



Agenda

REGULAR MEETING OF
THE GOVERNING BODY
MAY 30, 2007
CITY COUNCIL CHAMBERS

AFTERNOON SESSION – 5:00 P.M.

CITY CLERK'S OFFICE

DATE 5-25-07 TIME 3:05 pm

SERVED BY _____

RECEIVED BY Jydominguez

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. ROLL CALL
5. APPROVAL OF AGENDA
6. APPROVAL OF CONSENT CALENDAR
7. APPROVAL OF MINUTES: City Council Study Session – April 26, 2007
Reg. City Council Meeting – May 9, 2007
8. PRESENTATIONS
 - a) Muchas Gracias – Pete Ortega, Inspection and Enforcement Division Director. (5 Minutes)
 - b) Muchas Gracias – Andy Villa, Construction Inspector Supervisor. (5 Minutes)
 - c) Muchas Gracias – Group Insurance Benefits Advisory Committee. (5 Minutes)
 - d) Samuel Waitt – Rio Grande School; State Geography Bee Champion. (5 Minutes)
 - e) Muchas Gracias – St. Michael's Pony Express; State Drill Team Champions. (5 Minutes)
9. CONSENT CALENDAR
 - a) Bid No. 07/43/B – Mobile Concrete Mixer/Dispenser for Water Division; Cemen Tech, Inc. (James Rodriguez)
 - b) Bid No. 07/47/B – Compost Windrow Turner for Wastewater Management Division; McCourt & Sons Equipment, Inc. (Nicholas Schiavo)



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- c) Bid No. 07/48/B – Compost Feedstock Mixer for Wastewater Management Division; Roto Mix, LLC. (Nicholas Schiavo)
- d) Request for Approval of Grant Award – Princeton Internships in Civic Service Program. (Debra Garcia y Griego)
 - 1) Request for Approval of Budget Increase – Grant Fund.
- e) Request for Approval of a Renewal of Fourteen (14) Professional Services Agreements – Arts Promotion Program Through 1% Lodgers' Tax. (Debra Garcia y Griego)
- f) Request for Approval of Four (4) Capital Outlay Agreements for Senior Division; State of New Mexico, New Mexico Aging and Long-Term Services Department, 2006 Laws of New Mexico. (Ron Vialpando)
 - 1) Request for Approval of Budget Increase – Grant Fund Project Funds.
- g) Request for Approval of Amendment No. 1 to Grant Agreement – Special Appropriations Project for Multipurpose Park on Paseo de La Conquistadora and Teen Arts Center at Railyard Property; State of New Mexico Department of Finance and Administration Local Government Division. (David Chapman)
 - 1) Request for Approval of Budget Increase – Grant Fund.
- h) Request for Approval of Grant Agreement – Santa Fe Boys and Girls Club for Computer Clubhouses; State of New Mexico Department of Finance and Administration Local Government Division. (David Chapman)
 - 1) Request for Approval of Professional Services Agreement – Utilizing Computer Clubhouse Program for all Boys and Girls Club Participants; Santa Fe Boys and Girls Club. (Terrie Rodriguez)
 - 2) Request for Approval of Budget Increase – Grant Fund.
- i) Request for Approval of Sole Source Procurement – Meal Trays for Meals on Wheels Program for Senior Division; Oliver Products. (Carlos Sandoval)



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- j) Request for Approval of Amendment No. 2 to Contract – Citywide Utility Pavement Restoration; Advantage Asphalt and Seal Coating, LLC. (Edwin Lovato)
- k) Request for Approval of Procurement Under State Price Agreement – Recycled Asphalt Paving of Gonzales Road, Los Arboles Drive, Armijo Street and Camino de Los Montoya's; Holly Asphalt Company. (Eric Martinez)
- l) Request for Approval of Grant Application – Aviation Drive Security Lighting; New Mexico Department of Transportation Aviation Division. (Jim Montman)
- m) Request for Approval of Funding and Budget Increase for Santa Fe Civic Housing Authority to Provide Improvements for a Temporary Location for Hopewell-Mann Community Resource Center. (Kathy McCormick)
- n) CONSIDERATION OF RESOLUTION NO. 2007-_____. (Councilor Heldmeyer and Councilor Calvert)
A Resolution Creating an Office of Fire Chaplain. (Fire Chief Chris Rivera)
- o) Request for Approval of Summer Interim Parking Plan for El Museo and Downtown. (William Hon)
- p) Request for Approval of Professional Services Agreement – Produce and Manage Santa Fe Design Week 2007 (RFP #07/46/P); Solution Development. (Craig Fiels)
 - 1) Request for Approval of Budget Increase – Economic Development Fund.
- q) Request for Approval to Publish Notice of Public Hearing on June 27, 2007:
 - 1) An Ordinance Amending Section 6-16.1 SFCC 1987 Regarding the Membership Terms of the Ethics and Campaign Review Board and Amending Section 9-2.15 SFCC 1987 Regarding the Posting of Political Signs. (Mayor Coss, Councilor Calvert and Councilor Wurzbarger) (Frank Katz and Yolanda Y. Vigil)



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- r) CONSIDERATION OF RESOLUTION NO. 2007-_____. (Councilor Calvert, Councilor Wurzbarger and Councilor Bushee)
A Resolution Directing Transit Division Staff to Work with Other Public Works Department Staff to Develop and Execute a Pedestrian Safety Awareness Campaign and to Examine Pedestrian Routes to Bus Stops, Identify Where Capital Improvements are Required to Facilitate Safe Access to Such Stops, Prioritize Needed Improvements in Consultation With the Transit Advisory Board, and Recommend Implementation of Such Improvements to the Governing Body. (Jon Bulthuis)
- 10. CONSIDERATION OF RESOLUTION NO. 2007-_____.
A Resolution Adopting the Fiscal Year 2007/08 Operating Budget. (Kathryn Raveling)
 - a) Request for Approval of Reorganization Plan for the City of Santa Fe.
- 11. Request for Approval to Dispense Alcohol (Wine Only) at the Southside Branch Library, 6599 Jaguar Drive, on Sunday, June 3, 2007 from 4:00 p.m. to 6:00 p.m. (Patricia C. Hodapp)
- 12. MATTERS FROM THE CITY MANAGER
- 13. MATTERS FROM THE CITY ATTORNEY
- EXECUTIVE SESSION:
 - a) Discussion of Pending Litigation Regarding Las Soleras Annexation Pursuant to §10-15-1 (H) (7) NMSA 1978.
 - b) Discussion of Siler Road/Agua Fria Property Acquisition, Pursuant to §10-15-1 (H) (8) NMSA 1978.
- 14. Action Regarding Siler Road/Agua Fria Property Acquisition. (Mike Lujan)
- 15. MATTERS FROM THE CITY CLERK
- 16. COMMUNICATIONS FROM THE GOVERNING BODY



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REGULAR MEETING OF
THE GOVERNING BODY
MAY 30, 2007
CITY COUNCIL CHAMBERS

EVENING SESSION – 7:00 P.M.

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. INVOCATION
- D. ROLL CALL
- E. PETITIONS FROM THE FLOOR
- F. APPOINTMENTS
- G. PUBLIC HEARINGS:
 - 1) Request from Skyehunt, LLC, for a Restaurant (Beer & Wine) License to be located at Sal's Red Skye Grill, 2239 Old Pecos Trail. (Yolanda Y. Vigil)
 - 2) Request from Zuma Corporation, for a Transfer of Ownership (Individual Acquiring More Than 10% of Zuma Corporation) of Dispenser License #2587. The License Will Remain at Zia Diner, 326 S. Guadalupe Street. (Yolanda Y. Vigil)
 - 3) Consideration of Adoption of 2007/2008 Community Development Block Grant (CDBG) Entitlement Program. The CDBG Program is Part of the City's Annual Action Plan Submitted to the U. S. Department of Housing and Urban Development. (Melisa Collett)
 - 4) CONSIDERATION OF BILL NO. 2007-18: ADOPTION OF ORDINANCE NO. 2007-_____.
An Ordinance Authorizing the Issuance and Sale of a City of Santa Fe, New Mexico Industrial Revenue Bonds (Ridgetop Road, LLC Project) Series 2007 in the Maximum Principal Amount of \$45,000,000 to Provide Funds to Finance the Acquisition, Construction and Equipping of an Industrial Revenue Project; Authorizing the Execution and Delivery of an Indenture, Lease Agreement, Bond Purchase Agreement, the Bond and Other Documents in Connection with the Issuance of the Bond and the Project, Making Certain Determinations and Findings Relating to the Bond and the Project; Ratifying Certain Actions Taken Previously; and Repealing All Actions Inconsistent With This Ordinance. (Kathryn Raveling)



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- 5) CONSIDERATION OF BILL NO. 2007-16: ADOPTION OF ORDINANCE NO. 2007-_____. (Councilor Wurzbarger, Mayor Coss, Councilor Calvert, Councilor Dominguez, Councilor Ortiz and Councilor Trujillo)
An Ordinance Creating a New Article 10-10 SFCC 1987 Prohibiting the Burning of Coal in the City Limits of Santa Fe. (Jack Hiatt)
- 6) CONSIDERATION OF BILL NO. 2007-21: ADOPTION OF ORDINANCE NO. 2007-_____. (Councilor Heldmeyer)
An Ordinance Amending Section 18-1.2 SFCC 1987 Regarding the Definition of Distress Merchandise Sale; Creating a New Section 14-8.10(B)(8) SFCC Regarding Fines for Non Complying Signs; Amending Section 14-8.10(H)(28) and Creating a New Section 14-8.10(H)(29) SFCC 1987 Regarding the Prohibition of Price Reduction Signs in the Historic Districts. (David Rasch)
- 7) CONSIDERATION OF BILL NO. 2007-17: ADOPTION OF ORDINANCE NO. 2007-_____. (Councilor Calvert and Councilor Trujillo)
An Ordinance Repealing Section 8 of Exhibit A, Chapter 22 SFCC 1987 and Creating a New Section 8 of Exhibit A, Chapter 22 SFCC 1987 Establishing New Sewer Service Charges; Amending Section 12 of Exhibit A, Chapter 22 SFCC 1987 Establishing New Extra Strength Sewer Surcharge Rates; and Amending Section 13 of Exhibit A, Chapter 22 SFCC 1987 Establishing New Effluent Rates. (Costy Kassisieh)
- 8) CONSIDERATION OF BILL NO. 2007-19: ADOPTION OF ORDINANCE NO. 2007-_____. (Councilor Ortiz and Councilor Trujillo)
An Ordinance Amending Chapter 21, SFCC 1987 Regarding Solid Waste Collection Requirements and Enforcement Penalties. (William DeGrande)
- 9) CONSIDERATION OF BILL NO. 2007-13: ADOPTION OF ORDINANCE NO. 2007-_____. (Councilor Chavez)
An Ordinance Amending Sections 14-3.1 and 14-3.4 SFCC 1987 Regarding Petition Method Annexations and Sector Plans and Amending the Definition of Sector Plan in Article 14-12 SFCC 1987. (Frank Katz)
(Postponed at April 25, 2007 City Council Meeting)

H. ADJOURN



Agenda

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THE GOVERNING BODY
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CITY COUNCIL CHAMBERS

Pursuant to the Governing Body Procedural Rules, in the event any agenda items have not been addressed, the meeting should be reconvened at 7:00 p.m., the following day and shall be adjourned not later than 12:00 a.m. Agenda items, not considered prior to 11:30 p.m., shall be considered when the meeting is reconvened or tabled for a subsequent meeting.

NOTE: New Mexico law requires the following administrative procedures be followed when conducting "quasi-judicial" hearings. In a "quasi-judicial" hearing all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross-examination. Witnesses have the right to have an attorney present at the hearing.

*Translator for the hearing impaired available through the City Clerk's Office upon 5 days notice.

CITY COUNCIL MEETING
EXECUTIVE SESSION
May 30, 2007

The governing body of the City of Santa Fe met in an executive session duly called on May 30, 2007 beginning at 6:55 p.m.

The following item was discussed:

- 1) Siler Road/Agua Fria Property Acquisition, Pursuant to §10-15-1(H)(8) NMSA 1978.**

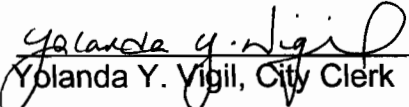
PRESENT

Mayor Coss
Councilor Bushee
Councilor Calvert
Councilor Chavez
Councilor Dominguez
Councilor Heldmeyer
Councilor Ortiz
Councilor Trujillo
Councilor Wurzbarger

STAFF PRESENT

Galen Buller, City Manager
Frank Katz, City Attorney
Yolanda Y. Vigil, City Clerk
Bill Tallman, Deputy City Manager
Jack Hiatt, Acting Planning & Land Use Director
Richard Fiedler, Property Control Division Director
Mike Lujan, Risk Management & Safety Director

There being no further business to discuss, the executive session adjourned at 7:32 p.m.



Yolanda Y. Vigil, City Clerk

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SANTA FE CITY COUNCIL MEETING
 May 30, 2007

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE #</u>
<u>AFTERNOON SESSION - 5:00 p.m.</u>		
ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT CALENDAR	Approved	1
CONSENT CALENDAR LISTING		2-4
APPROVAL OF MINUTES:		
City Council Study Session – April 26, 2007	Approved	4
Reg. City Council Meeting May 9, 2007	Approved	4
PRESENTATIONS		
MUCHAS GRACIAS – PETE ORTEGA, INSPECTION AND ENFORCEMENT DIVISION DIRECTOR		4
MUCHAS GRACIAS – ANDY VILLA, CONSTRUCTION INSPECTOR SUPERVISOR		4-5
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CONSIDERATION OF RESOLUTION NO. 2007-46. A RESOLUTION ADOPTING THE FISCAL YEAR 2007/08 OPERATING BUDGET	Approved [amended]	5-12
REQUEST FOR APPROVAL OF REORGANIZATION PLAN FOR THE CITY OF SANTA FE	Approved	12-16
REQUEST FOR APPROVAL TO DISPENSE ALCOHOL (WINE ONLY) AT THE SOUTHSIDE BRANCH LIBRARY, 6599 JAGUAR DRIVE, ON SUNDAY, JUNE 3, 2007, FROM 4:00 P.M. TO 6:00 P.M.	Removed from Agenda	16

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MATTERS FROM THE CITY MANAGER	Information/discussion	16-17
MATTERS FROM THE CITY ATTORNEY		
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Discussion of Pending Litigation Regarding Las Soleras Annexation, Pursuant to §10-15-1(H)(7). NMSA 1978	Postponed to 06/13/07	17 & 50
Discussion of Siler Road/Agua Fria Property Acquisition, Pursuant to §10-15-1(H)(8) NMSA 1978	Discussed	17
MOTION TO COME OUT OF EXECUTIVE SESSION	Approved	17
ACTION REGARDING SILER ROAD/AGUA FRIA PROPERTY ACQUISITION	No action	17
<u>EVENING SESSION</u>		
ROLL CALL	Quorum	19
PETITIONS FROM THE FLOOR	Information/Discussion	19-20
APPOINTMENTS		
Human Services Committee	Approved	20
Parks and Open Space Advisory Commission	Approved [amended]	20-21
PUBLIC HEARINGS		
REQUEST FROM SKYEHUNT, LLC, FOR A RESTAURANT (BEER & WIND) LICENSE TO BE LOCATED AT SAL'S RED SKYE GRILL, 2239 OLD PECOS TRAIL.	Approved	21
REQUEST FROM ZUMA CORPORATION, FOR A TRANSFER OF OWNERSHIP (INDIVIDUAL ACQUIRING MORE THAN 10% OF ZUMA CORPORATION) OF DISPENSER LICENSE #2587. THE LICENSE WILL REMAIN AT ZIA DINER, 326 S. GUADALUPE STREET	Approved	22

ITEM**ACTION****PAGE #**

CONSIDERATION OF ADOPTION OF 2007/2008 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM. THE CDBG PROGRAM IS PART OF THE CITY'S ANNUAL ACTION PLAN SUBMITTED TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Adopted [amended]

22-26

CONSIDERATION OF BILL NO. 2007-18; ADOPTION OF ORDINANCE NO. 2007-15. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CITY OF SANTA FE NEW MEXICO INDUSTRIAL REVENUE BONDS (RIDGETOP ROAD, LLC PROJECT), SERIES 2007 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$45,000,000 TO PROVIDE FUNDS TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN INDUSTRIAL REVENUE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, THE BOND AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND AND THE PROJECT, MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE

Adopted

26-36

CONSIDERATION OF BILL NO. 2007-16; ADOPTION OF ORDINANCE NO. 2007- 16. AN ORDINANCE CREATING A NEW ARTICLE 10-10 SFCC 1987, PROHIBITING THE BURNING OF COAL IN THE CITY LIMITS OF SANTA FE

Adopted [amended]

36-38

CONSIDERATION OF BILL NO. 2007-21; ADOPTION OF ORDINANCE NO. 2007 - 17. AN ORDINANCE AMENDING SECTION 18-1.2 SFCC 1987 REGARDING THE DEFINITION OF DISTRESS MERCHANDISE SALE; CREATING A NEW SECTION 14-8.10(B)(8) SFCC, REGARDING FINES FOR NONCOMPLYING SIGNS; AMENDING SECTION 14-8.10(H)(28), AND CREATING A NEW SECTION 14-8.10(H)(29) SFCC 1987, REGARDING THE PROHIBITION OF PRICE REDUCTION SIGNS IN THE HISTORIC DISTRICTS

Adopted

39-40

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE #</u>
CONSIDERATION OF BILL NO. 2007-17; ADOPTION OF ORDINANCE NO. 2007- 18. AN ORDINANCE REPEALING SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987 AND CREATING A NEW SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987 ESTABLISHING NEW SEWER SERVICE CHARGES; AMENDING SECTION 12 OF EXHIBIT A, CHAPTER 22 SFCC 1987 ESTABLISHING NEW EXTRA STRENGTH SEWER SURCHARGE RATES; AND AMENDING SECTION 13 OF EXHIBIT A, CHAPTER 22 SFCC 1987, ESTABLISHING NEW EFFLUENT RATES	Adopted a/a	40
CONSIDERATION OF BILL NO. 2007-19; ADOPTION OF ORDINANCE NO. 2007-19. AN ORDINANCE AMENDING CHAPTER 21, SFCC 1987, REGARDING SOLID WASTE COLLECTION REQUIREMENTS AND ENFORCEMENT PENALTIES	Adopted [amended]	40-42
CONSIDERATION OF BILL NO. 2007-13; ADOPTION OF ORDINANCE NO. 2007- 20. AN ORDINANCE AMENDING SECTIONS 14-3.1 AND 14-3.4 SFCC 1987, REGARDING PETITION METHOD ANNEXATIONS AND SECTOR PLANS AND AMENDING THE DEFINITION OF SECTOR PLAN IN ARTICLE 14-12 SFCC 1987	Adopted a/a	42-50
MATTERS FROM THE CITY ATTORNEY CLOSED SESSION: Discussion of Pending Litigation Regarding Las Soleras Annexation Pursuant to §10-15-1(H)(7) NMSA 1978	Postpone to 06/13/07	50
MATTERS FROM THE CITY CLERK	None	51
COMMUNICATIONS FROM THE GOVERNING BODY	Information/Discussion	51-53
ADJOURN		53

**MINUTES OF THE
REGULAR MEETING OF THE
GOVERNING BODY
Santa Fe, New Mexico
May 30, 2007**

AFTERNOON SESSION

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor David Coss, on May 30, 2007, at approximately 5:00 p.m., in the City Hall Council Chambers. Following the Pledge of Allegiance and Invocation, roll call indicated the presence of a quorum, as follows:

Members Present

Mayor David Coss
Councilor Miguel Chavez, Mayor Pro-Tem
Councilor Patti J. Bushee
Councilor Christopher Calvert
Councilor Carmichael A. Dominguez
Councilor Karen Heldmeyer
Councilor Matthew E. Ortiz
Councilor Ronald S. Trujillo
Councilor Rebecca Wurzbarger

5. APPROVAL OF AGENDA

Yolanda Vigil, City Clerk said there has been a request to remove Item #11 from the Afternoon Agenda.

Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve the agenda as amended.

The motion was approved on a voice vote with Councilors Bushee, Calvert, Chavez, Dominguez, Heldmeyer, Ortiz, Trujillo and Wurzbarger voting for the motion and none against.

6. APPROVAL OF CONSENT CALENDAR

Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve the following Consent Calendar. The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo and Councilor Wurzbarger.

Against: None.

- a) **BID NO. 07/43/B – MOBILE CONCRETE MIXER/DISPENSER FOR WATER DIVISION; CEMEN TECH, INC. (JAMES RODRIGUEZ)**
- b) **BID NO. 07/47/B – COMPOST WINDROW TURNER FOR WASTEWATER MANAGEMENT DIVISION; MCCOURT & SONS EQUIPMENT, INC. (NICHOLAS SCHIAVO)**
- c) **BID NO. 07/48/B – COMPOST FEEDSTOCK MIXER FOR WASTEWATER MANAGEMENT DIVISION; ROTO MIX, LLC. (NICHOLAS SCHIAVO)**
- d) **REQUEST FOR APPROVAL OF GRANT AWARD – PRINCETON INTERNSHIPS IN CIVIC SERVICE PROGRAM. (DEBRA GARCIA Y GRIEGO)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**
- e) **REQUEST FOR APPROVAL OF A RENEWAL OF FOURTEEN (14) PROFESSIONAL SERVICES AGREEMENTS – ARTS PROMOTION PROGRAM THROUGH 1% LODGERS' TAX. (DEBRA GARCIA Y GRIEGO)**
- f) **REQUEST FOR APPROVAL OF FOUR (4) CAPITAL OUTLAY AGREEMENTS FOR SENIOR DIVISION; STATE OF NEW MEXICO, NEW MEXICO AGING AND LONG-TERM SERVICES DEPARTMENT, 2006 LAWS OF NEW MEXICO. (RON VIALPANDO)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND PROJECT FUNDS.**
- g) **REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO GRANT AGREEMENT – SPECIAL APPROPRIATIONS PROJECT FOR MULTIPURPOSE PARK ON PASEO DE LA CONQUISTADORA AND TEEN ARTS CENTER AT RAILYARD PROPERTY; STATE OF NEW MEXICO, DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION. (DAVID CHAPMAN)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**
- h) **REQUEST FOR APPROVAL OF GRANT AGREEMENT – SANTA FE BOYS AND GIRLS CLUB FOR COMPUTER CLUBHOUSES; STATE OF NEW MEXICO, DEPARTMENT OF FINANCE AND ADMINISTRATION, LOCAL GOVERNMENT DIVISION. (DAVID CHAPMAN)**
 - 1) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – UTILIZING COMPUTER CLUBHOUSE PROGRAM FOR ALL BOYS AND GIRLS CLUB PARTICIPANTS; SANTA FE BOYS AND GIRLS CLUB. (TERRIE RODRIGUEZ)**
 - 2) **REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**
- i) **REQUEST FOR APPROVAL OF SOLE SOURCE PROCUREMENT – MEAL TRAYS FOR MEALS ON WHEELS PROGRAM FOR SENIOR DIVISION; OLIVER PRODUCTS. (CARLOS SANDOVAL)**

- j) **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO CONTRACT – CITYWIDE UTILITY PAVEMENT RESTORATION; ADVANTAGE ASPHALT AND SEAL COATING, LLC. (EDWIN LOVATO)**
- k) **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – RECYCLED ASPHALT PAVING OF GONZALES ROAD, LOS ARBOLES DRIVE, ARMIJO STREET AND CAMINO DE LOS MONTOYAS; HOLLY ASPHALT COMPANY. (ERIC MARTINEZ)**
- l) **REQUEST FOR APPROVAL OF GRANT APPLICATION – AVIATION DRIVE SECURITY LIGHTING; NEW MEXICO DEPARTMENT OF TRANSPORTATION, AVIATION DIVISION. (JIM MONTMAN)**
- m) **REQUEST FOR APPROVAL OF FUNDING AND BUDGET INCREASE FOR SANTA FE CIVIC HOUSING AUTHORITY TO PROVIDE IMPROVEMENTS FOR A TEMPORARY LOCATION FOR HOPEWELL-MANN COMMUNITY RESOURCE CENTER. (KATHY MCCORMICK)**
- n) **CONSIDERATION OF RESOLUTION NO. 2007- 43 (COUNCILOR HELDMEYER AND COUNCILOR CALVERT). A RESOLUTION CREATING AN OFFICE OF FIRE CHAPLAIN. (FIRE CHIEF CHRIS RIVERA)**
- o) **REQUEST FOR APPROVAL OF SUMMER INTERIM PARKING PLAN FOR EL MUSEO AND DOWNTOWN. (WILLIAM HON)**
- p) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – PRODUCE AND MANAGE SANTA FE DESIGN WEEK 2007 (RFP #07/46/P); SOLUTION DEVELOPMENT. (CRAIG FIELDS)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – ECONOMIC DEVELOPMENT FUND.**
- q) **REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON JUNE 27, 2007:**
 - 1) **AN ORDINANCE AMENDING SECTION 6-16.1 SFCC 1987, REGARDING THE MEMBERSHIP TERMS OF THE ETHICS AND CAMPAIGN REVIEW BOARD AND AMENDING SECTION 9-2.15 SFCC 1987, REGARDING THE POSTING OF POLITICAL SIGNS (MAYOR COSS, COUNCILOR CALVERT AND COUNCILOR WURZBURGER). (FRANK KATZ AND YOLANDA VIGIL)**
- r) **CONSIDERATION OF RESOLUTION NO. 2007- 44 (COUNCILOR CALVERT, COUNCILOR WURZBURGER AND COUNCILOR BUSHEE). A RESOLUTION DIRECTING TRANSIT DIVISION STAFF TO WORK WITH OTHER PUBLIC WORKS DEPARTMENT STAFF TO DEVELOP AND EXECUTE A PEDESTRIAN SAFETY AWARENESS CAMPAIGN AND TO EXAMINE PEDESTRIAN ROUTES TO BUS STOPS, IDENTIFY WHERE CAPITAL IMPROVEMENTS ARE REQUIRED TO FACILITATE SAFE ACCESS TO SUCH**

STOPS, PRIORITIZE NEEDED IMPROVEMENTS IN CONSULTATION WITH THE TRANSIT ADVISORY BOARD, AND RECOMMEND IMPLEMENTATION OF SUCH IMPROVEMENTS TO THE GOVERNING BODY. (JON BULTHUIS)

**7. APPROVAL OF MINUTES: City Council Study Session – April 26, 2007
Regular City Council Meeting – May 9, 2007**

Councilor Bushee moved, seconded by Councilor Calvert, to approve the minutes of the City Council Study Session of April 26, 2007, as presented. The motion was approved on a voice vote, with Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo and Councilor Wurzbarger voting for the motion and none against.

Councilor Bushee moved, seconded by Councilor Chavez, to approve the minutes of the Regular City Council Meeting of May 9, 2007, as presented. The motion was approved on a voice vote, with Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo and Councilor Wurzbarger voting for the motion and none against.

8. PRESENTATIONS

a) MUCHAS GRACIAS – PETE ORTEGA, INSPECTION AND ENFORCEMENT DIVISION DIRECTOR.

Mayor Coss, joined by Councilor Wurzbarger, presented a Muchas Gracias Certificate to Pete Ortega who is retiring.

Councilor Wurzbarger thanked Mr. Ortega for his hard work during his time with the City.

Mr. Ortega thanked the Mayor and Council and said he has enjoyed working with the City. It has been a great experience, but he said it is time to move on.

b) MUCHAS GRACIAS – ANDY VILLA, CONSTRUCTION INSPECTOR SUPERVISOR.

Mayor Coss, joined by Councilor Wurzbarger, presented a Muchas Gracias Certificate to Andy Villa who is retiring.

Mr. Villa thanked the Mayor and Council for their assistance through the years, and asked them to help the employees who remain in the Division.

Councilor Wurzbarger, Councilor Bushee and Councilor Ortiz thanked Mr. Villa for his professionalism and ensuring that people followed the City Code to the letter of the law.

Councilor Heldmeyer thanked him for maintaining the integrity of the H-District.

c) MUCHAS GRACIAS – GROUP INSURANCE BENEFITS ADVISORY COMMITTEE.

Mayor Coss presented Muchas Gracias certificates to the members of the Committee, thanking them for their willingness to undertake this very large task.

Ms. Berman said she learned a lot about health insurance in this process, and she believes the selection of Union Health will be good for the employees, noting that approximately 1,200 employees are now enrolled in the plan.

d) SAMUEL WAITT – RIO GRANDE HIGH SCHOOL; STATE GEOGRAPHY BEE CHAMPION.

Mayor Coss presented a Muchas Gracias certificate to Samuel Waitt of Rio Grande High School, the State Geography Bee Champion.

Samuel thanked the Mayor and said, although he didn't win the national championship, he had a great time, and looks forward to competing against next year.

e) MUCHAS GRACIAS – ST. MICHAEL'S PONY EXPRESS; STATE DRILL TEAM CHAMPIONS.

Mayor Coss presented Muchas Gracias certificates to the members of the St. Michael's Pony Express, which for the 12th straight year are the State Drill Team Champions. The group honored the Governing Body with a Cheer and thanks for this honor.

10. CONSIDERATION OF RESOLUTION NO. 2007- 45. A RESOLUTION ADOPTING THE FISCAL YEAR 2007/08 OPERATING BUDGET. (KATHRYN RAVELING)

A copy of the 2007-2008 Budget Book is incorporated herewith to these minutes by reference, and copies can be obtained in City Finance.

A Memorandum dated May 29, 2007, with attachments, to the Mayor and City Council from Kathryn Raveling, Finance Director, regarding Non-union Pay Plan Information Related to FY 07/08 Proposed Budget, is incorporated herewith to these minutes as Exhibit "1."

A Memorandum dated May 25, 2007, to the City Council, from Chris M. Rivera, Fire Chief, is incorporated herewith to these minutes as Exhibit "2."

Ms. Raveling said everyone should have gotten a copy of the budget book which has been amended by the work the Finance Committee did through extensive budget hearings, and the changes they made are summarized in a Memorandum dated May 22, 2007.

Councilor Heldmeyer moved, seconded by Councilor Wurzburger, to Adopt Resolution No. 2007-45 adopting the 2007-2008 operating budget.

Discussion: Councilor Heldmeyer said there is some confusion, because the Committee looked at a lot of alternative proposals about pay plans, and asked which one is reflected in the budget.

Ms. Raveling said the AFSCME contract was done so they put in the 4% for AFSCME, but Police and Fire were not done, so 4% was put in the budget, but amendments may have to be made if that changes. There is 4% in the budget for non-union employees.

Councilor Heldmeyer said then the amount in the budget is the amount from the City Manager's proposal.

Ms. Raveling said what is in the budget is the 4%. The City Manager presented a scenario, and staff was asked to run another scenario, and then we were asked to run another scenario. In the packet on the desk is an explanation of those three different scenarios [Exhibit "1"].

Councilor Heldmeyer said then there is no tiering in this.

Ms. Raveling said the budget is 4%. The City Manager suggested a tier proposal, and then we ran numbers on two other tier proposals.

Councilor Heldmeyer said since the budget is silent on the issue of tiering because it is 4%, and a variety of different ideas were presented, she would like to introduce an amendment to the motion.

Friendly Amendment/Motion to Amend: Councilor Heldmeyer moved, seconded by Councilor Bushee, that the ultimate proposal non-union Scenario #3 be the proposal we accept which would give employees under \$23 per hour a 4% raise, employees between \$23 and \$34 a 2% raise, and employees over \$34 a 0% raise, and an additional condition is that employees who have been with the City for less than a year, instead of six months, do not participate in the raise. *The amendment was accepted as friendly by the second, and no objections were expressed by other members of the Council. The acceptance was later revoked by Councilor Bushee. The motion to amend was then seconded by Councilor Wurzburger.*

Discussion on motion to amend/friendly amendment: Councilor Ortiz said when he put forward the proposal, at \$22 per hour for non-union employees, he was sensitive to the fact that there are a number of employees working in administrative positions, for whatever reason, who cannot participate in whatever raises are negotiated for bargaining unit members. "The \$22 per hour may seem arbitrary. It is twice the amount that we would expect to pay for people at the \$10.50 living wage, say, which amounts to about \$40,000 per year. So, the \$22 per hour was a response to some members of the Council who were not on Finance, and so, those numbers that came back are, quite frankly, shocking that...if we were to pay the 2% and 4% as originally proposed, we would pay essentially 1/10 the raise that is proposed for the non-union employees."

Councilor Ortiz continued, "Now, I'm an old union person and I have argued consistently that there is a 'me too' provision for those managers and for those non-union people that the union goes and fights 'tooth and nail' for raises. They have to get put, essentially, through the wringer, and then the managers come after the fact, and get a raise on top of it, really without any effort on their part or on their representatives' part. And I didn't realize that of the employees that we have that are non-union, that there is 60 employees that are making below \$22 per hour and there are 200 employees making over \$22 per hour, and that results in a fiscal impact for those employees over \$22 per hour of about \$660,000, right. \$660,000 is 10% for the Fire bargaining unit, or it's about 8% for the Police unit, it's another 4% for AFSCME. Those numbers mean something, so the proposal that I had, 2% for employees between \$18 and \$22 per hour, employees under \$18 an hour get the full 4%. That only costs us \$77,000. Under the proposal that Councilor Heldmeyer would bring forward, it's not a proposal that I even have, that cost is significant. Because again..."

Councilor Heldmeyer said it was handed out, but it wasn't in the packet

Councilor Ortiz said, "The cost is still about....this is Scenario#3..

Councilor Heldmeyer said the cost is about \$200,000.

Councilor Ortiz said, "...an extra \$200,000. Now, it is not so large, and there are arguments for paying people within all classifications, but there is....you know, I have consistently voted against the kind of non-union packages that we, and the administration has proposed, where it's a sort of a 'me too' raise, and that's what this is. And so, I thought that I achieved a compromise at Finance. I'm surprised that we're getting this at the last minute, although we didn't have the budget figures, the fiscal impact at the time. But, looking at the fiscal impact of the original Finance Committee proposal, it is, from a fiscal standpoint, we're saving 90% of the proposed raise, about \$700,000...it's the proposal that was originally recommended – 0% for employees over \$22 per hour, 2% for those employees between \$18 and \$22....and that is a significant cost savings. That's a lot of money that could be used for other purposes. And I understand. I got a letter from some employees that were negatively impacted, and my response to them is, in those kinds of positions that you have, with the kind of salary that you get, and the kind of leeway that you have, you are in a different strata than other employees, employees that I think are working just as hard or harder. So, I think the original proposal nets in more money in a net saving to us. I think it's fairer, and in terms of the positions that this administration, really all administrations since I've been here, have taken with regard to union negotiations, it results, in I think, a fair equity for those bargaining unit members. And, so that's my best pitch for keeping the original Finance Committee recommendation."

Councilor Heldmeyer said, "I wanted to point out that Scenario #3, which everybody should have in their packet, and not in the notebook packet or in the computer packet, but is in the packet that was left on your desk, and I apologize for the lateness, but we had to rerun the numbers, does not cost \$1.2 million, which was what the original proposal talked about. What it costs is \$330,000, and the way that these numbers were arrived at was using the \$22 figure that Councilor Ortiz had used as the lower paid, non-union employees getting the larger raise, 4%, then looking at what about the mid-level employees. Many of these people also, by nature of their jobs, not because they're managers, but because they have other kinds of jobs, are not in the union, and some of them, in fact, have been taken out of the union, and we're concerned

about that. I looked at the AFSCME levels, and AFSCME people, up to about \$34, are receiving a 4% raise. So, between \$22 and \$34, these folks who also work hard, many of them, maybe most of them work harder, have a 2% raise, and then this calls for no raise for those who are making over \$34 per hour. This is not going to make the people who make more than \$34 an hour happy. This isn't a 'me too' kind of proposal. What it is, is to try to get some kind of fairness and equity to employees across the Board. Added to that, was the additional proposal that for non-union employees, that instead of six months on the job before they get a raise, that it would be raised to one year. And, this was to deal with some specific jobs that people felt might not have been filled long enough for people to demonstrate that they really should deserve a raise."

Councilor Heldmeyer continued, "What we should be doing, and I hope what we will be doing in years in the future is for the non-employees, evaluating their work, and giving them a raise on the basis of who does work hard and who maybe doesn't work like so much. And that's something that I think that the City Manager has been charged with. Since he has been the City Manager for us since July, as much as I would like to see that in this budget, it didn't seem that there was enough time to do that. But, that ideally, is what we should be doing with the non-union employees, is not just trying to do a certain percentage across the board...really looking at merit, because there's an area where we can look at merit and use that as a model for the discussions that AFSCME, for example, has agreed to, over the coming years, to talk about merit. We don't have that. So, what this is, is in fact a compromise to provide the larger raises to the people at the bottom end of the pay scale, to provide some raises to the people in the middle. And to say that the people at the top end, many but not all of whom are relatively new in their positions, this year, unfortunately you're going to have to wait. And, as was pointed out to me by someone, quite often, it's the non-union that has to wait, so people who have been here a while are somewhat at a disadvantage, because every time we decide not to give a raise to the higher end non-union, and if they've been here for several rounds of it, they're kind of at a disadvantage. But, this seemed to me to be a reasonable compromise to answer the various things that Councilors wanted to do with pay, paving the way for next year having a much more differentiated kind of rate structure."

Councilor Bushee asked the City Manager if he has the ability to give a merit raise up to 10-15%

Mr. Buller believes there is something in the policy handbook which needs to be worked on, so he thinks they would work hand in hand on revisions to the policy so he can put himself in a position to look at it from this point of view.

Councilor Bushee said she agrees with Councilor Ortiz with regard to the automatic nature of the raises, and would like to separate the amendment.

Councilor Ortiz moved, seconded by Councilor Bushee to sever the proposed amendment to the budget.

Discussion: Councilor Heldmeyer said you don't have to sever because it was made as a separate amendment.

Councilor Bushee said she took that proposed amendment as a friendly amendment, but she will "unfriendly" it, just so we can have this final debate and the Councilor on the

Finance Committee can support the budget after this debate.

Mayor Coss asked Councilor Heldmeyer if the motion was to approve the Finance Committee recommendation.

Councilor Heldmeyer said it was to approve the Finance Committee recommendation of the budget, but because it was unclear what the Finance Committee recommendation was on the pay plan, she offered this as an alternative.

Councilor Bushee said Ms. Raveling said the budget called for 4% across the Board.

Councilor Ortiz said it did in the original budget, and then he made a motion to amend the non-union pay package to have 0% for over \$22, 2% for \$18 to \$22, and 4% for anything under \$18, and that was very clear and we voted on that at Finance. He said, "How it showed up here or how it was made unclear was really I think, was to have a second bite at this particular issue. What we didn't know was the fiscal impact, that is we didn't know the effect of the proposal that passed through Finance Committee, and we were going to get those numbers here at Council and we got them. These other alternatives, the Finance Committee didn't see. These were prepared after the fact."

Councilor Heldmeyer said the direction from the Finance Committee was to bring the fiscal impacts forward, because the motion was made without the specifics. When she got the packet and saw the fiscal impact, she thought maybe we need to be doing something else.

Councilor Ortiz said, "But to clarify the record at the Finance Committee, I don't remember a recommendation or an approval that we were asking for another proposal coming from the City Manager's Office or from someone else. That was done *sua sponte*."

Ms. Raveling said, "That was presented at one of the budget hearings, the City Manager's tier, to show what the cost would have been for that kind of tier. So, during the hearings, that was already prepared. And then, at the last Finance meeting as you said, it was requested that we run the numbers on the tier that you proposed. And then Councilor Heldmeyer asked that we run another tier."

Councilor Bushee asked if the Finance Committee voted on one particular package.

Councilor Ortiz said we voted on the package that had 0%, 2% and 4%, that he is recommending. He said we didn't have the fiscal impacts and wanted to have those numbers attached.

Responding to the Mayor, Councilor Ortiz said the motion before us only includes the pay package for non-union, and the budget as recommended by the Finance Committee except for this separate piece, and if this motion fails, the separate piece puts scenario one back in the deal.

Councilor Bushee said there has been concern in the past for administrative employees who can't be in the union, and asked if anything was done to change this. She has always been concerned that these employees don't "fall in the cracks."

Mayor Coss said last fall the Union and the City went to the Public Employee Relations

Board and adjusted the bargaining unit to put a lot more positions into the bargaining unit.

Mr. Buller said 67 accreted into the Union, but 263 employees are left behind.

Councilor Chavez said, then by severing the debate in the budget between the Union and non-Union employees, if this motion passes, then the fallback is Scenario #1 which has a higher fiscal impact than Scenario #3.

Councilor Heldmeyer said no, it is \$77,000, and \$330,000 for "the other."

Councilor Ortiz said we have to have the vote on the Motion to sever and then we take the vote on Councilor Heldmeyer's motion.

Councilor Wurzbarger said voting for severance means that we get to vote on this proposal separately.

Councilor Heldmeyer said, "Actually Councilor Bushee withdrawing her second has the same effect without a vote."

Councilor Bushee said, "Okay, then let's just vote on the original package."

Councilor Heldmeyer said the question is since Councilor Bushee is withdrawing her second, if I'm making an amendment, is there a second to that amendment.

Councilor Wurzbarger seconded the Motion to amend with Scenario #3.

Continuation of discussion: Councilor Heldmeyer reiterated that you don't have to sever it.

Councilor Wurzbarger said we aren't severing it.

Councilor Ortiz said, "So, now it's a separate motion on the amendment."

Councilor Wurzbarger said, "And I want to speak on behalf of the motion to be consistent with the position I've taken in the past, and it's very similar to what's been expressed by Councilor Heldmeyer, that I do believe that there is an issue of equity for the people in these positions. I agree with the compromise that's come up, it's not as much money as we would have done in the initial budget, but I believe it's more fair to those people who work and to happen to not be in the union. The other thing that I want to say though, that is causing this same concern about what is before us, and having spent all these months in the Finance Committee meetings, it is my perception that the budget that has been presented to us reflects the Finance Committee's recommendations. For example, with the reorg, that's in there, and it's not something that..."

Ms. Raveling said that's correct.

Councilor Wurzbarger said, "That's correct, so the reorg is in there, but this would have been what should have been in here based on that, for me, from my perception, would have been what we passed, not what's being proposed. And, so I'm confused by that process item.

That if the budget does indeed reflect all of our work, on this particular item, it should have been Scenario 2. Correct? Scenario 1? Is that correct? We've just been told by Kathryn that's not correct."

Councilor Heldmeyer said Scenario #1 is what was passed by the Finance Committee. What's being proposed is an alternative to Scenario #1, namely Scenario #3.

Councilor Wurzbarger understands and is comfortable with that. She said, "Because the Scenario #1 was not presented in the budget....and I guess you're telling us that was not done because we needed to go back and get the additional spreadsheets analysis to show the numbers. Is that correct?"

Councilor Heldmeyer said, "We did not have the fiscal impact."

Councilor Wurzbarger asked, "So, is there anything else in the budget that's not exactly as we passed it in the Finance Committee?"

Ms. Raveling said, "Mr. Mayor, Councilor Wurzbarger, it's fully my fault. I did not take it as part of the motion. I had just remembered Councilor Ortiz saying would you run the numbers for that scenario. That's what I thought we were doing."

Councilor Wurzbarger said, "Just on that particular item, Kathryn, but is there anything else. Again, our process was whatever we passed should have been in this budget."

Ms. Raveling said, "Mr. Mayor, Councilor Wurzbarger, as we know, we went through a very lengthy process, and after every single meeting, I gave you a memo saying this is what I thought you guys passed."

Councilor Wurzbarger said then you would have modified the budget accordingly, and Ms. Raveling responded yes, saying this one came at the tail end and she thought it was a request for information, and she apologized if she misunderstood.

Councilor Wurzbarger wants to be sure, in voting on the budget, that it does reflect everything we talked about

Councilor Chavez said with regard to a performance based or merit-based salary increase, if we're talking about equity, it should apply to union and non-union employees as a principle and we need to get to that point. He said we can and should respect collective bargaining. However, we should invest in employees across the Board, and to the extent possible ensure they are treated with equity. He supports the motion as made.

Clarification of the Motion: Mayor Coss said this is a motion only on Scenario #3, the non-union pay plan amendment to the Finance Committee recommendations, and then we will vote on the budget and on the reorganization separately.

The motion to amend was approved on the following roll call vote:

For: Councilor Calvert, Councilor Chavez, Councilor Heldmeyer and Councilor Wurzburger.

Against: Councilor Dominguez, Councilor Ortiz, Councilor Trujillo and Councilor Bushee.

The resulting vote was a tie, and Mayor Coss voted for the motion.

Councilor Dominguez said then, for the motion which was approved, those numbers are rolled into the budget.

The motion to adopt the budget, as amended, was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Trujillo and Councilor Wurzburger.

Against: Councilor Ortiz.

a) REQUEST FOR APPROVAL OF REORGANIZATION PLAN FOR THE CITY OF SANTA FE.

A Memorandum dated May 2, 2007, with attachments, to Public Works from Galen Buller, City Manager, regarding Reorganization Chart, is incorporated herewith to these minutes as Exhibit "3."

Councilor Chavez said his question with regard to the Reorganization Chart relates to Economic Development. It seems to him that in redoing the Chart, Economic Development as he knew it, took a back seat somewhere and the CVB, as important as it is, jumped out way ahead. He is concerned about Economic Development and its future according to this Chart. He asked to hear from the Committee, saying he was unable to follow both Public Works and Finance, and asked if there has been discussion to move Economic Development and what function it will have moving forward.

Mr. Buller referred to his initial April 9th Memorandum which he presented first to Public Works and then to Finance. His initial recommendation was, in order to keep changes in personnel, program as such to be as least disruptive as possible, that we try to mimic where we were on the work chart. That initial recommendation was for an Economic Development Department and Affordable Housing Department and to keep Planning where it was. Subsequently, In reaction to a proposed Resolution, which was never voted on, he looked at what kind of department would be organized if all the planning functions were in one department which would include affordable housing, economic development, senior planning and alternative energy. If it was the policy to combine planning functions, that would be the kind of department which would make sense. That proposal with some minor amendments was adopted by the Finance Committee, in part to recognize that all of those departments and

would-be divisions are ones which have planning functions and should be under a single umbrella. He said the work "on the ground," gets done the same way under either. These departments need to interact – affordable housing and economic development – and need to have the vision which Senior planning provides. The question is whether to do it by interdepartmental cooperation or the Finance Committee recommendation which is to have them under one umbrella under one department director who has ultimate accountability for all of that planning.

Responding to Councilor Chavez, Mayor Coss said it is on page 10 of the packet, and is marked Exhibit A. Mr. Buller said this is the one which was recommended by the Finance Committee.

Councilor Chavez said then under Housing and Community Development we have Economic Development as a division, and asked if alternative energy is a division.

Mr. Buller said it is an individual position. He is open to suggestions as to where to put this position, saying his suggestion is to have this individual report to the Housing and Community Development Director. Responding to Councilor Chavez, Mr. Buller said RPA is a staff person who needed to be put under a division.

Councilor Wurzbarger said the idea was to locate this position because it has "floated around nowhere." She said for the time being RPA is charged with those issues.

Councilor Chavez reiterated his concern about CVB jumping ahead of economic development, but said perhaps that will balance as we move forward with our policies. He said there is a new CVB Director, noting we are investing twice as much in this position as we were previously, at the same time shifting Economic Development elsewhere. He hopes that works out.

Councilor Trujillo is concerned that Economic Development isn't standing on its own, and putting Housing in charge of Economic Development just doesn't add up. He believes the Alternative Energy person should go under the Land Use Department.

Mr. Buller said the problem with the job description is that it probably has more requirements than any one skill set, because it addresses many kinds of issues as well as liaison with PNM, ways to decrease electric costs in City buildings and such. Because it crosses so many department levels, it was felt it should go into a planning function or into ASD. The Finance Committee was interested in moving it into a planning function.

Councilor Trujillo would like Economic Development to stand alone.

Councilor Trujillo moved, seconded by Councilor Bushee that Economic Development be moved from Housing and Community Development to be a separate department and to move the Alternative Energy position to Land Use.

Discussion: Councilor Bushee asked what happened to Seniors.

Mr. Buller said where a division wasn't moved in any way, it is not reflected because there wasn't room on the sheet.

Responding to Councilor Bushee, Mr. Buller said Airport and Transit are under Public Works, and Seniors is under Community Services. He said not shown are all the various divisions under Community Services, five divisions under Planning and Land Use. He said moving Transportation wasn't part of the Finance Committee proposal and will be a division under Public Works.

Councilor Bushee asked if we didn't decide that Public Works was too large.

Mr. Buller said Mr. Romero made a good presentation. Responding to Councilor Bushee, Mr. Buller said Jeanne Price, the Council Liaison currently is under the City Manager, but this would move her to the City Attorney's office.

Councilor Wurzbarger said she is speaking against this option, one of the reasons is the long process which the Finance Committee went through in coming up with this recommendation, and the Committee looked at equity across division. It isn't saying that Economic Development is less important because it isn't a Department, noting her strong support for economic development over the past five years. She is confident that the synergy created by having these people working together will work. She said it doesn't make sense from a financial point of view to have a department with only five people in it. She disagrees with moving Alternative Energy, and that position needs synergy with other groups. She is opposed to this motion and will have an alternate motion if this is defeated.

Councilor Heldmeyer said all of us have been contacted more about economic development than any other in the reorganization. The issue is how to best spend the money that we have. One of the aspects is what is the minimum size of a department to justify a department head salary and the level of administrative staff. She said she hasn't been happy about some lower level administrative positions in the different departments, and would like to get rid of them. She said if we don't spend the money on administration, it can be used for programs in economic development and not on administrative staff just because it is a department.

Councilor Heldmeyer spoke about the previous reorganization where things were being hampered by being in Economic Development because their mission wasn't the mission of Economic Development. In this proposed reorganization, two divisions are moving back to Community Services which have been very successful there, but weren't successful for the past year because they were lost in the shuffle. A decision was made by the Committee to make CVB a Department because of the new civic center and the interest in seeing someone with a certain level of experience to take over that department. If you take away two divisions and CVB, only a few people are left, and it doesn't make sense to have a department with only a few people. She said this City Manager has decided it makes sense to put it together with other areas which also have long term planning functions. It's not the only way to do it, but she believes it makes more sense to do it this way since there are so few people left in Economic Development.

Councilor Calvert doesn't like the title Alternative Energy and would like it to be Energy Specialist, but doesn't want to move it to Land Use, because that Department is tasked with administering existing programs and ordinances. The energy position will be looking to expand our horizons, promote new programs and develop a vision as to how we use energy and is best suited in a strategic planning department. He likes Economic Development as a division in

Housing and Community Development because there is a synergy of the divisions. He supports the proposal from Finance.

Councilor Dominguez said this discussion is interesting because the last three speeches we heard were given at the Finance Committee more than once. It is interesting to him that those individuals who were not on Finance are coming up with a new reorganization, and it is difficult for him to support this because of the numerous things which have been said just now, and the numbers of discussions we had during the budget hearings.

Mayor Coss said the big Economic Development Department containing CVB was something he proposed and was carried forward by the City Manager. He said after a year, it has become obvious to him in terms of the significance of the new Sweeney Center that CVB should stand along. He said this leaves a very small group in Economic Development, noting the budget just adopted removed two Economic Development planners, leaving a department of only three people. He said it's no longer at the status of a department without CVB, the Arts Commission and the planners. He said we have the Economic Development fund and the Economic Development Review Committee still working and we can proceed on that. He said this can be changed if the focus changes, but we need to see how this works with two planners, and a director as part of a long range planning division. He believes the energy position belongs with Economic Development. He is supporting the work of the Finance Committee on this, reiterating that the approval of the budget deleted two positions from Economic Development, in addition to removing Arts and the CVB. He hopes the Governing Body would be open to re-creating the positions if we are on track with our economic development strategy and we need that staff work to help the Economic Development Review Committee and to move these things forward.

Friendly amendment: Councilor Trujillo would like to amend his motion to amend move the Arts Commission back into Economic Development. **The motion was friendly to the second and no objections were expressed by other members of the Council.**

Councilor Bushee said it was the Public Works Committee that started the reorganization talk from some of the issues which came before it – Land Use was the first one. The Committee kept asking, through the process, for both the City Manager and the Mayor's take on this. She thinks this is an arts economy, and sees no reason we can't have the separate emphasis. She doesn't want Housing to lose its focus either. She hopes that the plan for the City Manager was to have them doing cross training and interrelating on the issues.

Friendly amendment: Councilor Chavez asked to amend the motion to amend to include Alternative Energy in Economic Development. **The motion was friendly to the maker and second, and no objections were expressed by other members of the Council.**

The motion to amend, as amended, failed to pass on the following roll call vote:

For: Councilor Bushee, Councilor Chavez and Councilor Trujillo.

Against: Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Wurzbarger and Councilor Calvert.

Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve the Reorganization as submitted by the Finance Committee with the exception that the Cultural Arts would move back to Economic Development.

Discussion: Councilor Wurzbarger said she understands from her discussion with Mr. Buller that Ms. Pratt would like to have Cultural Arts moved back to Economic Development.

Mr. Buller explained that Ms. Pratt had said she wants to be under Housing and Community Development.

Revised Motion: Councilor Wurzbarger moved, seconded by Councilor Calvert, to approve the Reorganization as submitted by the Finance Committee.

Discussion: Councilor Chavez said then the Reorganization is back to Exhibit A, page 10, and the Cultural Arts & Tourism Management Plan would be under Sabrina Pratt. Ms. Buller said this is correct.

Mayor Coss thanked Ms. Raveling, Mr. Buller and all the staff who worked on this Plan, saying the Governing Body did six months of strategic planning followed by months of Finance Committee overview. He believes this is a good reorganization. However, he doesn't want this action to indicate that this Governing Body doesn't care about economic development.

Councilor Bushee asked if the Deputy City Manager's position is defined in the chart.

Mr. Buller said it just indicates whom he reports to, noting the Deputy City Manager provided her a copy of the job description, but it isn't part of the reorganization. He will provide another copy to her.

The motion was approved on the following roll call vote:

For: Councilor Calvert, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Wurzbarger.

Against: Councilor Bushee, Councilor Chavez and Councilor Trujillo.

11. REQUEST FOR APPROVAL TO DISPENSE ALCOHOL (WINE ONLY) AT THE SOUTHSIDE BRANCH LIBRARY, 6599 JAGUAR DRIVE, ON SUNDAY, JUNE 3, 2007, FROM 4:00 P.M. TO 6:00 P.M. (PATRICIA C. HODAPP)

This item was removed from the agenda.

12. MATTERS FROM THE CITY MANAGER

Galen Buller, City Manager, presented City Manager's awards to Albert Martinez and Tyrone Martin, for their outstanding and friendly assistance in going above and beyond the call of duty. Mr. Buller read the two letters complimenting the two employees into the record.

Mr. Martinez and Mr. Martin thanked the City Manager for this honor.

13. MATTERS FROM THE CITY ATTORNEY

EXECUTIVE SESSION

- a) **Discussion of Pending Litigation Regarding Las Soleras Annexation, Pursuant to §10-15-1(H)(7). NMSA 1978.**

This item was moved to the end of the evening agenda.

- b) **Discussion of Siler Road/Agua Fria Property Acquisition, Pursuant to §10-15-1(H)(8) NMSA 1978.**

Councilor Bushee moved, seconded by Councilor Calvert , that the Council go into Executive Session for the purpose of discussing the Siler Road/Agua Fria Property Acquisition, pursuant to §10-15-1(H) (8). The motion was passed on a Roll Call vote as follows:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Trujillo.

Against: None

Absent: Councilor Wurzbarger.

The Council went into Executive Session at 6:48 p.m.

MOTION TO COME OUT OF EXECUTIVE SESSION

At 7:37 p.m., Councilor Calvert moved, seconded by Councilor Trujillo, that the City Council come out of Executive Session and stated that the only item which was discussed in executive session was the Siler Road/Agua Fria property acquisition.

The motion was passed unanimously on a voice vote with Councilors Bushee, Calvert, Chavez, Dominguez, Heldmeyer, Ortiz, Trujillo and Wurzbarger voting for the motion and no one voting against.

14. ACTION REGARDING SILER ROAD/AGUA FRIA PROPERTY ACQUISITION. (MIKE LUJAN)

There was no action on this item.

Mayor Coss asked to move Items #13(a), #15 and #16 to the end of the evening agenda.

END OF AFTERNOON SESSION AT 7:38 P.M.

The Council moved directly into the Evening Session without a break

EVENING SESSION

A. CALL TO ORDER AND ROLL CALL

The Evening Session was called to order by Mayor David W. Coss, at approximately 7:38 p.m. Roll Call indicated the presence of a quorum as follows:

Members Present

Mayor David W. Coss
Councilor Miguel Chavez, Mayor Pro-Tem
Councilor Patti J. Bushee
Councilor Christopher Calvert
Councilor Carmichael A. Dominguez
Councilor Karen Heldmeyer
Councilor Matthew E. Ortiz
Councilor Ronald S. Trujillo
Councilor Rebecca Wurzbarger

E. PETITIONS FROM THE FLOOR

Cliff Mills, registered voter in District #1, said he is an artist with the Plaza Program, and over the years people have told him they come to Santa Fe is because of the history. This afternoon the Council passed the Economic Development thing which is art, culture, tourism, but have ignored the history of the City. Many Europeans don't know that Santa Fe is recognized for its art and culture, and come here for its history. Years ago, it was suggested that history be included in the CAT plan, but it has been ignored. He believes it is vitally important for the economic development of this community that you include history.

Jerome Bernstein, Board of Old SF Trail Neighborhood Association, said he is here to thank the City for its nearly completely rebirthing of Amelia White Park. For many years, the park was poorly served and in a state of decline. It was a painful eyesore to the tourists and the neighborhood as they passed by on way to various places. The Korean Conflict Memorial is situated in the park. He is pleased to report that the \$150,000 project to repair the water system, new vegetation, and to fix grade and parking accommodations is almost complete. The park will flourish in years to come. As a symbol of new life being restored to the park, the City has provided a permit for a wedding in the Park on July 7th. He said individual neighbors in the area have contributed \$1200 for additional plantings. The Old SF Trail Neighborhood Association has authorized a contribution of an additional \$1,000 for plantings in the park. This project demonstrates the positive potential of private/public partnerships to bring about City beautification. He thanked the following people: Councilor Heldmeyer, Peter Wirth, Mary MacDonald, and Fabian Chavez of Parks. The Association is sponsoring its rededication around Labor Day and he invited everyone to attend. He presented the City with \$1200 to go into the Amelia White Fund for supplemental plantings, and they will continue their fundraising efforts.

Elmer Longacre spoke about the American Dream and who it is for, and asked who is

advocating for the middle class in Santa Fe in the same way they advocate for other groups. He is a native Santa Fean, raised on St. Francis Drive in the barrio. He spoke about a situation where the Planning Commission voted to prevent Gerald Peters, who purchased the adjacent property, from disturbing his driveway at his house on Calle Sebastian. He asked if the citizens can count on the City to abide by the conditions set by the Planning Commission. He presented photos of the destruction of his driveway, but did not enter the photos into the record. He said Mr. Peters has agreed to completely restore his driveway at no cost to him, but there are only 3 inches of separation, when the Planning Commission said there would be 18 inches.

Mayor Coss asked him to give the information to the City Manager, who will work with Jack Hiatt to resolve any remaining issues.

F. APPOINTMENTS

Human Services

Mayor Coss appointed the following individuals to the Human Services Committee:

Joe D. Auburg – term ending 03/2008;
Dorothy N. Shepherd – term ending 3/2008.

Councilor Chavez moved, seconded by Councilor Wurzbarger, to approve the appointments.

The motion was approved unanimously on a voice vote, with Councilors Bushee, Calvert, Chavez, Dominguez, Heldmeyer, Ortiz, Trujillo and Wurzbarger voting for the motion and none against.

Parks and Open Space Advisory Committee

Mayor Coss appointed the following individuals to the Parks and Open Space Advisory Commission, noting that he is withdrawing the appointment of Mark Tupler:

Cliff A. Sisneros – term ending 6/2009;
Tommy Martinez – term ending 6/2011;
Bette Booth – term ending 6/2011;
Patrick Torres – term ending 6/2009;
Margaret B. VeneKlasen – term ending 6/2009;
Richard A. Lopez – term ending 6/2011; and
Anna Hansen – term ending 6/2011
~~Mark Tupler – term ending 6/2011.~~

Councilor Chavez moved, seconded by Councilor Bushee, to approve the appointments.

The motion was approved unanimously on a voice vote, with Councilors Bushee, Calvert, Chavez, Dominguez, Heldmeyer, Ortiz, Trujillo and Wurzburger voting for the motion and none against.

G. PUBLIC HEARINGS

1) REQUEST FROM SKYEHUNT, LLC, FOR A RESTAURANT (BEER & WIND) LICENSE TO BE LOCATED AT SAL'S RED SKYE GRILL, 2239 OLD PECOS TRAIL. (YOLANDA Y. VIGIL)

The staff report was given by Yolanda Vigil, noting that Red Skye Grill, is within 300 feet of the United Church of Santa Fe, 2230 Old Pecos Trail. However, the State Alcohol and Gaming Division has said that a waiver for the requested restaurant license is not required since the premises already are licensed. There is an existing dispenser license at this location which is pending a transfer of ownership and locations. There are staff reports in the packet regarding litter, noise and traffic, and staff recommends that Sal's Red Skye Grill be required to comply with all of the City's ordinances as a condition of doing business with the City.

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

Councilor Bushee said this is the former Chilacas, and asked if it has been in compliance with all ordinances, noting we have had trouble here before.

Ms. Vigil said staff has said they have been in compliance.

Councilor Bushee moved, seconded by Councilor Trujillo, to grant the request for a Restaurant License, to be located at Red Skye Grill, 2239 Old Pecos Trail.

Discussion: Councilor Heldmeyer said this is a very, very different establishment from Chilacas, and the neighbors are very happy to see it there.

The motion was approved on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo, and Councilor Wurzburger.

Against: None.

- 2) REQUEST FROM ZUMA CORPORATION, FOR A TRANSFER OF OWNERSHIP (INDIVIDUAL ACQUIRING MORE THAN 10% OF ZUMA CORPORATION) OF DISPENSER LICENSE #2587. THE LICENSE WILL REMAIN AT ZIA DINER, 326 S. GUADALUPE STREET. (YOLANDA Y. VIGIL)**

The staff report was given by Yolanda Vigil. Ms. Vigil said License #2587 will remain at the Zia Diner, 326 S. Guadalupe. It is before the Council because an individual is acquiring more than 10% of Zuma Corporation. The business is not within 300 feet of a church or school, and staff is requesting that Zia Diner be required to comply with the City's ordinances.

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

Councilor Bushee moved, seconded by Councilor Calvert, to grant the request for the transfer of ownership of Dispenser License #2748 from Hallund, LLC to SWIG, LLC.

The motion was approved on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

- 3) CONSIDERATION OF ADOPTION OF 2007/2008 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM. THE CDBG PROGRAM IS PART OF THE CITY'S ANNUAL ACTION PLAN SUBMITTED TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. (MELISA COLLETT)**

Melissa Collett presented information regarding this matter to the Governing Body, enumerated the contents of the Council packet, and asked the Council to approve the Annual Action Plan and recommendations for allocation of the funding.

Public Hearing

Speaking to the Request

Deborah Tang, Executive Director for St. Elizabeth's, thanked the CDBG Committee and the Finance Committee for recommending the \$20,000 for public improvements from CDBG allocations. However, they submitted two requests: one for public improvements and

one for public services which is only 15% of the total CDBG allocation. While they are appreciative of funds for plumbing at the main shelter, their public service request for year-round overflow for men, women and families was rejected. She asked the City Council to reconsider their request to house homeless individuals. She said this request comes not only from St. Elizabeth's, but from the Public Schools' Adelante program and from Youth Shelters and Family Shelters with whom they would work in partnership to provide shelter for the homeless. These monies are designed to meet an urgent community development need, noting this is a quote from the National CDBG objectives. Housing the homeless to keep them from illness and danger would be the most urgent use of these dollars.

Ms. Tang said this is a new program which adheres to the requirements of the CDBG program public services activities which state, "The eligibility of provision of public services for homeless persons, when these services are new or a quantifiable increase in the level of services already provided." It also meets the CDBG National objectives of "meeting an urgent community need that threatens the health and welfare of residents."

Ms. Tang said this proposal would benefit the City with less strain on hospitals and emergency services, as well as providing a place for people who have no place to go. She said St. Elizabeth's has been providing these services for twenty years and can run the program very successfully.

Gail Hurling, Coordinator of the Santa Fe Public Schools' Adelante program for homeless students, children, youth and their families, said currently there are 780 children and youth registered in the program and they are still receiving referrals and will work throughout the summer, but at a lower rate due to lack of funds. She is really distressed because every year she has to tell people there is no shelter for them. There is only one room in Santa Fe for family shelter, which is at St. Elizabeth's. There are many families who need shelter, including teen parents who have never had shelter in Santa Fe. Therefore, they need to fill this gap. They have been working with Youth Shelters & Family Services, with St. Elizabeth's, and the Police Chief has graciously helped them to find a site, and they have been assisted by other City personnel including Terrie Rodriguez. They finally have found a site which is workable, useful, and the man has given them a four-year agreement for free rent, so they can provide emergency services and shelter for the first time in the City's history to children, families and teen parents for overflow emergency shelter. She doesn't like to tell families she can't help them because the St. Elizabeth's room is full. People often leave town, or sleep in their cars in midwinter or go from place to place and their children lose a lot of school. We have failed these people. She is pleading that the Council give \$88,500 to St. Elizabeth's to run a year round overflow shelter.

Linda Sperling, Board member at St. Elizabeth's, said she appreciates the Blue Ribbon panel efforts in ending homelessness. However, where do the people wait while those units are being built. We really need to make use of the St. Catherine's gift from Mr. Tafoya, but they need operating funds for year-round emergency shelter. She asked the Council to reconsider and help them find the operating funds to give year-round emergency shelter.

Bill Brennan, President of St. Elizabeth's Board, said he is asking the City Council to

reconsider the funding to establish overflow shelter year-round. It is extremely necessary to find housing for those who don't have housing and asked the Council to help those who can't speak for themselves.

Father Jim Wolfe, St. Elizabeth's Board, said each year he holds a Memorial at the Cathedral for the street people who have died during the previous year, noting that over 50 died last year. He doesn't know the circumstances of their deaths, or how many died of exposure.

The Public Hearing was closed

Ms. Collett said Rusty Tambascio who is a Community Development Board member is here to answer questions.

Responding to Councilor Wurzburger, Ms. Collett said there was a total of \$593,156 to allocate, which is second lowest ever received.

Councilor Wurzburger said to allocate the \$593,000, the administrative costs are \$117,000.

Ms. Collett said this is her salary and ½ salary for someone in Finance, which is about 20% and is the maximum allowed by CDBG. These amounts are set by HUD.

Councilor Wurzburger said if we could spend less time on it, the federal government wouldn't require us to spend \$117,000 for administration.

Ms. Collett said this is correct.

Councilor Wurzburger asked if those dollars then could be spent in the community, or if it is only for administration. [The response was inaudible]

Councilor Ortiz said he looks forward to seeing Ms. Tambascio with her Karate Club who are national champions and are going to worlds.

Councilor Ortiz asked the reason the request from St. Elizabeth's wasn't considered, saying he didn't realize the offer was made on the St. Catherine's property, and asked if the documentation was provided to the Board in consideration of the request.

Ms. Collett said no. When the application was due, there was nothing in the application stating that they had a site for certain. So, when they made their presentation, the Commission asked for proof of a site, and gave them two weeks to produce a lease which was not produced. She said they were given an extension of 4-6 weeks which none of the other applicants were given. They never received a lease, although they gave a verbal commitment. She does have a copy of the lease which was submitted to the Councilors. In that lease, there is a clause which provides that "The lease is subject to termination in the event the property is traded, sold, donated or disposed of in a manner that subsequent owners are unwilling to continue the arrangement."

Councilor Ortiz asked if it was opinion of staff that the lease wasn't sufficient.

Ms. Collett said they had no lease to consider at the time, so in their opinion they had no site to consider. Therefore, they didn't analyze the application in more detail, because \$88,000 is a lot to put toward a project which does not seem ready.

Councilor Ortiz said he agrees. He said he understands the Blue Ribbon Panel is coming forward with recommendations very quickly, and would assume that those would include this particular need which was identified in the public comment. If it was identified, and there are sources of funding through that process, or through the Affordable Housing Plan, then those kinds of revenue streams would need to be considered. He said if it is identified, he would be willing to cosponsor a Resolution. He said while there weren't the salary savings he expected, there were some. He said we didn't have these kinds of projects in the mix to consider these kinds of decisions during the strategic planning process. He looks forward to having St. Elizabeth's work with staff to make its pro forma solid, so in the event the Panel comes forward with a recommendation to fund this need, the City could step in with some of the salaries and look at revenue options for St. Elizabeth's. He has seen families turned away, and it is a tragic thing to do. He wants to work toward helping St. Elizabeth.

Councilor Ortiz commented that we are seeing the relevance of the results of the war in Iraq in the reduced federal funding in CDBG fund allocations.

Councilor Bushee moved, seconded by Councilor Wurzburger, to adopt the 2007/2008 Community Development Block Grant Entitlement Program as broken down.

Friendly amendment: Councilor Bushee would like to direct staff, particularly Ms. McCormick, to look at the ratio and to see if there is a way to modify the process to reduce our administrative costs so an increased portion of the cost can go to the community for services. **The amendment was friendly to the maker, and no objections were expressed by other members of the Council.**

Discussion: Councilor Bushee would look at the costs in the Finance Department.

Ms. Collett said CDBG is much more than what you see. It does take someone in Finance to be doing the financial portion, the computer IDIS regulated portion of managing this. It takes all of her time to manage the grant. She said the less money we receive, the more it looks like we're taking, but it takes that amount to keep us going no matter how much we receive. There is a basic level we need to spend to get the money. However, she will look at cost savings.

Mayor Coss said page 9 of the packet indicates total HUD program monies of \$9,374, and the biggest chunk, \$6.8 million, is going to public housing authority resources. He asked Ms. Collett if she is involved in administering these funds or just the \$593,000.

Ms. Collett said she is only involved in the \$593,000, but the City does receive some of the supportive housing funds, the shelter plus care. However, these funds are reported at the

request of HUD, according to federal regulations, because they want to see how much total monies are going toward housing and homelessness in the community. All of this has to be produced just to receive CDBG money. She received the budget from the Civic Housing Authority, and doesn't know what's going into that budget.

Mayor Coss said he has been to St. Elizabeth's and he sees the need, and believes we need to act on this and look at sources of funding in addition to CDBG. However, he has real questions about the St. Catherine's site. While he was negotiating a lease with St. Elizabeth's, the owner was asking him if the City was interesting in acquiring the property. It is a very unstable ownership situation, and he would want to look at everything – zoning, the neighborhood – and the solutions would have to be workable. It would really be bad if we thought we had a solution, but we really didn't.

Councilor Bushee said today she spoke with Patricia Barry, Mr. Tafoya's realtor, who suggested there was no longer a lease with St. Elizabeth's, noting they aren't interested in having future negotiations in jeopardy.

Councilor Heldmeyer said with regard to all social programs funded by the City, on page 13 of the packet is a listing of other federal funds which are available to some of these programs. In addition, there is what the City itself gives to Human Services and these programs also are being funded from that, so the \$20,000 isn't the sum total of the money which goes to St. Elizabeth's from the City.

The motion, as amended, was adopted on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo and Councilor Wurzbarger.

Against: None.

- 4) CONSIDERATION OF BILL NO. 2007-18; ADOPTION OF ORDINANCE NO. 2007-15. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A CITY OF SANTA FE NEW MEXICO INDUSTRIAL REVENUE BONDS (RIDGETOP ROAD, LLC PROJECT), SERIES 2007 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$45,000,000 TO PROVIDE FUNDS TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF AN INDUSTRIAL REVENUE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE AGREEMENT, THE BOND AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BOND AND THE PROJECT, MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE. (KATHRYN RAVELING)**

Kathryn Raveling said she has nothing to add to all of her previous presentations regarding this matter.

Councilor Bushee asked, for the record, if the City is fully indemnified if there are future lawsuits with regard to this property.

Frank Katz said this was a great concern, so he carefully looked at the indemnity provision, and the City is indemnified. The particular concern was that the neighbors, who are not happy with the project, could sue, and because the City would be owning the land, the City would be named in the lawsuit. The indemnification provision has the leasee indemnifying the City completely from any loss, and they would represent us and take care of all of that.

Councilor Bushee asked about the clawback provision. Perry Bendickson, Brownstein Law Firm, said he wrote these documents.

Councilor Bushee asked him if he is satisfied with the clawback provisions. Mr. Bendickson said he represents Thornburg not the City.

Peter Franklin, Modrall, Sperling, said the clawback provisions are standard and identical to the City of Albuquerque's clawback provisions for the eclipse project, so he thinks it's safe to say these are typical clawback provisions.

Councilor Bushee wants to know what was worked out with the schools.

Board of Education President Frank Montaño said the Superintendent met with Thornburg Corporation and there was discussion of several issues. Subsequently, there was a meeting with Mayor Coss, Councilor Wurzbarger, David Miller of Thornburg, Mr. Thornburg, Dr. Carpenter, the Schools Chief Finance Officer and himself. The discussion centered around what can be done to make the School whole from the loss of tax proceeds. They discussed the Thornburg Corporation making an additional contribution of \$15,000 on top of \$30,000 which it already gives to the Santa Fe Public Schools Partners in Education, Santa Fe Public Schools Foundation which would continue to go to the Foundation, and the \$15,000 would go directly to the School District Operation Fund in the form of a grant. Also discussed was that the City might be willing to forego the \$30,000 it would get in the deal to go to the School District. He said they were given the impression that would be pursued by Mayor Coss and Councilor Wurzbarger, and hopes this will be pursued tonight. After that meeting, there was a presentation by the Thornburg Corporation to the School Board. The Board agreed that if Thornburg would give an additional \$15,000 to operations in addition to the \$30,000, and if the City was amenable to give the \$30,000 to the school in the form of a grant to the Schools' operational fund, that would work for them. If this were the case, in cooperative spirit with the City, the School would agree to the City issuing the IRB to Thornburg. He said this would be on an annual basis to partially cover the \$100,000 loss to the Schools, for a total of about \$75,000, with \$45,000 going directly to the operational fund. There was no discussion of side neighborhood issues.

Councilor Chavez noted the calculation on the property tax is based on a \$15 million

evaluation at 2006 rates, and said if we go by the standard rates, the schools could expect to receive \$109,000, so the Schools would be \$25,000 short of that mark.

Mr. Montaña said this is correct. The difference would be that the money would have to be spent on capital projects, and the \$45,000 out of this scenario could go directly to the operational fund.

Councilor Chavez said this is only for the 30 years of the IRBs.

Mr. Montaña assumes so, but Thornburg has a record of contributing to the Schools Foundation, and in thirty years that is something which potentially would continue.

Councilor Chavez said he believes this is getting away somewhat from what an IRB bond normally would do, and this is a hybrid. We are issuing an IRB, we've calculated the entities' tax loss, and Thornburg will make the Schools and City whole.

Councilor Chavez said this morning the newspaper editorial said about \$400,000 in property taxes would be generated if Thornburg was paying property tax. However, the memo in the packet says it would be \$750,000 over 30 years. He would like to see the actual figure. It is good Thornburg has made Santa Fe its home and is willing to invest in the community. If we are investing in a work force, we have to invest in our school system.

Councilor Chavez said none of this is written into the IRB and all of these are side agreements. It seems it would be easier to pay property tax and be done with it, so everyone gets its share. He said the newspaper mentioned that Thornburg has more than \$35 billion in assets, which is good. At the same time, all of the property owners who have invested in their property will pay property taxes for the 30-year period.

Public Hearing

Those speaking to the request

John Wolfe, Chief Financial Officer for the School District, said the \$30,000 which has been offered by the City would help the Schools substantially with the financial challenges facing the District. The Thornburg Corporation has promised to add to that to help to make the Schools whole.

David Miller, Managing Director, Thornburg Companies, updated what has happened since April 11th vote by the City. He said he wants to state for the record what Thornburg is seeking and why, as follows:

"He said, For the 25 years we've been here, we've been building two businesses – Thornburg Investment Management and Thornburg Mortgage. We've never, in all those years, asked the City government for anything. However the massive increases in the construction costs which we have incurred, have increased the costs from \$30 to \$45

million, or that 50% jump has resulted in a \$450 to \$500 per sq. ft. increase. Since Thornburg was started at Thornburg Investment in 1982, the two employees have increased to 144 employees, and they provide investment services to our clients. Later, in 1993, Garrett Thornburg, along with Larry Goldstone, founded Thornburg Mortgage, and that organization now employ 193 who manage that high quality mortgage portfolio. All that time our two companies here in Santa Fe, while we've been building our businesses, we've been building a high quality, diverse work force from the very best talent available in the community, no matter what their gender and no matter what their ethnic background. Our criteria has always been, and solely been, do you have the talent to get the job done and can you get it done exceptionally well."

"Now, with one of the highest building costs in Northern New Mexico, we are seeking the City's bonding assistance to, as Councilor Chavez says, abate property taxes for the next thirty years. For the majority of the next presentation made by New Mexico Economic Development Deputy Secretary Kelly O'Donnell, I think it's appropriate to focus on the economics. I would simply say that it is the Thornburg economic value and the value that we bring to the table, that has garnered the balanced and broad support from the Santa Fe business community, businesses large and small, from City newspapers, from the nonprofit community and from the majority of Santa Fe citizens and from the Las Estrellas Homeowners Association. It is also the key reason that the School Board has recently recommended that the City Council approve the IRB. "

"We left the April 11th City Council meeting appreciative of the vote in support of the Thornburg IRB, but we were determined to be responsive and proactive in regard to the issues raised by those Councilors who had concerns about the bond. As indicated in the backgrounder that I left in each of your in-boxes this morning, and I hope you've all seen it, if you haven't, I have extra copies available, if you'd like to have it for immediate review. But, we indicated, and you've heard, we've met individually and collectively with the School Board, and showed how the economic value of Thornburg would far outweigh the \$109,000 the School District would forego with the approval of the Thornburg IRB."

"We also promised to increase our annual philanthropy, again as you heard, from \$30,000 to \$45,000, with additional assistance in kind. Garrett Thornburg has told the Board and all the School Board Members, the School Board President Montaña, and all the members, Thornburg Companies is committed to assisting the District in areas where our considerable business expertise can be useful. Areas such as property management and teacher retention, based on the available of low income housing, and in helping the Chamber of Commerce as well achieve its newly strategic objective of assisting the School District."

"So, given our positive economic impact to a wide variety of tax revenue sources beneficial to the City, we endorse the transfer of that approximate \$30,000 from the City that Thornburg has guaranteed to the School District annually during the life of the bond."

"All of these pledges are memorialized in the IRB Lease Agreement, and proof of the

School Board's support of the Thornburg IRB can be found in the minutes of their Board meeting which I've included in the background addendums."

"Also, in response to Councilor Bushee's and Councilor Heldmeyer's concerns about the Santa Fe Community College, we met with senior members of their executive staff, even though the SFCC Board has decided to neither endorse nor object to the Thornburg IRB, we will annually provide them \$15,000 in support for one of the College's important high school programs, oriented to encourage continuing education at the Community College. This is in addition to the Community College's mortgage banking cohort program that was originally conceived at Thornburg Mortgage."

"In addition, our lease document now addresses other key concerns including a clawback provision, a pilot payment based on actual value and rates, identification and invitation to local vendors, of which I might incidentally say four have already been identified, and, as you've heard, indemnification to the City that it will bear no financial liability in case of continued or new legal cases. City Attorney Frank Katz, as you've just heard, as well as City bond counsel Dwayne Brown indicated at a recent Finance Committee their satisfaction with the language now on the lease concerning the above items."

"In regard to the legal status, I'm pleased to report to you that District Court Chief Judge, only a few days ago, ruled that concerned residents do not have standing in order to enforce the covenants that were the subject of the recent concerned residents advertisement concerning the Thornburg campus's meeting the old/new Santa Fe architectural standards."

"Lastly, I would point out that at a first ever Las Estrellas Homeowners Association meeting, those neighbors closest to the Thornburg's campus, and those neighbors who will benefit from the retail shops and commercial shops that will now come since Thornburg has purchased the property from them, we heard nothing but positive comments during and after the meeting."

"Mr. Mayor and City Councilors, in the audience are Thornburg Real Estate as well as IRB attorneys to answer any of your questions. Before asking Deputy Secretary O'Donnell to address the Governing Body, I truly and respectfully ask for your unanimous vote in support of the campus IRB on the economic community and political support provided by Thornburg Company's self, as well as, and more importantly in this case, the Santa Fe Community and here I mean the community in its broadest sense."

Mr. Miller thanked the Mayor and Council.

Kellie O'Donnell, Deputy Cabinet Secretary, New Mexico Economic Development Department, said she is appearing in support of the Thornburg IRB because of the benefits to Santa Fe and New Mexico. The Economic Development Department devotes itself to the recruitment, retention and expansion of economic-based businesses – businesses which bring

a net inflow of cash to New Mexico or the community in which it arrives. The Thornburg companies are clearly an economic-based business, in that over 90% of its revenue is generated from outside the state, with millions flowing into New Mexico and increasing the cash and the inflow of commerce. The expansion of Thornburg is estimated to generate an additional \$10 million in new GRTs, and \$20 million for the State through commerce generated by the spending of the salaries by the new employees. There are other impacts, including several hundred new jobs, in addition to those created directly at Thornburg. For these reasons, the State Economic Development Department believes that sending a positive message that Santa Fe and the State value the Thornburg companies and seek to facilitate their expansion, which sends a loud and clear message nationwide to other companies which might come to New Mexico. They stand in strong support of the IRB and urge the Governing Body to do so as well.

Pamela Kelsey, employee of Thornburg, residing at Carson Valley Way, said she is another Thornburg success story, having been here since 1983. She spoke of her experience in New Mexico and being employed by Thornburg. She is the new Wholesale Loan Center Coordinator with a good salary and she just purchased and furnished a new home. Next month her daughter and grandchild will move here. She spoke about her background in West Virginia, her career with Thornburg, living in Santa Fe, and how Thornburg is a partner in the communities in which it is located.

David Tessio, Director of SF Children's Museum, spoke on behalf of Thornburg, one of its local partners, and its value to the community. There are few companies in Santa Fe who hire so many skilled locals with good pay. The Thornburg Company helps to sustain our arts and culture rich community, contributing hundreds of thousands to scores of local, non-profit organizations each and provides a skilled labor force. Thornburg has chosen to stay here, and is a great community partner. He urged approval of the IRB.

Cheryl Pink, Director, SF Habitat for Humanity, spoke about the important quality of the corporate citizenship experience in working with Thornburg. Each year, for three days on the construction site, Thornburg sends out 25-30 employees to work on our most affordable, affordable houses. She said Thornburg employees move at an accelerated pace, and back up their work with a considerable contribution. The Thornburg foundation rewards them with \$1,000 for each 40 hours contributed by its employees. Thornburg has never asked to use its association with Habitat to advance its own image in the community, and genuinely have the idea that we all have to work together to make a community succeed. They have benefitted greatly from this relationship, and this is the kind of corporate citizenship that any community would value.

Thomas Garcia, a lifelong resident of New Mexico, has lived in Santa Fe for nine years. He went to work for Thornburg right out of college, and he is now a partner and head of trading. His wife also works for Thornburg as a portfolio manager. He's worked for Thornburg

for 13 years, and hears story after story of success. Thornburg is fair in its hiring practices, and a place where a person can build a career. He would like his children and your children to have the same opportunity to work for a quality company in New Mexico and be able to stay here.

Bruce Geiss, Phase I Realty, said he is the managing agent for Santa Fe Estates, Inc., which sold the land to Thornburg as a part of its strategic plan to create the Las Estrellas community. He said great cities are made by great citizens from all walks of life, including corporations. This is a success story which is hard to match anywhere. They have tried to overcome the issues experienced in Rancho Viejo, Tierra Contenta and others by leading with the neighborhood services which would be the center point of their community. They have not been able to begin the creation of the village center because of the legal battles against Thornburg development for the past 3½ years. Those are now over last Friday with Judge Hall's ruling. He endorses support of the IRB. He believes there will be good things from Santa Fe Estates. He said this has been one of the greatest relationships Santa Fe has had with a private enterprise and this is one example. Many good things have come out of what has happened over the past 75 years, and he is glad Thornburg has claimed Santa Fe Estates as its home.

Julie Wiless, Architect with Dekker, Sabatini, is speaking on behalf of the Thornburg IRB. It is Thornburg's commitment to sustainable development which sets it apart, and will benefit this community. This project will achieve Gold certification under LEEDS, a distinction shared by less than 300 buildings in the world. The building will use 50% less water indoors, save 500,000 gallons of water every year, use 40% less energy every year, thus reducing carbon dioxide emissions, and benefitting the air, the energy, and the demand on the entire community infrastructure throughout Santa Fe. Outside the building, there will be capture of rainwater and control stormwater for irrigation. It will reduce local burdens, and will benefit local businesses in unique ways. The contractor on the project will be recycling the construction waste. There will be extensive use of regional materials and promoting local green industry. All the decisions on this building benefit not just the building occupants, but the City and State and beyond. The project demonstrates a unique level of commitment to sustainability and needs to be encouraged through measures like the IRB.

Simon Brackley, President, Santa Fe Chamber of Commerce, said there is a great deal of support for this project, and they believe strongly in the issuance of the IRB. They believe Thornburg is a model corporate citizen and the Council should approve the IRB to support their philosophy of creating well-paying jobs, sustainability and opportunities for local young people.

The Public Hearing was closed

Responding to Councilor Bushee, Mr. Miller said, "There were two different discussions and I would like to separate those. The first was increasing our already existing philanthropy from \$30,000 to \$45,000. And as President Montañó said, we will take the \$30,000 and continue sending it to what is now the Santa Fe Public School Foundation and send it to the

operation funds. Issue 1. Issue 2 is our request of the Mayor, if he would and with Councilor Wurzburger, support the idea of taking the Thornburg pledged [inaudible] of approximately \$30,000. I use that term because in fact it will be whatever the mill rate is of that amount, \$30,000, and transferring it to the operating fund for the School District. And the reason for that Councilor Bushee, is because the evidence is quite clear, not from us, but from the State Economic Development Department's analysis that the City will gain a great deal of economic benefit in taxes of a wide sort."

Councilor Bushee asked if the commitment is \$28,000 or \$30,000. Mr. Miller said it is neither. It is for the amount which would be equivalent to the City's payment, were the building to be appraised at \$45 million, which will be closer to \$30,000 initially.

Councilor Bushee asked if the school is aware that this is a fluctuating amount. Mr. Montaña said yes.

Councilor Wurzburger moved to adopt Ordinance No. 2007-15, authorizing the issuance and sale of the City of Santa Fe, New Mexico, Industrial Revenue Bond Series 2007, and authorizing the execution and delivery of an Indenture, Lease Agreement, Bond Purchase Agreement and other documents in connection with the issuance of the bonds; and further moved that the City grant to the Santa Fe Public School District the payment in lieu of taxes the City receives pursuant to Section 4.18 of the Lease Agreement. The motion was seconded by Councilor Calvert

Discussion: Councilor Heldmeyer asked Mr. Geiss, if he closes with Thornburg next week, when will the City get the 50% of the purchase price it is supposed to get from the agreement with his real estate firm.

Mr. Geiss said, "Mayor and Councilor Heldmeyer, the payments to the City and the payments to the shareholders who share evenly in distributions from the transactions of the company do not flow with each transaction."

Councilor Heldmeyer said, "They haven't flowed at all actually."

Mr. Geiss said, "Well, actually, you have said that before Councilor Heldmeyer, and you're not right. You receive a report four times a year from us, and you have received more money than the shareholders have received at Santa Fe Estates. You know, when you pass an affordable housing ordinance, and when you pass a water rights ordinance, and we have to invest in \$3 million to \$4 million of water rights, that money comes from somewhere. And so, there are reserves. It is very expensive to do development. We're doing it. It's topographically very challenged. It is challenged by the ordinances. We believe in the ordinances. We support the social goals of the City, but it costs money, and when you passed those ordinances, you knew it would. And, we are shoulder to shoulder with you in meeting the objectives, and it costs money. There will be some distribution made to the City and the shareholders I'm sure, this year, as the result of three significant sales that will occur. But, you must realize that, at the same time, there is going to be very significant investment by Santa Fe Estates, Inc., in some of

the resources that have been mandated by the new ordinances, significantly the acquisition of water rights which is going to be in excess of \$3 million."

Councilor Heldmeyer said she looks forward to more reports.

Councilor Heldmeyer said at the last meeting, Mr. Miller said the minutes of the meeting with the Schools would reflect what Thornburg was going to promise to the School Board, and thanked Dr. Carpenter's secretary for emailing the minutes. She asked Mr. Montañó if the following accurately reflects what the agreement is:

1. That Thornburg will give \$45,000 to the District, of which \$30,000 will go to the Foundation in support of previously funded programs;
2. That discussion take place with regard to the \$15,000 going to the operational budget; and
3. That there be a recommendation that the City Council grant the payment in lieu of taxes to the School Board.

She asked Mr. Montañó if he agrees these are the three parts of the agreement and accurately reflects what was done.

Mr. Montañó said this accurately reflects what was done, but he clarified that the discussion of the \$15,000 wouldn't actually be a discussion of whether or not we would receive the \$15,000, it would be the discussion of the creation of an MOU. The \$30,000 would continue to go to the Foundation, and would be memorialized in the form of an MOU, as would the additional \$15,000. This is the discussion.

Councilor Heldmeyer asked Mr. Katz, under current City Code, if the City owns the land, will the City receive impact fees from the building of the building.

Mr. Katz said it is his interpretation of the State statute, which says the Construction Industries Division does permits for public buildings, but he doesn't know if this would be counted as a public building, he thinks we would get impact fees on this, much as we would get impact fees from the Railyard project.

Councilor Heldmeyer said we don't get impact fees from the Railyard.

Mr. Katz said he thinks we should be, and he thinks we are supposed to be.

Councilor Heldmeyer said she met with a neighborhood about a different issue recently. She told them many times these issues are very complex, and many times there are 14 different things "running around," ten of which may be "red herrings." One of the red herrings here is, "Is Thornburg a good employer." She knows people who work for Thornburg and they love it and think Thornburg is a good employer and that is sort of a non-issue. The non "red herring," is money, which is what we're discussing. There are two ways an IRB benefits. One way it profits is that it saves a lot of money by issuing this kind of bond as opposed to the kind

of bond they would have to issue as a private company. We've been told they will be saving in the millions. The other part is what they save in taxes. She hears about different meetings and people talking to others, but she doesn't find that in the minutes, so she presumes other meetings have been happening.

Councilor Heldmeyer said relative to the cost of this building, relative to the overall wealth of this company, the property taxes would not be a huge amount of money. And yet, we've had this "running around and making deals," trying to get even that amount reduced. She said the question is whether this Council should be complicit in it, because governments get their money from taxes, and it is difficult to raise taxes. Even a small increase for some of our citizens is a "big deal." Here we have the schools desperate for money, and money going into operational funds might be better for the schools than money going to capital. The Schools will come out below the \$110,00, but will get expertise and perhaps the company will help in other ways we don't know. Councilor Heldmeyer said a pledge has been made to the Community College, but they still will come out below.

Councilor Heldmeyer said it would be one thing if this were an affluent community where no one had trouble paying their taxes. We have individuals for whom paying property tax is an extraordinarily difficult thing, and we see them struggle, and we try every year to change state law to make it easier for those in the community for whom property is expensive and property taxes are expensive. She just doesn't get letting a big company off the hook which will save it millions of dollars on the IRB, and she can't support it.

Councilor Bushee said she has come full circle on this issue because of the efforts of Mr. Miller to answer almost every concern. She said it was never a question that Thornburg is a good employer and a welcome entity in Santa Fe. She wants to make sure that the schools are at the table and participating, and wants Thornburg to make an effort with the Community College. She is disappointed that the City is having to give up the \$30,000, and hopes if there are other funds to which it can contribute, Thornburg will continue to be a good corporate citizen. Thornburg is looking to employ local vendors. She will support the IRB because she believes Thornburg has done its due diligence and left no stone unturned to work with impacted entities. She would like somebody to track the property taxes which have been foregone in terms of the financial contributions which Thornburg can make overall.

Mr. Miller thanked her for her kind words, saying she has been a good advocate for the community. They worked hard to accommodate her concerns and move forward to be proactive. He said, "I will make a pledge to you on behalf of the company, in response to your last point to prepare annually an examination of the foregone taxes versus the economic benefit. I would ask the State Economic Development Department to be our auditor, as it were, working in conjunction with us, you have been shoulder-to-shoulder in supporting this, to examine our analysis. I would lastly ask Councilor Heldmeyer to reconsider that whole issue of, not what is the comparison to those who are paying property taxes, but the value of the economic development that is presented here and not dismiss that value. Because the issue is those numbers are remarkable and will come to the City in any number of different ways that will far outweigh, far outweigh, the \$400,000, and I will prove it to you yearly, or my successor will."

Mayor Coss thanked Thornburg for working through on this, Frank Katz and the attorneys that worked on this, and the School Board members. He thinks the offer he made, which is in the Motion, to make a grant of \$30,000, works well. This is a good employer and he likes the idea of 175 new, good job opportunities for people in Santa Fe.

Councilor Trujillo would like Thornburg to work with the Juniors/Seniors in Santa Fe High Schools to keep these kids in Santa Fe, and show them the opportunities that are available to them through Thornburg, so they can stay in Santa Fe instead of leaving Santa Fe after graduating from college.

Mr. Miller said he committed to Councilor Trujillo to do this previously and he will recommit here this evening. He said the Chamber of Commerce, with his help, has decided to make the strategic goal to helping the School Board and the Public School system, and one of the issues under discussion is a mentoring program in the schools, as well as others. He said he meant it when he said he would work to do work in kind, which he discussed with Garrett Thornburg who is in support.

The motion was passed on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Dominguez, Councilor Ortiz, Councilor Trujillo and Councilor Wurzburger.

Against: Councilor Chavez and Councilor Heldmeyer,

EXPLAINING HIS VOTE: Councilor Ortiz said he thought long and hard about this, because we are, in a sense, giving away our bonding capacity. If we really had an economic development program, and were serious about attracting businesses and using our IRBs as a tool to attract businesses, we couldn't find a better business with a better history and commitment to its employees and the community than Thornburg has, and for this reason, treating this organization as if we were trying to attract them. An IRB to retain someone is equally, if not more important.

EXPLAINING HER VOTE: Councilor Wurzburger acknowledged Craig Fiels from the Economic Development team who helped make this happen as well.

Mayor Coss thanked Councilor Wurzburger for her work on this.

There was a short break at this time

- 5) CONSIDERATION OF BILL NO. 2007-16; ADOPTION OF ORDINANCE NO. 2007-16 (COUNCILOR WURZBURGER, MAYOR COSS, COUNCILOR CALVERT, COUNCILOR DOMINGUEZ, COUNCILOR ORTIZ AND COUNCILOR TRUJILLO). AN ORDINANCE CREATING A NEW ARTICLE 10-10 SFCC 1987, PROHIBITING THE BURNING OF COAL IN THE CITY LIMITS OF SANTA FE. (JACK HIATT)**

Jack Hiatt presented Information regarding the proposed Ordinance to the Governing Body, noting Councilor Heldmeyer has proposed two amendments to the proposed Ordinance.

Public Hearing

Speaking for this request.

Greg Wetzel, resident of District 2, and thanked Councilor Wurzburger and Mr. Hiatt who have been very proactive in helping to solve this problem, which has renewed his faith in democracy. He said many people are very concerned about the building of coal fired plants and the pollution and green house gasses they produce. However, one area not addressed is that it is legal for people to burn coal. His neighbor burns coal to heat his house, and he won't stop until it is prohibited by law. He has a constant cloud in his yard and the strong odor of coal in his house for most of the winter, and a layer of soot on everything. He moved to Santa Fe for clean, clear air, and was recently diagnosed with chronic bronchitis, which he believes is the result of exposure to the coal pollution daily. He believes there is no reason to heat with coal, when there are better fuels with low or no pollutant emissions. He urged the Mayor and Council to pass this ordinance to protect the health of all Santa Fe citizens.

Stephen Cameron, thanked Mayor Coss, the Council, with special gratitude to Councilor Wurzburger, Jeannie Price and Jack Hiatt. It's been a long process to get this done. He has lived downwind from a neighbor heating with coal for the past five years. He reiterated the issue of the noxious smell. He checked other cities and states, and Arizona, Colorado and Texas all ban coal burning in residential heating systems. He is an educator, and thanked the Council for consideration of the IRB. Each morning his class begins by talking about current events and environmental issues. He told them about his neighbor who burns coal. His students told him to do something about it. He urged the adoption of the ordinance, so tomorrow morning, he can tell his students that their teacher did the right thing for the environment and for the health of the citizens of Santa Fe.

Helmut said he came to Santa Fe from Germany 15 years ago, for an internship with a Santa Fe blacksmith, Tom Joyce, to learn the trade of blacksmithing. After the time was up, he just decided to stay in Santa Fe. He is involved in organizing a community show on black smithing at the Cloud Cliff Café art space. He won the immigration visa lottery, is married with children and now is a member of this community. He is giving back to the general community by having kids do mentorships with blacksmiths, creating public pieces of art for the Arts Commission. The blacksmiths use coal, because a whole section of their work is very traditional and dependent on the use of coal, noting the whole area of forge welding can't be done properly with propane forges. They may only use it a portion of the time, but they do need the opportunity to burn coal. He said they may compensate by riding a bicycle to work, by turning the lights off earlier, or such as Kevin Stoker who developed biodiesel fuels. He urged the Council to adopt the proposed amendment to protect their craft so they can do what they do to keep an ancient craft alive. He thanked Councilor Heldmeyer for proposing the amendment.

The Public Hearing was closed

Councilor Wurzburger moved, seconded by Councilor Calvert, to adopt Ordinance No. 2007-16, with the amendments proposed by Councilor Heldmeyer.

Friendly amendment: Councilor Bushee would like to change the title as follows: “..PROHIBITING THE BURNING OF COAL IN THE CITY LIMITS OF SANTA FE FOR RESIDENTIAL HEATING, or other appropriate language the City Attorney feels is appropriate. **The amendment was friendly to the maker and second..**

Discussion: Councilor Bushee said she appreciates the blacksmiths in the community and wants to take the class which is offered at the Community College.

Mr. Hiatt said he took amendments offered by Councilor Heldmeyer as excluding the blacksmiths. He is concerned because he was going to send inspectors whether residential or commercial if the purpose of burning the coal was for heating.

Councilor Bushee said the lawyers will make the words right to fit the intent of the ordinance.

Mr. Katz said the ordinance can state that the burning of coal is prohibited for heating only.

Councilor Wurzburger said it was never the intention to remove the ability to do art or to barbecue. She asked Mr. Katz in a more proper way to express that sentiment.

Councilor Heldmeyer thanked those who contacted her, and the education they gave her with regard to the use of coal, noting that silversmiths and some potters use coal as well for a small, specialized portion of their work. We don't want that to stop because it's good work.

Mayor Coss told Mr. Cameron he can tell his students that democracy in action is a very interesting process.

Frank Turley said he has been a blacksmith for 44 years, and runs a black smithing school. He said he lives in what they call the “extraterrestrial zone.” He is speaking for the handful that use coal and are in an industrial area. As a blacksmith, he does sculpture, ironwork, and Spanish colonial ironwork. He would appreciate a provision allowing blacksmiths to do their work with coal.

The motion was passed on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz, Councilor Trujillo and Councilor Wurzburger.

Against: None.

- 6) **CONSIDERATION OF BILL NO. 2007-21; ADOPTION OF ORDINANCE NO. 2007- 17 (COUNCILOR HELDMEYER). AN ORDINANCE MENDING SECTION 18-1.2 SFCC 1987 REGARDING THE DEFINITION OF DISTRESS MERCHANDISE SALE; CREATING A NEW SECTION 14-8.10(B)(8) SFCC, REGARDING FINES FOR NONCOMPLYING SIGNS; AMENDING SECTION 14-8.10(H)(28), AND CREATING A NEW SECTION 14-8.10(H)(29) SFCC 1987, REGARDING THE PROHIBITION OF PRICE REDUCTION SIGNS IN THE HISTORIC DISTRICTS. (DAVID RASCH)**

Jeanne Price presented information regarding the proposed ordinance to the Governing Body.

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

Councilor Heldmeyer said in the Coffees with the Mayor which were attended by the downtown merchants, this was the #1 requested change by the downtown merchants. She thanked everyone who attended the meetings and for their recommendations, those made by the Business and Quality of Life Committee which made this a better bill and made it workable for the legitimate business person who is holding a seasonal sale. It prohibits people from having continual sales which the downtown merchants felt really degraded peoples view of the quality of merchandise sold in Santa Fe.

Councilor Heldmeyer moved, seconded by Councilor Calvert, to adopt Ordinance No. 2007-17

Discussion: Councilor Bushee asked if this has to be restricted to the Historic District.

Councilor Heldmeyer the only people who requested this were people in the downtown area. There were two ways to go – one was to go with the BCD DRC, the other was to go with the Historic District because Canyon Road is included in the Historic District. When the email was sent out, she received feedback from people on Canyon Road asking this to be extended to them as well, and that is the reason it was within the historic district.

The motion was approved on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Trujillo.

Against: None.

Absent: Councilor Wurzbarger.

EXPLAINING HIS VOTE: Councilor Calvert said to make this meaningful and to allay some of the complaints we get, we need to make sure there is enforcement, otherwise it won't solve anything and we will continue to get complaints.

Councilor Heldmeyer said it is in the works.

- 7) CONSIDERATION OF BILL NO. 2007-17; ADOPTION OF ORDINANCE NO. 2007-18 (COUNCILOR CALVERT AND COUNCILOR TRUJILLO). AN ORDINANCE REPEALING SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987 AND CREATING A NEW SECTION 8 OF EXHIBIT A, CHAPTER 22 SFCC 1987 ESTABLISHING NEW SEWER SERVICE CHARGES; AMENDING SECTION 12 OF EXHIBIT A, CHAPTER 22 SFCC 1987 ESTABLISHING NEW EXTRA STRENGTH SEWER SURCHARGE RATES; AND AMENDING SECTION 13 OF EXHIBIT A, CHAPTER 22 SFCC 1987, ESTABLISHING NEW EFFLUENT RATES. (COSTY KASSISIEH)**

Costy Kasssieh presented the Information regarding this matter from his Memorandum of March 16, 2007.

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

Councilor Calvert moved, seconded by Councilor Trujillo, to adopt Ordinance No. 2007-18 with the amendment.

The motion was passed on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Trujillo.

Against: None.

Absent: Councilor Wurzbarger

- 8) CONSIDERATION OF BILL NO. 2007-19; ADOPTION OF ORDINANCE NO. 2007-19 (COUNCILOR ORTIZ AND COUNCILOR TRUJILLO). AN ORDINANCE AMENDING CHAPTER 21, SFCC 1987, REGARDING SOLID WASTE COLLECTION REQUIREMENTS AND ENFORCEMENT PENALTIES. (WILLIAM DEGRANDE)**

Bill DeGrande presented information regarding this matter to the Governing Body, noting that staff recommends deletion of the customer credit for non-collection on page 15 of the bill.

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

Councilor Ortiz said when we first had this discussion, and staff presented its concerns, he brushed it off. However, the last time it was heard on Notice to Publish, he went back and researched and he couldn't find a similar kind program to model administrative regulations as to how to do the customer credit program. He said since he said that the Living Wage Ordinance was the only time he was going to do something which hadn't been done before and put it out there, he is going to move for approval. He is not going to propose the customer credit program at this time, given the commitment this department has had for making changes, and that there has been, through the efforts of the constituency service person at Solid waste, a decrease in the number of complaints, at least in his District.

Councilor Ortiz moved, seconded by Councilor Trujillo, to adopt 2007-19, with all the recommendations, including the staff recommendation that we strip out the customer credit program at this time, and Councilor Calvert's proposed amendment.

Discussion: Councilor Chavez asked if this includes the two amendments on the amendment sheet and then the amendment proposed by staff.

Councilor Ortiz said yes, his motion is to approve the ordinance with all amendments, including that of staff.

Councilor Chavez said staff's isn't written on the amendment sheet.

Councilor Ortiz said it is on page 6 of the packet.

Mayor Coss thanked Councilor Ortiz for working with staff and agreeing to remove the language. He said this division is greatly improved and thanked Mr. DeGrande and staff for the great reduction in complaints.

Councilor Bushee thanked Mr. DeGrande for all the hard work, noting the complaint calls have stopped, so he is doing something right.

The motion was passed on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Trujillo.

Against: None.

Absent: Councilor Wurzbarger

- 9) CONSIDERATION OF BILL NO. 2007-13; ADOPTION OF ORDINANCE NO. 2007-20 (COUNCILOR CHAVEZ). AN ORDINANCE AMENDING SECTIONS 14-3.1 AND 14-3.4 SFCC 1987, REGARDING PETITION METHOD ANNEXATIONS AND SECTOR PLANS AND AMENDING THE DEFINITION OF SECTOR PLAN IN ARTICLE 14-12 SFCC 1987. (FRANK KATZ) (Postponed at April 25, 2007 City Council Meeting)**

A copy of "14-3.3 Amendments to the Text of the Development Code," entered into the record by Jim Siebert, is incorporated herewith to these minutes as Exhibit "4."

A copy of "Amendment to the Santa Fe Development Code Annexation Procedural Requirements §14-3.4, Bill No. 2007-13," entered into the record by Joshua Skarsgard, is incorporated herewith to these minutes as Exhibit "5."

A copy of a letter dated May 30, 2007, with attachments, to the Santa Fe City Council, from Joshua J. Skarsgard, regarding City of Santa Fe, City Council Bill No. 2007-13, is incorporated herewith to these minutes as Exhibit "6."

Frank Katz, City Attorney, presented information regarding this matter to the Governing Body from his memorandum of May 30, 2007. Mr. Katz said this bill is not meant to change the law at all. He said Las Soleras thought the law was not clear and has brought declaratory action. This proposed change is being done for clarity.

Public Hearing

Those speaking to this request

Jim Siebert, said he is representing several land owners in the extraterritorial area who are opposed to this ordinance. Referring to Exhibit "4." Mr. Siebert said under procedures it says "reserved," and the problem is that there is no procedure for amending the Land Development Code. It seems to him the City is putting the "cart before the horse," and you would need to adopt the necessary procedures for amending the Land Development Code before you can amend the Code itself. He said he has pointed out several cleanup items in the Code to staff, and this is probably one of the more significant items. He said at some point in time, the City will need to establish procedures for amending the Code.

Mr. Siebert said his concern and those of his client is, although this seems innocuous enough, you are simply trying to clarify the Code itself, but what happens, is what he calls "legislation by default." What isn't clear are the things which are most important to the public and to what degree are they allowed public participation in the process. He said if the intent of

this ordinance is absolutely clear, which is to eliminate public participation in the annexation process before the municipal boundary commission, that you would probably have a crowd very similar to what you experienced at Genoveva Chavez the other night.

Mr. Siebert assumes the presumption is that the real public hearing takes place at the Municipal Boundary Commission, and therefore you really don't need to worry about public input at the Governing Body or the Planning Commission level.

Mr. Siebert said the criteria for the boundary commission is just two: Is it contiguous with the current city limits and may the area be provided with city service, with the emphasis on "may." These are limited criteria, and used by the Boundary Commission in considering the request. The questions not answered in the process before the Municipal Boundary Commission, which are answered in the petition method, are: What's the consequences of zoning; what's the consequences of land use; what are the issues resulting from receiving city water and sewer; what are the payments; what are the criteria for solid waste collection; what are the issues surrounding fire and police protection; and how people who are annexed maintain their rural lifestyle.

Mr. Siebert said what he finds most astonishing about this ordinance, is that we're a City which prides itself in maximizing public participation. He believes this is a serious reversal in that policy. The question is what is the fear that is associated with this amendment that is driving this particular issue. If it's simply the issue of the lawsuit with Las Soleras, it seems that this is a significant over-reaction on the part of the City.

Mr. Katz said, "I think that there's a little bit of a misconception here. One of the things that is required in a Municipal Boundary Commission annexation, is a sector plan, and there was one that was developed here, and in dealing with this litigation, I had the occasion to sort of research into it quite a bit. And, the landowners in this area started discussions with the City in the beginning...in 2001 they had monthly meetings. They had this extensive land use discussion and planning with the Planning Department upstairs and the neighborhood associations. They eventually reached agreement on a proposed amendment to the general plan, incorporating all the land uses, the land use intensities, the parks, the schools, all of those kinds of things that should be done, that was incorporated into an amendment to the general plan that Mr. Siebert drew, in fact he drew the thing that Council adopted. And, that is still part of our general plan. So, to say that there was no public input or discussion about the zoning issues, land issues and such is just dead wrong. And that is what is required for Municipal Boundary Commission petition, that there has to be a sector plan, so I think we do have that covered very clearly."

Josh Skarsgard said, "I think very highly of the City Attorney. We've become close over all the litigation, but what he told you and what he told you in the staff report from the Planning Commission, is that he is simply clarifying any possible ambiguity in the current code. He is absolutely, with this text amendment, changing substantive law. We're not clarifying ambiguity. I want to make that clear tonight."

"In regard to the sector plan, I brought a sector plan here tonight. This is the Southwest Sector Plan. It's 62 pages. This is adopted by the City Council in 1982. What this text

amendment is attempting to do is to remove, Mr. Katz is the author of this text amendment, he's trying to remove utilities and development stages from there. There's eight pages in the Southwest Sector Plan regarding utilities, sanitary sewer, water, trash pickup. What's really going on here is §14-3.4, which is being amended here tonight, refers to annexations. And there's three of them. There's the arbitration method, the petition method and the Boundary Commission method. What Mr. Katz of the City Attorney's [office] is trying to do, is stick petition method in front of everywhere it mentions annexations. What that does is it takes all the due process that used to happen for all three methods – petition method, Boundary Commission, arbitration method, and limits it only to the petition method."

"Municipalities use the Municipal Boundary Commission method for annexation. Landowners use the petition method. What's happening here tonight is, if this is passed, municipalities, a city council could pass a closed...without...and no public hearing, this City Council could pass a resolution to do an annexation. You could have an ENN, and then the Mayor and the City Clerk would have to sign the annexation and it would go to the Boundary Commission. What is removed, what this is attempting to remove, the Planning Commission would have no say. The single body best aimed at analyzing annexations would be removed from a City initiated annexation. What happens at Planning Commissions. Land owners go and they tell the Planning Commission their concerns about taxes, about hookup fees...all of that is gone. The Planning Commission is removed."

"The City Council, under the current land use law, this body, this City Council, has to hear a public hearing to get a recommendation from the Planning Commission and then you guys decide whether or not the annexation should go on. That's being removed."

"So let me make very clear...Let's do a mock Municipal Boundary Commission annexation if this passes. If you're a concerned citizen you can't make a voice at the Planning Commission, you can't make your voice at city council. All you have is an ENN, a Neighborhood notification meeting. You're not talking to elected officials. You have no influence over the process. This text amendment is not clarifying ambiguity, it's removing due process. If you're an affected landowner, you have no planning commission, you have no city council and it can go forward."

"Let me remind this body what also is being removed. You have no protest petitions. That's in the Code, that would be gone. If you have annexations of over 25 acres, you have to notify the Board of County Commissioners, you have to notify the School Board. Mr. Katz, in this text amendment, is saying that only applies to petition method. So the city...if you initiate, you don't have to notify the County Commission, you don't have to notify school boards. And if you [approve this?], aptly put, the approval criteria goes away."

"So I would like to approach if I may, real quick and give you an example of what's being removed. Is that okay? [Exhibit "5."] So you'll notice on the left is the current process. Pre-ap, ENN, application filing, planning commission public hearing and then a governing body public hearing. This text amendment tonight would remove the Planning

Commission public hearing review and the Governing Body public hearing review for Municipal Boundary Commission city-initiated annexations.”

“Let me real quick scan down to the bottom. If you guys will please refer to the summary of issues. Citizens would have no input at public hearings if this passes tonight. And as Mr. Siebert said, the City of Santa Fe has a long tradition of at least letting citizens have say at City Council - Planning Commission. That’d be gone. There’s a double standard. Citizens. If I’m a citizen and I want to bring a petition for annexation via the petition method, I have to go to the Planning Commission, I have to go to City Council. If a City wants to do it, if Mayor Coss wants to bring an annexation, he doesn’t have to do that. Citizens have to do it, but the City does not. That’s a double standard. That’s not fair to landowners to have to bring it via the petition method..when the City...you’re removing process from what you guys have to do, from what a City has to do.”

“And Mr. Siebert aptly brought up another important point. Ladies and gentlemen of City Council, the Boundary Commission has two items it looks at. Contiguity and services. There are 30-40 issues that are important in annexation – property taxes, school districts, parks, all that is muted if this passes tonight. Because what Mr. Katz is saying is that cities can initiate an annexation and it just goes to the Boundary Commission. Unfortunately, State law has limited them to two issues – contiguity and services. All the other issues are not...will not be addressed. That’s why city councils, that’s why planning commissions look at annexations. They want to hear what landowners have to say. Why the property tax is raised. That’s the travesty with this.”

“I want to say one more thing. There are procedural errors with this. The Planning Commission got a different bill than what you guys got here tonight. What the Planning Commission got were changes to Section 14-3.4. What you got tonight also has added Section 14-3.1. In other words, the Planning Commission isn’t seeing that they’re being cut out of the process which is what is happening in Section 14-3.1.”

“Another thing, real quick, Mr. Siebert pointed out. Section 14-3.3 is amendments to text developments...I’m sorry, amendments to text in the development code. It says reserved. You guys, there’s no process for amending text development in your code. I went on line today, I said how can a city council change text development. I look it up. It says reserved. You guys have no procedure for changing text development. It says reserved. We don’t even know under what protocol we’re operating tonight. We don’t know what the process is. I don’t see how that’s fair.”

“I guess we’re going to close with that. I just want to make very clear...and again I think the world of Mr. Katz...you are changing law tonight. This is not clearing up ambiguity. You are removing citizen input. You are removing Planning Commission and City Council for City initiated Municipal Boundary Commission annexations. Think about that. Landowners that are concerned in their annexation areas can go to an ENN and they talk, they hand out flyers, they ask a couple of questions. It has no impact on the Planning Commission or a City Council vote. That’s why annexations are supposed to go to this body in a public hearing. Because land owners show up and they say, Mayor

Coss I want to know about my property taxes. Well, guess what, this removes that. You don't even have to have a public hearing."

"It's really...it sounds to me like ancient Rome. It's just...we're in a lawsuit. Mr. Katz, obviously, we had a declaratory judgment action. We said the City did not follow their process going to the Boundary Commission. So, instead of complying with the process, unfortunately, the City Attorney is recommending to you to remove the process. Why comply with it. Why have a planning commission hearing, a city council hearing, when we can just remove it. It's...you're changing law tonight, and I speak for the landowners that....Mayor Coss was at an RPA hearing when 200 people signed a petition that said they were against annexation."

"This is a very important issue. The citizens of the County of Santa Fe do not want to be annexed. And, the City is saying tonight, if the City brings an annexation, you don't have go to the Planning Commission, you [don't?] have to go to the City Council. The City Council can have a resolution, an ENN and send it to the Boundary Commission. Let the Boundary Commission deal with it. The problem is the Boundary Commission looks at contiguity and services, not property taxes, not schools, not who am I voting for. None of that would be covered. You're changing law tonight and it's very very scary."

Councilor Ortiz asked that Mr. Skarsgard put on the record who he represents.

Mr. Skarsgard said, "I represent Harmon Bertram who's a property owner north of Cerrillos Road.

Councilor Ortiz asked if he represents anyone else.

Mr. Skarsgard said, "I'm specifically representing Harmon Bertram. I provide advice to Randy Akin who's a property owner and to Gordon L. Skarsgard who's a property owner."

Mr. Skarsgard submitted a letter for the record [Exhibit "6"].

The Public Hearing was closed

Councilor Chavez said with regard to the concept of public input and public participation when talking about improvement and development in the extraterritorial area, that development process usually is done through the EZC and the EZA. He said in the last two weeks, the EZC approved development for 157 acres which is a portion of Las Soleras with no public input, no ENN – nothing. He said the City is at the other extreme, requiring ENN meetings at different levels. He is a little confused with this as well. His confusion was on the level of ENN meetings. It was his understanding that Mr. Katz was suggesting that we have an ENN meeting before petitioning the Boundary Commission. He is hearing different scenarios.

Mr. Katz said the Public Works and Finance Committees adopted the amendment which was proposed to strike Sections 2, 3 and 8 to make clear that there would be an ENN required

for each of the annexation methods, which is what the current law requires. This is intended to just retain that aspect of the current law.

Councilor Chavez said the current law is the ENN ordinance itself.

Mr. Katz said it is the ENN ordinance and the annexation ordinance which we are amending, which outlines the three methods of annexation.

Councilor Chavez said this has always been clear, noting the City petitioned the Boundary Commission previously, but the petition never "saw the light of day," because there was a motion to dismiss. We did everything we were required to do when we petitioned the Boundary Commission. The only roadblock was that the County entered a Motion to Dismiss which was granted before the City's petition was heard.

Councilor Chavez said in the next scenario, the City will attempt to go back to the Boundary Commission after the lawsuits, and asked Mr. Katz if he is suggesting that we will have an ENN meeting before we even petition the Boundary Commission.

Mr. Katz said there already have been two ENNs in this area. He presumes if we are successful in our appeal in District Court, that the Court would send the City back to the Boundary Commission directly without anything else further.

Councilor Chavez said then Mr. Katz is saying that the City's requirement for ENN would have been satisfied and the City would have met those requirements. Mr. Katz said this is correct. In this case, in the Las Soleras annexation, there has been an ENN, so it wouldn't have to be repeated.

Councilor Chavez said the City Councilors on the RPA have discussed, for the past six years, the possibility of annexing areas which are being approved by the EZC and the EZA as we speak – how do we reconcile that.

Mr. Katz said as long as there is an EZA process, that process will be used.

Councilor Chavez said it is unfair and unrealistic for the City to consider annexing areas which are already built out or going through an approval process over which the City has no control. We seem to be working at cross purposes, and going after annexation in a way that doesn't make sense for the City, the County or the residents. He doesn't know what to make of the amended version. The petition method also requires the ENN to be part of the process and there is no question. Mr. Katz said this is correct.

Mr. Katz said a large part of Mr. Skarsgard's complaint is that he doesn't like the State law creating the Boundary Commission method of annexation.

Councilor Chavez said if Mr. Katz is sure this is the best we can do, and even though he questioned it, he is going to move for approval.

Councilor Chavez moved, seconded by Councilor Calvert, to adopt Ordinance 2007-20, with the proposed amendment on page 5, amending Sections 14-3.1 and 14-3.4 of the SFCC.

Discussion:

Councilor Ortiz said, "I just want to point out a couple of things, and going from the most obvious to the most detailed. First, School Districts don't change whether you are in the City or in the County. That is clearly the function of the School Boards. As an example, those residents who are my neighbors, but are County residents, their kids still go to Pinon and they still go to DeVargas and they still go to Santa Fe High. That doesn't change, whether or not you're inside the City or outside the City."

"Second, as it relates to their property tax, we don't calculate the property tax. That's clearly a function of the County Assessor and the County Treasurer. And so any question, by anyone, City or County residents, that question of what their property tax impact is, we don't answer. We don't have authority to answer. Those answers happen by the County Assessor and the County Treasurer whether you are in the City or whether you are in the County."

"The last item is an issue that was raised as if it had some kind of import, this idea that, because in Chapter 14, we've got a reserved section. We've got a number of reserved sections. Chapter 14 is adopted by ordinance, and if a part of the Code is reserved, the default is to go back to how the law gets created anyway. And, in the Code, our City Code, in order to amend an ordinance, we have to go through the same process as it would take to adopt an ordinance, and that's why we're doing this tonight. That's why we had a notice of publication of title and general summary. That's why we skipped a meeting so that we could publish. That's why we had a public hearing to allow members of the public to comment on the proposed change. We do that when we pass a new law. We do that when we change an ordinance. We do that in accordance with not only State law, but with City ordinance. To make some kind of issue about the fact that section is reserved and therefore we need to adopt some set of procedures before we even consider a bill, almost begs the question."

"You're right. Anytime we pass an ordinance, we're making law. That's the whole point. That's why we have a public hearing and that's why we go through committee. So yes, we are passing law. It's substantive law. Even when we change a process, when we do it by ordinance, it's a substantive change, it's a substantive change in law."

"And it gets me to the last point where he sort of made an offhand comment that somehow we're reverting back to the Roman Empire. Well, it's great that he used the Roman idea, because the concept of eminent domain springs from Roman law. Eminent domain, which is a similar kind of concept when we're talking about annexing a piece of property. It is a prerogative of the City government to decide where and how they're going to expand. And, the question for us is what limitations do we want to place upon the government, the civic authority versus what kind of limitations or what kind of

conditions do we want to place on people who are applying to be part of the City. And, there is discretion in municipal powers to be able to give us, I suppose, the authority to do what we're proposing now, which is to set a different set of criteria. There's authority for us to jump through the same set of hoops as anyone else. We do that on some projects. There's discretion for us to do whatever we want to do as a civic body, so long as it comports with State law. We've got an opinion from our City Attorney that what we're doing comports with State law. That's good enough for me. "

"Lastly, I want to make a point specifically to the representations of Mr. Skarsgard. In law, there is this concept of unclean hands. That is, it is an equitable doctrine that when you're a judge, you are looking at things and you're listening to what people are saying, but you take into account the sort of the actions in the past. And, in this particular case with this particular applicant, on the particular variance for a village center that they proposed, and they got approved by the EZA, that's the subject of one of the lawsuits that we're involved with. The applicant made representations that they were representing the interest of a property owner adjacent to them, that they had no authority to represent, that they had the authority of that property owner. The applicant made the representation because, in calculating the amount of acreage for the proposed village center, they needed this adjacent property owner, who they made, at all times, representations they had authority for, that they were a part of the development. And so they used that in their calculations of the village center. And even in the village center that they proposed to the EZA, it fell short of... about 50 acres short, and so it had to ask for a variance so that the County, really the EZA, but it was really the County representatives of the EZA, could create this village center for them. They were about 50 acres short. If in fact they were truthful, if in fact they clearly represented only the property interests of who they actually represented, their acreage would have fallen between 90 and 100 acres short. That would have been a different variance entirely.

"And so, under the doctrine of unclean hands, given everything that was said by Mr. Skarsgard, and given all of the different red herrings that were thrown out, it convinces me that what's being proposed by the City Attorney is exactly what he says it is. That yes, it is a change to law, and that this change of law is beneficial, not just in the immediate application of the particular litigation that we seem to be involved with, but also as it relates to future annexations for other particular parcels. And as an aside, because we are still keeping an ENN process which all of us know, yes, it's only one meeting, but those one meetings can last over the course of 6 months to a year. If the ENN proves productive and if they have agents who are participating in good faith in the ENN process where they are actually listening to the neighbor's responses, those ENN processes could extend out. It's not just a one shot deal. It's not just where these people don't have input into the process. The ENN process has proved very successful in getting input, substantive, procedurally as well as politically. And, with that sort of long oration, I am in full support of the ordinance change."

Councilor Heldmeyer said the ENN was sort of dismissed by one of the speakers as "you hand out some papers and people talk, but you don't have to listen." Unfortunately, some developers and their representatives tend to look at ENNs that way. This is not the purpose,

nor the reason why all of us up here, after seeing the first draft of this bill, said we want ENN even for annexations which will go to the Municipal Boundary Commission. She said it is not required by State law, but we, as a Governing Body want it because we take ENN seriously. We listen to people when they talk and take into account what they say. Frequently, there is more than one ENN and change over time. This isn't just window dressing, it is something we take very seriously.

Councilor Heldmeyer said, with regard to the statement that all the Boundary Commission has to look at is contiguity and services, that services are a big deal. Several of the things Mr. Skarsgard referred to are all services – fire, police, parks. What the municipality has to demonstrate to the Boundary Commission is that those services can be provided in a timely manner as defined by the Boundary Commission. Other services are water loads. The discussion of these services starts at an ENN where members of the public indicate what is important and ask what we are going to do. She doesn't see this as trying to hide, or shirk our responsibilities, but it is putting another layer of public input into a process which has been designed by the State. The City is saying it wants an additional layer. She also supports this change in the law.

Mayor Coss said he supports this change. He is amazed to hear that you go to the Boundary Commission and all you have to do is present on contiguity and services. He sat through hours of Boundary Commission meetings this year, and never once got to talk about contiguity and services. It makes no sense for the City to keep hamstringing itself when it is trying to exercise its due authorities and prerogatives. He thanked Mr. Katz for the good work and Councilor Chavez for sponsoring it.

The motion was passed on the following Roll Call Vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Heldmeyer, Councilor Ortiz and Councilor Trujillo.

Against: None.

Absent: Councilor Wurzbarger.

13. MATTERS FROM THE CITY ATTORNEY

a) Discussion of Pending Litigation Regarding Las Soleras Annexation, Pursuant to §10-15-1(H)(7). NMSA 1978.

It was the consensus among the Council to postpone the discussion of this matter in executive session to the Council meeting of June 13, 2007, as early on the agenda as possible.

15. MATTERS FROM THE CITY CLERK

There were no matters from the City Clerk

16. COMMUNICATIONS FROM THE GOVERNING BODY

Councilor Heldmeyer

Councilor Heldmeyer distributed two resolutions. The resolutions have to do with increasing the amount of education about water conservation and landscaping, and the other is a small part of what we can be doing in recruitment for both fire and police. Copies of the Resolutions are incorporated herewith to these minutes as Exhibits "7" and "8," respectively.

Councilor Heldmeyer said some time ago we passed a resolution directing staff to deal with the issue of barrier free sidewalks. She is taking the first step in introducing an ordinance change about development projects which have to produce barrier free sidewalks, and distributed copies of the ordinance.

Councilor Heldmeyer asked that the Water Resolution go to Water Conservation and Public Utilities, and the Resolution on Agility Class to Public Safety and the regular Council committees. The ordinance will go to the Planning Commission because it is a Chapter 14 amendment.

Councilor Heldmeyer said, although the unveiling won't be until July, the Korean War Monument was installed at Amelia White Park today. It is a very impressive piece of sculpture, and urged everyone to go and look at it.

Councilor Chavez

Councilor Chavez introduced three Resolutions:

A Resolution acknowledging the names for designated spaces at the main Library, a copy of which is incorporated herewith to these minutes as Exhibit "9."

A Resolution authorizing eight Arts & Crafts shows at Cathedral Park, a copy of which is incorporated herewith to these minutes as Exhibit "10."

A Resolution and designating up to \$300,000 of the City's 2008 CIP bond funds for city-owned permanent indoor arts market at Railyard, a copy of which is incorporated herewith to these minutes as Exhibit "11."

He asked that these go to Public Works and Finance, and the arts related resolutions also to Business & Quality of Life and the Arts Commission and the appropriate committees.

Councilor Ortiz

Councilor Ortiz introduced a Resolution which is sponsored by Councilor Wurzbarger, authorizing a one-time appropriation of \$20,000 of City funds to assist property owners of affordable housing in paying property tax during the next fiscal year.

Councilor Bushee

Councilor Bushee said she will be introducing an ordinance to reinforce the Highway Corridor Plan.

Councilor Bushee introduced a Resolution directing staff to develop a plan for dedicated on-street and off-street parking for motor driven cycles, a copy of which is incorporated herewith to these minutes as Exhibit "12."

Councilor Bushee said she will be attending the personal safety classes on Saturday and Sunday at Mary Ester Gonzales Center, noting 125 people have responded to these City-sponsored classes.

Councilor Bushee reminded the Council of the meeting at the Rape Crisis Center at 6:30 p.m. on Monday, June 4, 2007.

Councilor Calvert

Councilor Calvert introduced an Ordinance requiring posting of home energy scores beginning January 2008, a copy of which is incorporated herewith to these minutes as Exhibit "13." He is trying to enhance competition among builders to improve energy in new residential units and to provide better information to prospective homebuyers. He asked that it be sent to Public Works and Finance.

Councilor Trujillo

Councilor Trujillo introduced a Resolution, cosponsored by Councilor Heldmeyer, supporting naming Field #2 at Franklin E. Miles Park in honor of Charlie "The Greek" Griego, cosponsored by Councilor Heldmeyer. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "14." He asked that it go to Public Works and Finance.

Councilor Trujillo noted the newspaper reported that the Library Board recommended the Maloof name, and now we have a Resolution. He thought these recommendations would come first to Public Works for discussion, but we already have a press release as if it is already a done deal, as though it has already been voted on.

Councilor Chavez said the Library Board made recommendations and those are in the resolution introduced tonight.

Councilor Trujillo reminded the constituents of District 4, of the Public Safety meeting tomorrow night at 6:00 p.m., at Genoveva Chavez Center, to deal with the crime of the past few months.

Councilor Dominguez

Councilor Dominguez introduced an Ordinance amendment to define off-highway motor vehicles, a copy of which is incorporated herewith to these minutes as Exhibit "15." He asked that it go to Public Safety, Public Works and Finance.

Councilor Dominguez said three weeks ago, gangs were rampant in the community, and there was great attention to the youth and youth issues, which now is on the back burner. He introduced a Resolution furthering the City's efforts to make Santa Fe a children and youth friendly community. He asked that it go to the Mayor's Youth Advisory Committee, Children & Youth Commission, Public Works and Finance.

Councilor Dominguez reminded the Council of the invitation to the unveiling of the DeVargas statue on Sunday.

Mayor Coss

Mayor Coss thanked Councilors Heldmeyer and Chavez for "pinch hitting" for him while he was gone. He thanked Councilor Trujillo for getting the fishing derby organized, noting it was very successful.

Mayor Coss said there will be a Santa Fe River Day at Frenchy's Park on Saturday, 1-3 p.m., to sign up for the River check-off program approved by the Council.

Mayor Coss reminded everyone of the opening of the Southside Library 4-6 p.m. on Sunday.

Mayor Coss thanked the Police Department, the Councilors and the community for attending the meetings regarding public safety.

Mayor Coss congratulated all of the high school graduates and said, "be safe."

H. ADJOURN

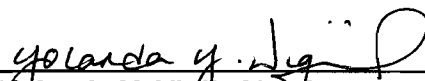
There being no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 11:10 p.m.

Approved by:



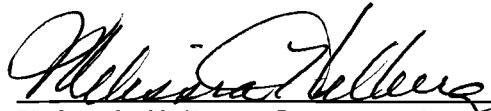
Mayor David Coss

ATTESTED TO:



Yolanda Y. Vigil, City Clerk

Respectfully submitted:



Melessia Helberg, Stenographer