepare the CAFR for their clients. Those rules were changed probably based on ENRON and the Sarbanes-Oxley Act because of fraud in the preparation of financial statements, so they made a rule to extend the internal control system of the client to extend through the preparation of the financial statement process. So it can be prepared as a convenience, as long as the City is satisfied that the Finance Department has the ability to approve their work and know that they like it.

- Acting Chair Wurzbarger asked if the bullet on page 8 refers to outsourcing the entire financial function, or what.

Mr. Mathieson said the outsource option would be through a contract, commenting he doesn't know what the appropriate man and woman power would be, but you would bring in two people at the appropriate time.

- Acting Chair Wurzbarger said, then it is outsourcing for additional people to help.

Mr. Mathieson said yes, noting it would be easier to get the appropriate skill that way.

- Acting Chair Wurzbarger believes this Report should go to the Council. She said, with regard to page 10, she believes it is this Committee's job to pass to the Council the compliment from the auditors that we kept our expenses flat and our income went down by \$24 million, and our investment earnings fell from \$6 million to \$1.8 million. She said this is a major message from this Committee to the Council for the future. She wants to be sure the entire Council is on the same page as we are, with respect to our position financially.

- Councilor Bushee asked what is meant by "No Soft Estimates" on page 11.

Mr. Mathieson said audit transactions that occur that involve an exchange transaction with money. If the City procures something and pays for it you can account for that. The soft estimate is something like depreciation.

- Councilor Bushee asked if the kind of audit you conduct could find the \$12 million which was sitting in Wastewater.

Mr. Mathieson said it is reported in the Audit as a cash balance.

- Councilor Bushee asked if that kind of information would be brought to the attention of staff along the way as an aberration, or as “any kind of thing or anything.”

Mr. Mathieson said the trial balance is reconciled to the bank reconciliation, therefore in the minutes we see discussion of Wastewater, water rates and such. He said the cash balances are pooled every night to yield investment income. He said their focus was to get the accurate accounting and get the financial statement out. He said they didn't make the normative judgment that this was excessively high or should be brought to the attention of, or moved around.

- Councilor Bushee said then it is listed as a cash balance so people are aware. She wants to go back to some of the Auditor's recommendations, the Committee's recommendations – outsourcing and providing a deadline to provide information to be a part of the audit. She said it's not like a race to the finish line, and it is about process. She said, “You know, the information, from my perspective, needs to at least come back to me in a way that makes... I need to know, you know, about important findings. I need to know about, you know, \$12 million sitting around in a cash balance, if it's unnoted for a while. There's just a lot of things that would help, at least from my perspective, at least in terms of having to make decisions.”

Councilor Bushee continued, “You know, it is concerning to me to see the lateness, the repeated lateness, only when I hear this is a possibility this can affect our bond rating, you know, we're considering another Capital Improvements Bond. And I guess I just want somebody to speak to that in terms of... I mean... are we worried about that. Robert said he wasn't worried, so should I be worried.”

- Acting Chair Wurzbarger said question is should I be concerned because the lateness would affect our bonding capacity.

Mr. Mathieson said he is unsure he can give a definitive answer. He can say that it doesn't look good, but it would take some time before the bond rating would be impacted. He said he is here to recommend that the City get its audit in on time.

- Acting Chair Wurzbarger said one of the External Auditor's recommendations, not yet implemented, would address Councilor Bushee's concern about suddenly finding \$12 million, noting he was looking at doing a template. She understands that an auditor can report only what they are given.

Ms. Raveling said, "This is the book through 2010 and that information is in all of the books throughout all of the CAFRs that we've had. You can look in there, and that information is there. It's not like suddenly we found \$12 million. Well, I guess that's where my issue is."

- Councilor Bushee said, "It was just an irregular. I don't even know what the report was, and I said why is there \$12 million there, and staff, not you, from that department scratched their head."

Ms. Raveling said, "I can run a cash report any time of the day, night, I can give you daily cash reports. It's not that we have anything that, oh my gosh, we didn't know we had \$12 million. I can run just about any kind of report that you want, and if you want them on a monthly basis, we can run them. We can run them daily, weekly. If you just give us the information you want, I can produce that for you. If you look, even in the CAFR, even every year, there is an in-depth summary of all the City's cash, expenses and revenue. It's there and maybe when we do the CAFR, perhaps we need to have a study session with you all to go through and explain some of the detail, because I know it's complicated."

- Councilor Bushee said, "Well, but it's not even a complication due to the fact that we're not accountants, we are lay people. But the flow of information, Kathryn, and again this is not a blame session, but it was very difficult this last budget process, at least from my perspective to get information on cash balances in particular. And it was like following a bouncing ball. And you know, I'm just saying, granted I don't take this home and study it every day, but it should be very obvious and easily-found." She reiterated this was a difficult budget process. She is trying to find the places where the flow of information is constricted and where it is not imminently obvious that we had \$12 million sitting in a fund.

Acting Chair Wurzbarger asked Committee members to stay on point with the discussion.

Ms. Raveling said it probably was a communication problem, noting every year during the budget process she does cash analysis, and she tried to make them even more simple this year. She said perhaps we need to take more time on the basic financial condition of the City during the budget process.

- Councilor Dominguez said for some staff it is obvious, and it is the Governing Body's position to ask those questions and make sure they are clear. He said it was a surprise to him, just because he doesn't know the details as well as City staff, although it was obvious to some people.
- Acting Chair Wurzbarger said we never got to the "one-page" position because we started looking at money we never looked at before." She said this an audit issue.
- Councilor Dominguez said some of it is policy-making, and it is up to us to be able to understand things well enough to make decisions.

Acting Chair Wurzbarger this needs to go to the City Council in some way, and we can discuss how to do that with Mayor Coss.

There was no action on this item.

24. UPDATE ON CITY'S INVESTMENT PORTFOLIO AS OF JUNE 30, 2011. (HELENE HAUSMAN)

Ms. Hausman spoke about all of the issues she has experienced in trying to invest the City's funds, in light of the S&P downgrades, the disagreements among the other major rating companies, the economy, and the limitations on the Local Government Investment Pool, noting all of these factors have resulted in major changes in the management of the investment portfolio. She said she is glad we weren't rated by S&P because that would have caused more problems, noting our pool is very small, and the cost of that rating didn't seem of benefit, and we don't have to deal with that downgrade which is great.

Ms. Hausman said S&P's cuts in federal downgrade hasn't had the anticipated effect and U.S. Treasuries have continued to fall every day, and since all federal agencies are pegged to that they are falling also. She said everything she has purchased in the last week has come in lower and lower and lower. The only justification for buying is that it pays more than our savings account which is paying .23%. She has some short term CD's at Wells Fargo at .28 and .29 and .30 which is somewhat better.

Ms. Hausman noted the materials in the Committee packet, saying this is an annual report with comparisons from last year, rather than a quarterly report. She said she is unsure whether she will be able to earn the budgeted \$1.5 million in interest income this year, but she will try very hard to do that, and she will keep the Committee informed. She said the Committee needs to know we are in a falling interest rate situation and nobody seems to be in control. She noted the information in the table on page 8 of the packet.

Ms. Hausman said the three goals in investment policy are security, liquidity and yield.

25. OTHER FINANCIAL INFORMATION:

A. UPDATE ON GROSS RECEIPTS TAX RECEIVED IN AUGUST 2011 (FOR JUNE 2011 ACTIVITY) AND LODGERS' TAX REPORT RECEIVED IN JULY 2011 (FOR JUNE 2011 ACTIVITY). (KATHRYN RAVELING)

Ms. Raveling presented a brief overview of the information in the Committee packet. Please see the Committee packet for specific numbers.

26. MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

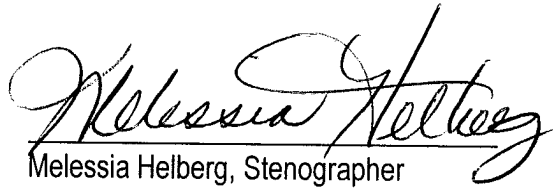
27. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:45 p.m.

Reviewed by:

Matthew E. Ortiz, Chair

Kathryn L. Raveling, Director
Department of Finance



Melessia Helberg, Stenographer