



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 1, 2012 – 5:00 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

Regular Finance Committee Meeting – September 18, 2012

CONSENT AGENDA

6. Request for Approval of Procurement under Cooperative Agreement – Emergency Medical Supplies for Fire Department; Bound Tree Medical, LLC. (Brian Caldwell)
7. Request for Approval of Budget Increase for Santa Fe Trails for Operating Expenses and Ongoing Projects. (Jon Bulthuis)
8. Request for Approval of a Resolution in Support of Defouri and Guadalupe Street Bridge Improvements Funded through a Municipal Arterial Program Cooperative Agreement with the New Mexico Department of Transportation. (Councilors Bushee and Calvert) (Desirae Lujan)

Committee Review:

Public Works (scheduled)

10/02/12

City Council (scheduled)

10/10/12

Fiscal Impact – Yes

- A. Request for Approval of Municipal Arterial Program Cooperative Agreement – Planning and Design of Guadalupe Street Bridge and Defouri Street Bridge at Intersection of Defouri Street and Alameda and intersection of Guadalupe Street and Alameda; New Mexico Department of Transportation. (Desirae Lujan)

1. Request for Approval of Budget Increase – Project Fund

CITY CLERK'S OFFICE

DATE 9/28/12 TIME 9:40 am

PREPARED BY Yolanda Green

APPROVED BY [Signature]



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 1, 2012 – 5:00 P.M.

9. Request for Approval of a Resolution Amending Table 22 of the Impact Fees Capital Improvement Plan for Planned Major Road Improvements to Include the Camino De Las Crucitas Bicycle and Pedestrian Improvements Project for Funding in the Amount of \$400,000.00. (Councilors Bushee and Calvert) (LeAnn Valdez)

Committee Review:

Capital Improvements Advisory (approved)	09/13/12
Public Works (scheduled)	10/02/12
City Council (scheduled)	10/10/12

Fiscal Impact – Yes

10. Request for Approval of an Ordinance Authorizing the Issuance and Sale of the City of Santa Fe, New Mexico Subordinate Lien Gross Receipts Tax Improvement Revenue Bonds, Series 2012C in an Aggregate Principal Amount of \$5,135,000 for the Purpose of Defraying the Cost of Purchasing, Furnishing, Equipping, Rehabilitating, Making Additions to and Making Improvements to the Railyard Condo Unit for Existing and Future Municipal Facilities; Providing that the Bonds will Constitute a Subordinate Lien on and be Payable and Collectible Solely from (1) the Revenues of the City's One-Half of one percent (1/2%) Municipal Gross Receipts Tax distributed to the City by the State Taxation and Revenue Department, (2) the Revenues of the City's One-Eighth of one percent (1/8%) Municipal Infrastructure Gross Receipts Tax Distributed to the City by the State Taxation and Revenue Department, and (3) the Revenues of the State-Shared Gross Receipts Tax Distributed to the City Pursuant to Section 7-1-6.4, NMSA 1978, as Amended; Establishing the form, Terms, Manner of Execution and other Details of the Bonds; Authorizing the Execution and Delivery of a Bond Purchase Agreement in Connection with the Bonds; Approving Certain other Agreements and Documents in Connection with the Bonds; Ratifying Action Previously taken in Connection with the Bonds; Repealing all Ordinances in Conflict Herewith; and Related Matters. (Dr. Melville Morgan and Judith Amer)

Committee Review:

City Council (request to publish)	10/10/12
City Council (public hearing)	11/14/12

Fiscal Impact – Yes

END OF CONSENT AGENDA



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 1, 2012 – 5:00 P.M.

DISCUSSION

11. El Castillo Retirement Residences Industrial Revenue Bonds. (Mayor Coss)
(Nick Schiavo)

- A. Review of Application and Project Plan submitted by El Castillo Residences for Issuance of Industrial Revenue Bonds for Approval, Conditional Approval, No Recommendation or Rejection.

Committee Review:

City Council (scheduled)

10/10/12

Fiscal Impact – No

- B. Request for Approval of a Resolution Declaring the Intent of the City of Santa Fe to Issue Industrial Revenue Bonds and a Principal Amount up to \$30,000,000 to Finance and Refinance Improvements, Construction, Acquisition and/or Equipping of an Adult Residential Retirement Facility, Memory Support Facility and Nursing and Assisted Living Facility Located at 250 East Alameda Street and 239 East De Vargas Street in Santa Fe, New Mexico, for the Purpose of Inducing El Castillo Retirement Residences or its Successors or Assigns to Undertake the Improvement, Acquisition, Construction and Equipping of such Project, and Authorizing the Giving and Publication of Notices in Connection with such Bonds.

Committee Review:

City Council (scheduled)

10/10/12

Fiscal Impact – No

- C. Request for Approval of an Ordinance of the City of Santa Fe, New Mexico Authorizing and Providing for the Issuance and Sale of its Industrial Revenue Bonds (El Castillo Retirement Residences) Series 2012 in an Aggregate Principal Amount not to Exceed \$30,000,000 for the Purpose of Financing and Refinancing Improvement, Construction, Acquisition and/or Equipping of an Adult Residential Retirement Facility, Memory Support Facility and Nursing and Assisted Living Facility Located at 250 East Alameda Street and 239 East De Vargas Street in Santa Fe, New Mexico, Authorizing the Execution and Delivery of an Installment



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
OCTOBER 1, 2012 – 5:00 P.M.

Sale Agreement Between the City and El Castillo Retirement Residences, an Indenture of Trust Securing Said Bonds, a Bond Purchase Agreement, Closing Documents and such Bonds in Connection Therewith; Providing for the Terms of the Series 2012 Bonds and Making Determinations as to the Sufficiency of the Installment Sale Payments and other Matters Related to the Project; Authorizing the Sale of said Bonds and any Ancillary Agreements in Connection Therewith; and Authorizing other Matters Pertaining to the Issuance of said Bonds.

Committee Review:

City Council (request to publish)	10/10/12
City Council (public hearing)	11/14/12

Fiscal Impact – No

12. OTHER FINANCIAL INFORMATION
13. MATTERS FROM THE COMMITTEE
14. ADJOURN

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

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Monday, October 1, 2012

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	1-2
APPROVAL OF CONSENT AGENDA	Approved	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – SEPTEMBER 18, 2012	Approved	4
CONSENT CALENDAR DISCUSSION	None	4
<u>DISCUSSION</u>		
EL CASTILLO RETIREMENT RESIDENCES INDUSTRIAL REVENUE BONDS:		
REVIEW OF APPLICATION AND PROJECT PLAN SUBMITTED BY EL CASTILLO RESIDENCES FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS FOR APPROVAL, CONDITIONAL APPROVAL, NO RECOMMENDATION OR REJECTION	Approved w/direction to staff	4-11
REQUEST FOR APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE TO ISSUE INDUSTRIAL REVENUE BONDS IN A PRINCIPAL AMOUNT UP TO \$30,000,000, TO FINANCE AND REFINANCE IMPROVEMENTS, CONSTRUCTION, ACQUISITION AND/OR EQUIPPING OF AN ADULT RESIDENTIAL RETIREMENT FACILITY, MEMORY SUPPORT FACILITY AND NURSING AND ASSISTED LIVING FACILITY LOCATED AT 250 EAST ALAMEDA STREET AND 239 EAST DE VARGAS STREET IN SANTA FE, NEW MEXICO, FOR THE PURPOSE OF INDUCING EL CASTILLO RETIREMENT RESIDENCES OR ITS SUCCESSORS OR ASSIGNS TO UNDERTAKE THE IMPROVEMENT, ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH PROJECT, AND AUTHORIZING THE GIVING AND PUBLICATION OF NOTICES IN CONNECTION WITH SUCH BONDS	Approved w/direction to staff	4-11

ITEM**ACTION****PAGE**

REQUEST FOR APPROVAL OF AN ORDINANCE OF THE CITY OF SANTA FE, NEW MEXICO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ITS INDUSTRIAL REVENUE BONDS (EL CASTILLO RETIREMENT RESIDENCES) SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING IMPROVEMENT, CONSTRUCTION, ACQUISITION AND/OR EQUIPPING OF AN ADULT RESIDENTIAL RETIREMENT FACILITY, MEMORY SUPPORT FACILITY AND NURSING AND ASSISTED LIVING FACILITY LOCATED AT 250 EAST ALAMEDA STREET AND 239 EAST DE VARGAS STREET IN SANTA FE, NEW MEXICO, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT BETWEEN THE CITY AND EL CASTILLO RETIREMENT RESIDENCES, AN INDENTURE OF TRUST SECURING SAID BONDS, A BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS OF THE SERIES 2012 BONDS AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF THE INSTALLMENT SALE PAYMENTS AND OTHER MATTERS RELATED TO THE PROJECT; AUTHORIZING THE SALE OF SAID BONDS AND ANY ANCILLARY AGREEMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING TO THE ISSUANCE OF SAID BONDS

Approved w/direction to staff

4-11

OTHER FINANCIAL INFORMATION

None

11

MATTERS FROM THE COMMITTEE

Information/discussion

11

ADJOURN

11

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday October 1, 2012**

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Carmichael A. Dominguez, at approximately 5:00 p.m., on Monday, October 1, 2012, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Christopher Calvert
Councilor Peter N. Ives

MEMBERS EXCUSED:

Councilor Patti J. Bushee
Councilor Bill Dimas

OTHERS ATTENDING:

Dr. Melville L. Morgan, Director, Finance Department
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

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

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

3. APPROVAL OF AGENDA

MOTION: Councilor Calvert moved, seconded by Councilor Ives, to approve the agenda, as presented.

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

4. APPROVAL OF CONSENT AGENDA

MOTION: Councilor Calvert moved, seconded by Councilor Ives, to approve the following Consent Agenda as presented.

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

CONSENT AGENDA

6. **REQUEST FOR APPROVAL OF PROCUREMENT UNDER COOPERATIVE AGREEMENT – EMERGENCY MEDICAL SUPPLIES FOR FIRE DEPARTMENT; BOUND TREE MEDICAL, LLC. (BRIAN CALDWELL)**
7. **REQUEST FOR APPROVAL OF BUDGET INCREASE FOR SANTA FE TRAILS FOR OPERATING EXPENSES AND ONGOING PROJECTS. (JON BULTHUIS)**
8. **REQUEST FOR APPROVAL OF A RESOLUTION IN SUPPORT OF DEFOURI AND GUADALUPE STREET BRIDGE IMPROVEMENTS FUNDED THROUGH A MUNICIPAL ARTERIAL PROGRAM COOPERATIVE AGREEMENT WITH THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (COUNCILORS BUSHEE AND CALVERT). (DESIRE LUJAN)**
 - A. **REQUEST FOR APPROVAL OF MUNICIPAL ARTERIAL PROGRAM COOPERATIVE AGREEMENT – PLANNING AND DESIGN OF GUADALUPE STREET BRIDGE AND DEFOURI STREET BRIDGE AT INTERSECTION OF DEFOURI STREET AND ALAMEDA AND INTERSECTION OF GUADALUPE STREET AND ALAMEDA; NEW MEXICO DEPARTMENT OF TRANSPORTATION. (DESIRAE LUJAN)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**
Committee Review: Public Works (scheduled) 10/02/12; and City Council (scheduled) 10/10/12. Fiscal Impact – Yes.

9. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING TABLE 22 OF THE IMPACT FEES CAPITAL IMPROVEMENT PLAN FOR PLANNED MAJOR ROAD IMPROVEMENTS TO INCLUDE THE CAMINO DE LAS CRUCITAS BICYCLE AND PEDESTRIAN IMPROVEMENTS PROJECT FOR FUNDING IN THE AMOUNT OF \$400,000.00 (COUNCILORS BUSHEE AND CALVERT). (LeANN VALDEZ) Committee Review: Capital Improvements Advisory (approved) 09/13/12; Public Works (scheduled) 10/02/12; and City Council (scheduled) 10/10/12. Fiscal Impact – Yes.
10. REQUEST FOR APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO SUBORDINATE LIEN GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2012C IN AN AGGREGATE PRINCIPAL AMOUNT OF \$5,135,000 FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING, FURNISHING, EQUIPPING, REHABILITATING, MAKING ADDITIONS TO AND MAKING IMPROVEMENTS TO THE RAILYARD CONDO UNIT FOR EXISTING AND FUTURE MUNICIPAL FACILITIES; PROVIDING THAT THE BONDS WILL CONSTITUTE A SUBORDINATE LIEN ON AND BE PAYABLE AND COLLECTIBLE SOLELY FROM (1) THE REVENUES OF THE CITY'S ONE-HALF OF ONE PERCENT (½%) MUNICIPAL GROSS RECEIPTS TAX DISTRIBUTED TO THE CITY BY THE STATE TAXATION AND REVENUE DEPARTMENT, (2) THE REVENUES OF THE CITY'S ONE-EIGHTH OF ONE PERCENT (1/8%) MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX DISTRIBUTED TO THE CITY BY THE STATE TAXATION AND REVENUE DEPARTMENT, AND (3) THE REVENUES OF THE STATE-SHARED GROSS RECEIPTS TAX DISTRIBUTED TO THE CITY PURSUANT TO SECTION 7-1-6.4, NMSA 1978, AS AMENDED; ESTABLISHING THE FORM, TERMS, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS; APPROVING CERTAIN OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION WITH THE BONDS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; REPEALING ALL ORDINANCES IN CONFLICT HERewith; AND RELATED MATTERS. (DR. MELVILLE MORGAN AND JUDITH AMER) Committee Review: City Council (request to publish) 10/10/12; and City Council (public hearing) 11/14/12. Fiscal Impact – Yes.

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE MEETING – SEPTEMBER 18, 2012.

MOTION: Councilor Calvert moved, seconded by Councilor Ives, to approve the minutes of the Regular Finance Committee Meeting of September 18, 2012, as presented.

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

CONSENT CALENDAR DISCUSSION

No items were removed from the Consent Calendar for discussion.

DISCUSSION

11. EL CASTILLO RETIREMENT RESIDENCES INDUSTRIAL REVENUE BONDS (MAYOR COSS). (NICK SCHIAVO)

Items A, B and C were combined for purposes of presentation and discussion, but were voted upon separately.

Nick Schiavo presented information from his Memorandum of September 24, 2012, which is in the Committee packet. He noted that El Castillo has received a ruling by the District Court that it doesn't have to pay property taxes, because of its status as a 501(3)(c), and that it is a health care facility. He said Santa Fe County is contesting that and taking it to the next level. He said as a result, El Castillo continues to pay its taxes. However, if the IRB is approved, it would assist them by not having to pay those taxes. The other great benefit to El Castillo would be the interest rate associated with an IRB as a tax exempt bond.

The Committee commented and asked questions as follows:

- Chair Dominguez noted there are 108 jobs identified for the project, and asked if there has been a local economic analysis.

Mr. Schiavo said Fabian Trujillo put that together and those are the jobs that would be around construction and any renovation, commenting the bond hasn't gone through, so we don't know where those contractors would be coming from at this point.

- Councilor Calvert asked if can we “condition that approval on our approval of this arrangement.”

Mr. Schiavo said that would be a question for legal.

- Chair Dominguez said the other question he wanted to ask is what ability the City has to mandate that either all or a percentage of the construction jobs would be local.

Ms. Amer said the City’s IRB policy doesn’t specifically address this one way or the other, but she believes it is something that the City could require, but they don’t have to agree to it.

- Councilor Calvert said there are choices they can make as well as the City can make. He asked, as this moves forward, if Ms. Amer could research that more and give us a more definitive answer as to the City’s ability and how it could be incorporated into this proposal.

Ms. Amer said, “I can do that, Councilor Calvert.”

- Chair Dominguez asked the timeline of this proposal.

Ms. Amer said, “Under the Procedures Manual you can approve or disapprove.”

- Chair Dominguez said he is asking if this needs to be approved today so it can be moved forward to the Council.

Ms. Amer said, “Right now, it is planned to go to Council on the tenth of October.”

- Chair Dominguez asked if it has to go to Council on October 10th.
- Councilor Calvert said it is a Request to Publish on October 10th, and the public hearing isn’t until November 14, 2012.
- Chair Dominguez asked if we want to have this sent back to this Committee, so we can get the requested information.
- Councilor Calvert said we could have that piece come back to this Committee so we could get this information. He doesn’t think it would impact the timeline if we did that.

Ms. Amer said if it has to come back to Finance, then they wouldn't do the request to publish on October 10th, because it wouldn't be approved. She said, "We are going to ask them to approve the project plan and do the request to publish at the same time."

- Chair Dominguez asked if we could move it forward and do the Request to Publish on October 10th, and then ask for more information at the Finance Committee meeting on October 22, 2012 – approve it tonight, and ask for that information to come back to us on the twenty-second.

Ms. Amer said, "Councilor Dominguez I agree with what you just said."

Mayor Coss arrived at the meeting

- Chair Dominguez updated Mayor Coss on the discussion to this point.

Ms. Amer reiterated that she can do the research and have the requested information by the next meeting.

- Councilor Ives asked Ms. Amer and Ms. Byers whether the City should look at amending the IRB policy, so when IRB measures come before the committees there will be a request that local contracting be considered as "part and parcel of that."

Ms. Amer said this is a good suggestion. She said the City's IRB policy was revised and changed substantially very recently, and adopted in early January 2012, but the issue, with regard to mandating a portion of the project be done by local contractors, was not raised at the time. She said this is something they can look into and amend the policy to add that requirement.

- Councilor Calvert said that could happen simultaneously and doesn't have to pre-date approval of this IRB, but it could be in process at the same time.

Ms. Amer said all she can say for sure is that right now the IRB Policy is silent on this point.

- Chair Dominguez invited Al Jahner, representing El Castillo, to speak to this issue.

Al Jahner, CEO, El Castillo, said currently they have a pre-contractor. He said they solicited proposals from local area contractors, which included Albuquerque and Santa Fe. He said they are in the processes of getting a guaranteed maximum price put together for the construction. He said all of the construction jobs are going out to approximately 70 subcontractors in Santa Fe and the Albuquerque area. He said all of the 20½ permanent

jobs at El Castillo will be local. He said from their standpoint, they will hire as many locals as possible, commenting that obviously is a consideration in construction.

- Councilor Calvert said the Council always has a discussion of the definition of “local” in looking at these kinds of projects. He said, “I know, from your standpoint, you’d like that to be as broad as possible. From ours, it’s a little narrower for obvious reasons.” He said we do want to look at this, but we don’t want to price you out of the project, which isn’t the case when we get local contractors. He said there are local contractors and subcontractors that work on a variety of projects, so it’s a matter of working together to get the most we can “in a more narrow local definition I guess.”

Mr. Jahner said he doesn’t disagree, but obviously, price and quality are considerations.

- Councilor Ives said the facilities sound wonderful and the need in Santa Fe is clear and, from that perspective, he applauds what they are doing. He said hopefully Mr. Jahner understands where this Council is “coming from,” which is to see the greatest impact possible locally, and the creation of the new jobs is fabulous. He said the Memo said there are 160 indirect jobs, which he presumes are from the construction trades.

A. REVIEW OF APPLICATION AND PROJECT PLAN SUBMITTED BY EL CASTILLO RESIDENCES FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS FOR APPROVAL, CONDITIONAL APPROVAL, NO RECOMMENDATION OR REJECTION. Committee Review: City Council (scheduled) 10/10/12. Fiscal Impact – No.

MOTION: Councilor Ives moved, seconded by Councilor Calvert, to approve Item 11(A), “with the understanding that we’re looking at this question of trying to ensure that there is as much local participation as possible, not by way of looking to increase costs, but with the means with keeping as much in the local community as we can, that being more Santa Fe than necessarily Santa Fe and Albuquerque.

CLARIFICATION OF DIRECTION TO STAFF IN THE MOTION: Chair Dominguez said, “It sounds like you are wanting to give direction to staff to bring information back to the Finance Committee with regard to the local economy. Is that fair to say.” Councilor Ives said, “Yes, and whether or not, ultimately we would be capable of imposing any type of requirement in that regard. I think that’s a first question and then of course, looking at what we could do in that regard, but understanding that we’ll be interested certainly in hearing from the Applicant about how that affects what you’re doing with the project.”

DISCUSSION: Councilor Calver said, for the record, he has questions to ask of Dr. Morgan. Councilor Calvert said, "My understanding is that under no circumstances would there be any financial obligation to the City should, for whatever reason, they default or not be able to pay on this or something like that. So, I just wanted a clear answer on the record for that."

Dr. Morgan said, "Councilor Calvert, you are absolutely correct. We are lending our good name and our bonding authority and our credit. Beyond that, we have no responsibility."

Councilor Calvert said, "Okay. So, and it would in no way affect our ability to bond. In other words, it wouldn't be somehow seen as adding to our bonding burden, and therefore we would be less able on our own to go out and bond if we needed to."

Dr. Morgan said, "Councilor Calvert, you are absolutely correct. It does not affect our bonding capacity."

Councilor Calvert said, "Sometimes even when you do apply for a credit card or something, it might affect your credit rating. This isn't going to have any effect just because we're lending our name in a financial transaction that's going to affect our credit rating, especially for bonding purposes."

Dr. Morgan said, "Absolutely not, and in fact it might conceivably help us because we're helping our local economy."

Councilor Calvert said, "The other question is... I know that one of the things this gets the bonding entity, in this case, El Castillo, is they don't have to pay property taxes. Is that correct. Isn't that one of the benefits to them is that they're exempt from... go ahead, you say it."

Dr. Morgan said, "Yes. Right now it is one of the benefits. There are two kinds of industrial revenue bonds. There's the kinds that are taxable, and the kinds that are non-taxable, and it depends on who you are as to which one you can do. Right now, they're going under the non-taxable because they are a 501(c)(3), they've been through the Courts at this point, and they are a 501(c)(3). They're paying taxes into a reserve fund."

Councilor Calvert said, "That's the hedge in case things don't go their way. But if we were to do the IRB, wouldn't that be a moot point."

Dr. Morgan said, "Well, it certainly would help their case. And the other piece is that if they don't pay property taxes and are one of the taxable entities, they do tend to reach an agreement about payment in lieu of taxes, so there's that option to us."

Councilor Calvert said, "Well, we've been down that road before yes, with other IRBs. But the reason I ask that, if they are exempt from property taxes, if that means anything that is tied to property values. In other words, the City has certain general obligation bonds which are in essence, right, tied to property taxes. Right. So they would it be exempt from paying those, or just the property taxes specifically."

Ms. Amer said, "Councilor Calvert, right now, they are considered to be a tax-exempt property. The District Court has held that they are a tax exempt property because they fit within one of the statutory tax exemptions. But the County Assessor has appealed that decision."

Councilor Calvert said, "No, I understand that part. And that's why they've got the reserve, because it's sort of a hedge against how that turns out. But if they're exempt from property tax, does that mean that they are exempt from anything tied to property values. In other words, general obligation bonds are attached to a property tax bill, so does that mean they are exempt from all those obligations as well as the part and parcel of the property tax, so they're exempt from all those things."

Ms. Amer said, "That's correct."

Councilor Calvert said, "So, that's sort of a little bit, if you will, of the quid pro quo in terms of asking for the local contractors. We're offering this and you're not going to be paying certain things that generally are going to the revenue of the City and so, the more you can help us compensate for that, there's sort of this win-win situation."

Ms. Amer said, "Just for your information, Councilor Calvert, in their application they have said that if they are found to be a taxable property, that they will make a payment in lieu of taxes, in the amount that they would have owed."

Councilor Calvert said, "If they're found to be taxable, they have to pay them. You're saying if it's the other way..."

Ms. Amer said, "No. You see, once it becomes an IRB property it's taken off the tax rolls."

Councilor Calvert said, "That's what I thought, but okay."

Ms. Amer said, "Right now, they're saying we would have been off the tax rolls anyway, but if they're found to actually be wrong and have to be on the tax rolls and then were taken off, they would give us the payment in lieu of taxes."

Chair Dominguez said, "Certainly, there is a balance between cost and the impact to the local economy, and the fact that property taxes are going to be paying for some of those improvements that residents of that facility will be able to enjoy, like roads and other things. But certainly also, I think the Committee recognizes the need and the improvements that this brings to the community, so that's very well said. And quite frankly, any little bit helps at this point. So, it sounds like, for the most part, the Committee is in favor of this."

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

- B. REQUEST FOR APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE TO ISSUE INDUSTRIAL REVENUE BONDS IN A PRINCIPAL AMOUNT UP TO \$30,000,000, TO FINANCE AND REFINANCE IMPROVEMENTS, CONSTRUCTION, ACQUISITION AND/OR EQUIPPING OF AN ADULT RESIDENTIAL RETIREMENT FACILITY, MEMORY SUPPORT FACILITY AND NURSING AND ASSISTED LIVING FACILITY LOCATED AT 250 EAST ALAMEDA STREET AND 239 EAST DE VARGAS STREET IN SANTA FE, NEW MEXICO, FOR THE PURPOSE OF INDUCING EL CASTILLO RETIREMENT RESIDENCES OR ITS SUCCESSORS OR ASSIGNS TO UNDERTAKE THE IMPROVEMENT, ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH PROJECT, AND AUTHORIZING THE GIVING AND PUBLICATION OF NOTICES IN CONNECTION WITH SUCH BONDS. Committee Review: City Council (scheduled) 10/10/12. Fiscal Impact – No.**

MOTION: Councilor Ives moved, seconded by Councilor Calvert, to approve Item 11(B), subject to the same conditions/direction to staff as set out in the motion and clarification of direction to staff on Item 11(A).

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

- C. REQUEST FOR APPROVAL OF AN ORDINANCE OF THE CITY OF SANTA FE, NEW MEXICO, AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ITS INDUSTRIAL REVENUE BONDS (EL CASTILLO RETIREMENT RESIDENCES) SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSE OF FINANCING AND REFINANCING IMPROVEMENT, CONSTRUCTION, ACQUISITION AND/OR EQUIPPING OF AN ADULT RESIDENTIAL RETIREMENT FACILITY, MEMORY SUPPORT FACILITY AND NURSING AND ASSISTED LIVING FACILITY**

LOCATED AT 250 EAST ALAMEDA STREET AND 239 EAST DE VARGAS STREET IN SANTA FE, NEW MEXICO, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT BETWEEN THE CITY AND EL CASTILLO RETIREMENT RESIDENCES, AN INDENTURE OF TRUST SECURING SAID BONDS, A BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS OF THE SERIES 2012 BONDS AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF THE INSTALLMENT SALE PAYMENTS AND OTHER MATTERS RELATED TO THE PROJECT; AUTHORIZING THE SALE OF SAID BONDS AND ANY ANCILLARY AGREEMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING TO THE ISSUANCE OF SAID BONDS. Committee Review: City Council (Request to publish); and City Council (public hearing) 11/14/12. Fiscal impact – No.

MOTION: Councilor Ives moved, seconded by Councilor Calvert, to approve Item 11(C), subject to the same conditions/direction to staff as set out in the motion and clarification of direction to staff on Item 11(A).

VOTE: The motion was approved unanimously on a voice vote, with Councilor Calvert, Councilor Ives and Chair Dominguez voting in favor of the motion and no one voting against.

12. OTHER FINANCIAL INFORMATION

There was no other financial information.

13. MATTERS FROM THE COMMITTEE

Councilor Ives said he had to leave the prior Finance Committee meeting early, so he missed the time spent seeking answers to questions and clarifications from the Police Department. He said it sounded as if there were number of request for continuing information from the Police Department. He asked what reports we are expecting and when, commenting in reading the minutes he wasn't clear on what we would be getting on a regular basis.

Chair Dominguez said the intent was to try to get the Committee be as educated as we could about the operations and fiscal impacts on the Police Department. He said a number of questions were asked by various Committee members, and suggested that Councilor Ives might want to get with staff, the City Manager, who would have some of that.

Chair Dominguez asked Dr. Morgan to ask the City Manager to make sure that the Police Department responds to "some of the questions which were asked."

Councilor Ives said there was a lot of "back and forth on different topics, so I was hoping somebody could tell me. I will check with staff."

Chair Dominguez said he may be absent for the meeting of October 22, 2012, and if so, Councilor Calvert will be chairing that meeting on his behalf.

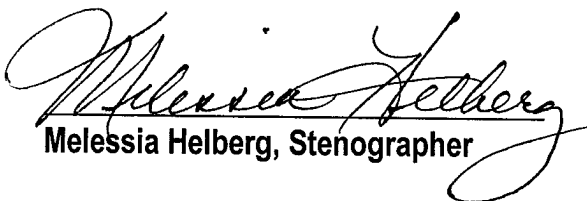
14. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 5:40 p.m.

Carmichael A. Dominguez, Chair

Reviewed by:

**Dr. Melville L. Morgan, Director
Department of Finance**



Melessia Helberg, Stenographer