



# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 15, 2013 – 5:00 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

CITY CLERK'S OFFICE

DATE 4/12/13 TIME 10:50 am

SERVED BY Jolanda Green

RECEIVED BY [Signature]

Regular Finance Committee Meeting – April 1, 2013

## CONSENT AGENDA

6. Bid No. 13/20/B – Equipment Procurement for Phase II Annexation: One (1) Front-Loading Collection Unit; One (1) Automated Side-Loading Collection Unit and One (1) Top-Loading Recycling Collection Unit for Environmental Services Division; Bruckners/Amrep, Inc. (Cindy Padilla)
7. Request for Approval of Amendment No. 3 to Professional Services Agreement – Northwest Well, Task 5 Permit Application; Lee Wilson & Associates, Inc. (Claudia Borchert)
8. Request for Approval of Procurement under State Price Agreement – Phase II Annexation: 11,000 Recycling Containers for Environmental Services Division; Cascade Engineering. (Cindy Padilla)
9. Request for Approval of Grant Agreement – Santa Fe Trails New Freedom Grant; Department of Transportation Federal Transit Administration. (David Chapman)
10. Request for Approval of Purchase Agreement – Acquisition of Real Estate at Santa Fe Place Mall for Development of Transit Center Improvements; Trademark Property Company. (Jon Bulthuis)
11. Request for Approval of Cooperative Agreement – NM 599/Jaguar Interchange Project; New Mexico Department of Transportation. (John Romero)
12. Request for Approval of Supplemental Lease Agreements No. 2 and No. 3 – Office Space Occupied within the Montoya Federal Building at 120 S. Federal Place; United States of America. (Edward Vigil)



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13. Request for Approval of Change Order No. 3 – Santa Fe River Repairs and Improvements for Items not in Original Bid; Lockwood Construction Company. (Brian Drypolcher)

A. Request for Approval of Budget Adjustment – Project Fund

14. Request for Approval of Professional Services Agreement – Auditing Services for City of Santa Fe (RFP #11/22/P); Atkinson & Co. LTD. (Teresita Garcia)
15. Request for Approval of an Ordinance relating to Human Rights; Creating a New Article 6-18 SFCC 1987 to establish the City of Santa Fe Human Rights Commission. (Councilor Bushee) (Jamison Barkley)

**Committee Review:**

Finance Committee (postponed)	04/01/13
City Council (request to publish)	04/24/13
City Council (public hearing)	05/29/13

Fiscal Impact – Yes

16. Request for Approval of a Resolution Relating to the Practice of Human Trafficking; Endorsing, Supporting and Joining the Efforts of the New Mexico Attorney General's Office and The Life Link in Establishing a Hotline to Facilitate Support for Victims of Human Trafficking; and Authorizing the Designation of Funding for Creation and Placement of Signs within the City of Santa Fe to Inform the Public of the Hotline. (Mayor Coss) (Carol Horwitz)

**Committee Review:**

Public Works (approved)	03/25/13
Public Safety Committee (scheduled)	04/18/13
City Council (scheduled)	04/24/13

Fiscal Impact – Yes

17. Request for Approval of a Resolution Relating to the Health, Safety and Welfare of the Residents of Santa Fe; Directing Traffic Engineering Staff to Perform an Inspection of Crosswalks and Traffic Signals at Intersections Throughout the City to Ensure that there is Adequate Time and a Sufficient Number of Crosswalks for Pedestrians to Cross; Collaborate with the New Mexico Department of Transportation ("NMDOT") to Ensure that Signage on Roads within the Municipal Boundaries of Santa Fe are in Compliance with the Manual on Uniform Traffic Control Devices ("MUTCD") and Clearly Visible to Motorists, Pedestrians and



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**FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
APRIL 15, 2013 – 5:00 P.M.**

Bicyclists and to Ensure that Traffic Signals at Intersections on Roads within the Municipal Boundaries of the City Provide a Sufficient amount of time for a Vehicle to Clear the Intersection. (Councilor Trujillo, Mayor Coss and Councilors Calvert, Wurzbarger, Rivera, Dimas, Ives, Bushee, and Dominguez) (John Romero)

**Committee Review:**

Public Safety (approved)	03/19/13
Public Works (approved)	03/25/13
City Council (scheduled)	04/24/13

Fiscal Impact – Yes

18. Request for Approval of an Ordinance Approving a Lease and Services Agreement Between the City of Santa Fe and the Boys and Girls Clubs for Lease of City-Owned Building and Improvements Located at the 730 Alto Street, Santa Fe, New Mexico, for the Boys and Girls Clubs to use and Occupy the Building and Improvements to Operate after School and Summer Community Services Programs for City Youths Ages Six through Eighteen and other Related Purposes. (Councilors Trujillo and Calvert) (David Chapman)

**Committee Review:**

Public Works (approved)	04/08/13
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Fiscal Impact – Yes

19. Request for Approval of an Ordinance Relating To The Municipal Recreation Complex (MRC), City Sports Fields And League Fees; Repealing Article 23-7 SFCC 1987 And Adopting A New Article 23-7 SFCC 1987 To Establish Regulations And Fees At The MRC; Adopting A New Section 23-4.12 SFCC 1987 To Establish Regulations And Fees For City Sports Fields, Other Than MRC Sports Fields; And Creating A New Section 23-4.13 SFCC 1987 To Establish A Voluntary Sports Field Maintenance Fund. (Councilor Dominguez) (Isaac Pino and Melissa Byers)

**Committee Review:**

Parks & Open Space Advisory Committee (approved)	02/19/13
Public Works (approved)	04/08/13
City Council (request to publish)	04/24/13
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Fiscal Impact – Yes

## END OF CONSENT AGENDA

### DISCUSSION

#### 20. (PUBLIC HEARING)

Request for Approval of an Ordinance Relating to Requirements for City Contractors; Amending the City of Santa Fe Purchasing Manual to Require Certain City Contractors to Provide Equal Employment Benefits. (Councilor Bushee) (Jamison Barkley)

##### **Committee Review:**

Finance Committee (postponed)

04/01/13

City Council (request to publish)

04/24/13

City Council (public hearing)

05/29/13

Fiscal Impact – Yes

#### 21. Status of Police Department Programs. (Police Chief Raymond Rael)

#### 22. Request for Acceptance and Presentation of the City of Santa Fe Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2012. (Teresita Garcia and Marty Matheson)

#### 23. Update of Second Annual Report on 2012 Audit Committee Activities. (Liza Kerr)

#### 24. OTHER FINANCIAL INFORMATION:

A. Update of Gross Receipts Tax Report received in April 2013 (for February 2013 activity) and Lodgers' Tax Report Received in April 2013 (for March 2013 activity). (Teresita Garcia)

#### 25. MATTERS FROM THE COMMITTEE

#### 26. 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 INDEX FOR  
SANTA FÉ CITY FINANCE COMMITTEE**  
April 15, 2013

<b>ITEM</b>	<b>ACTION</b>	<b>PAGE</b>
1. CALL TO ORDER	Convened at 5:00 p.m.	1
2. ROLL CALL	Quorum Present	1
3. APPROVAL OF AGENDA	Approved as amended	1-2
4. APPROVAL OF CONSENT AGENDA	Approved as amended	2
5. APPROVAL OF MINUTES - April 1, 2013	Approved as presented	2
CONSENT AGENDA LISTING	Listed	2-4
CONSENT AGENDA POSTPONED	Listed	4-5
DISCUSSION AGENDA		
20. Public Hearing - City Contractors Ordinance	Postponed	5
21. Police Department Programs Status	Postponed	5
22. Annual Finance Report through June 30, 2012	Reported by Mr. Mathisen	5-10
23. Audit Committee Second Annual Report on 2012	Reported	10-11
24. Other Financial Information		
A. GRT and Lodgers' Tax Reports	Postponed	11-12
25. Matters from the Committee	Discussion	12
26. Adjourn	Adjourned at 6:08 p.m.	12

**MINUTES OF THE**

**CITY OF SANTA FÉ**

**FINANCE COMMITTEE**

**MONDAY, APRIL 15, 2013**

**1. CALL TO ORDER**

A regular meeting of the City of Santa Fé Finance Committee was called to order by Councilor Patti J. Bushee, Vice-Chair on April 15, 2013 at approximately 5:00 p.m. in the City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fé New Mexico.

**2. ROLL CALL**

Roll Call indicated the presence of a quorum as follows:

**MEMBERS PRESENT:**

Councilor Patti J. Bushee, Vice-Chair  
Councilor Bill Dimas  
Councilor Peter N. Ives

**MEMBERS ABSENT:**

Councilor Carmichael A. Dominguez, Chair [excused]  
Councilor Christopher Calvert [excused]

**STAFF PRESENT:**

Mr. Marcos Tapia, Finance Director  
Ms. Teresita Garcia, Finance Department Staff  
Ms. Yolanda Green, Finance Department Staff  
Ms. Liza Kerr, Internal Auditor

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

**3. APPROVAL OF AGENDA**

Vice-Chair Bushee said items 15 and 20 were postponed for two meetings and items 19 and 21 were postponed for one meeting.

**Councilor Dimas moved to approve the agenda as amended. Councilor Ives seconded the motion and it passed by unanimous voice vote.**

#### **4. APPROVAL OF CONSENT AGENDA**

**Councilor Dimas moved to approve the consent agenda as presented except those postponed. Councilor Ives seconded the motion and it passed by unanimous voice vote.**

#### **5. APPROVAL OF MINUTES – Regular Finance Committee Meeting – April 1, 2013**

**Councilor Dimas moved to approve the minutes of April 1, 2013 as presented. Councilor Ives seconded the motion and it passed by unanimous voice vote.**

#### **CONSENT AGENDA LISTING**

- 6. Bid No. 13/20/B – Equipment Procurement for Phase II Annexation: One (1) Front-Loading Collection Unit; One (1) Automated Side-Loading Collection Unit and One (1) Top-Loading Recycling Collection Unit for Environmental Services Division; Bruckners/Amrep, Inc. (Cindy Padilla)**
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17. Request for Approval of a Resolution Relating to the Practice of Human Trafficking; Endorsing, Supporting and Joining the Efforts of the New Mexico Attorney General's Office and The Life Link in Establishing a Hotline to Facilitate Support for Victims of Human Trafficking; and Authorizing the Designation of Funding for Creation and Placement of Signs within the City of Santa Fé to Inform the Public of the Hotline. (Mayor Coss) (Carol Horwitz)

**Committee Review:**

Public Works (approved)	03/25/13
Public Safety Committee (scheduled)	04/18/13
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Fiscal Impact – Yes

18. Request for Approval of a Resolution Relating to the Health, Safety and Welfare of the Residents of Santa Fé; Directing Traffic Engineering Staff to Perform an Inspection of Crosswalks and Traffic Signals at Intersections Throughout the City to Ensure that there is Adequate Time and a Sufficient Number of Crosswalks for Pedestrians to Cross; Collaborate with the New Mexico Department of Transportation (“NMDOT”) to Ensure that Signage on Roads within the Municipal Boundaries of Santa Fé are in Compliance with the Manual on Uniform Traffic Control Devices (“MUTCD”) and Clearly Visible to Motorists, Pedestrians and Bicyclists and to Ensure that Traffic Signals at Intersections on Roads within the Municipal Boundaries of the City Provide a Sufficient amount of time for a Vehicle to Clear the Intersection. (Councilor Trujillo, Mayor Coss and Councilors Calvert, Wurzbarger, Rivera, Dimas, Ives, Bushee, and Dominguez) (John Romero)

**Committee Review:**



Public Safety (approved)	03/19/13
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Fiscal Impact – Yes

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**Committee Review:**

Public Works (approved)	04/08/13
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Fiscal Impact – Yes

***END OF CONSENT AGENDA***

**CONSENT ITEMS POSTPONED**

- 15. Request for Approval of an Ordinance relating to Human Rights; Creating a New Article 6-18 SFCC 1987 to establish the City of Santa Fé Human Rights Commission. (Councilor Bushee) (Jamison Barkley)**

**Committee Review:**

Finance Committee (postponed)	04/01/13
City Council (request to publish)	04/24/13
City Council (public hearing)	05/29/13

Fiscal Impact – Yes

This item was postponed under Approval of Agenda.

- 19. Request for Approval of an Ordinance Relating To The Municipal Recreation Complex (MRC), City Sports Fields And League Fees; Repealing Article 23-7 SFCC 1987 And Adopting A New Article 23-7 SFCC 1987 To Establish Regulations And Fees At The MRC; Adopting A New Section 23-4.12 SFCC 1987 To Establish Regulations And Fees For City Sports Fields, Other Than MRC Sports Fields; And Creating A New Section 23-4.13 SFCC 1987 To Establish A Voluntary Sports Field Maintenance Fund. (Councilor Dominguez) (Isaac Pino and Melissa**

**Byers)**

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**DISCUSSION**

- 20. (PUBLIC HEARING) Request for Approval of an Ordinance Relating to Requirements for City Contractors; Amending the City of Santa Fé Purchasing Manual to Require Certain City Contractors to Provide Equal Employment Benefits. (Councilor Bushee) (Jamison Barkley)**

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Fiscal Impact – Yes

This item was postponed under Approval of Agenda.

- 21. Status of Police Department Programs. (Police Chief Raymond Rael)**

This item was postponed under Approval of Agenda.

- 22. Request for Acceptance and Presentation of the City of Santa Fé Comprehensive Annual Financial Report for Fiscal Year Ending June 30, 2012. (Teresita Garcia and Marty Mathisen)**

Mr. Mathisen had not yet arrived.

Vice-Chair Bushee invited the City's new Finance Director to introduce himself.

Mr. Tapia said this was his second day on the job and budgets were his forte. Hopefully he could get guidance and assistance he needed and give the Committee the accurate information they needed.

Vice-Chair Bushee invited Ms. Garcia to present.

Ms. Garcia said the CAFR was the June 30 2012 audit report. The City used this document to issue bonds for the bond projects. The City got an unqualified opinion this year. The findings started on page 220. Page 221 showed the findings of prior years that were cleared. What was important was on #2. There were no questionable costs on any major federal funds. They accepted all of the city's expenditures.

On part 3, status of prior audit findings, the audit was also late this year.

Vice-Chair Bushee asked Mr. Romero how late it was this year.

Mr. Romero said the auditor was supposed to be here and the Committee should hear that from him and not from city staff.

As the Committee was preparing to table this matter for the auditor's arrival, Mr. Mathisen arrived.

Vice-Chair Bushee wanted to make sure it went to the Audit Committee and was told it had been.

Ms. Garcia said the Finance Department submitted the audit to the State Auditor on March 1 again. It was more complex and they had transactions to clear up with the Buckman Direct Diversion Board. For this year, they were starting earlier - in May. They usually submitted the audit contract to the Finance Committee on June 1 but this year it was submitted earlier so the auditor could start on May 1<sup>st</sup>.

Mr. Mathisen introduced himself and handed out a printout of a power point to the Committee [attached as Exhibit A]. He reviewed the PPT with the Committee and pointed out that the Comprehensive Audit Financial Review (CAFR) was one of the best accountability tools the City had for the citizens and stakeholder with the review of internal controls and financial accountability and it was complete.

Mr. Mathisen said his report date was February 19, 2013. The exit conference was well-attended and Councilor Dimas as well as Audit Committee members and the internal auditor were present. Due process was followed. He reviewed the other dates including his meeting with the Audit Committee on April 3.

Regarding the findings, the good news was that four items were resolved from prior years; one from 2008 and three from 2011. The number of departments over budget were only three. There was a nice budget summary on page 221.

He had listed significant deficiencies on page 4 and none constituted a material weakness which was more severe. Cutoff of transactions was one of them in which there were four items that should have been in done 2011 but were put in 2012. Those were detailed on page 230. He noted a strange transaction on paramedic training. Most of the training class was in order but purchase orders were not drafted until after classes (12-02). The fire department was fine.

In the Federal Findings there were two significant deficiencies. Cash management in one program had no approval to draw down federal funds. Web site identifications were not always provided. The check was not documented in one procurement. The Data Collection Form was not compliant. Time certifications were not all provided.

SWAMA was done on time but was turned in on 12/3/12 instead of 12/1/12

He recommended the Committee look at pages 223-224 regarding late audit submission.

His PPT outlined the task to improve the time line next year. The Audit Committee approved using a milestone chart. The milestone schedule represents a plan to monitor the process. The single audit could be done sooner.

He wanted the CAFR to be on time and not stale. It needed to be out for the budget process.

He noted that they scheduled tentative dates in May for planning for the first time ever.

There was need for additional training and it would happen in May. Budgets & Grants, A/R and A/P could now be scheduled in June. He had never done any audit work in May and June before. The Single Audit testing could be done in August. For 2012, the work began on October 1<sup>st</sup> so this was much better.

He explained the SAS 114 Letter (SAS stood for Statement of Auditing Standards) was to those in charge of governance - anything the Finance Committee needed to know.

Mr. Mathisen said they didn't have any difficulty performing the audit, no disagreements with management and they had very few Adjusting Journal Entries. There were few AJE's needed and none that indicated any problem.

The Health and Dental Fund was the most significant over budget item and they had a loss in that fund.

He put the findings in three categories. The late audit stood on its own. The federal findings were the result of the single audit and were four of those. The two findings for the fire department were new this year.

The new accounting standard (Note H), GASB 68 would affect the City in FY 15. It dealt with the City participating in PERA in which the City would book PERA's unfunded liability. That likely could be a big number.

He reported that Dr. Morgan had told him about a "citizen-centric report" as a four-page report that had gained a lot of traction and would supplement the 200 page CAFR but he never saw it.

Regarding the BDD, the final construction and operating audits were pending final management meetings. Those audits were 98% completed and they should have exit conference based on what had taken place as the New Mexico Finance Authority. They have been ready for a while pending any final tweak from City management.

Councilor Ives asked for more specific information about the unfunded pension liability.

Mr. Mathisen said GASB 68 is out and final. It requires employers to record their proportional share of the unfunded actuarially accrued liability. It is not PERA's liability because they were only a fiduciary according to GASB. So in FY 15 the City would need help on what to book but must record the City's proportional share of the unfunded liability.

He explained, for example, if the City of Santa Fé was 2% of all the balances in PERA, (all the state and municipal agencies), the City would record 2% of the unfunded liability on their financials because the new thinking was that the liability belonged to the City and not to PERA.

Councilor Ives asked if that was for all employees. Mr. Mathisen agreed.

Mr. Mathisen did not know what the number might be but thought it would be large number (unfunded) there now and it had to be recorded as of July 1, 2014. He hoped PERA would prepare a schedule to be shared with everyone on the percent that needed to be recorded. He pointed out that PERA's unfunded liability was \$6.2 billion. That was equal to the budget of the State of New Mexico. However, legislation passed this year and signed by Governor Martínez would track that over a 30 year period and it should improve.

Vice-Chair Bushee asked if the City had a response on the liability that the City would incur from PERA.

Mr. Romero said the City calculated that and would ask all employees to pay about 1.5% more than they had been paying. But as he understood it, with PERA the City was part of a big pool and was not like each municipality had to fund its own portion. He agreed to verify that.

Mr. Mathisen explained that the recording was not the same as funding the liability. The funding requirements might still be the same. He had said it would be 1.5% because that was what was just statutorily passed.

Mr. Romero said each year the City sends PERA about \$14 million and PERA manages that. So when a city employee retired, it was PERA that paid the retiree and not the City.

Councilor Ives noted the auditor suggested the late CAFR had a real consequence and he wondered what the Council needed to do to be on time.

Mr. Mathisen said the consequence was that the City could be perceived to be loose and not worthy of funding and the late date was communicated to all stakeholders in the City of Santa Fé including bond holders who finance activities of the City.

Mr. Romero said the City would make sure Mr. Mathisen gets everything he needs to get the audit done on time.

Councilor Ives asked about the four cutoff transitions.

Mr. Mathisen said they totaled \$85,000. The cut-off procedures needed to be reviewed. It was not a

huge problem but it added a couple of steps in closeout procedures.

Councilor Ives noted that the City went through several budget adjustments through the year but apparently that didn't take care of it.

Mr. Mathisen explained there were about 200 budgets so if only three were over budget there were lots that were budgeted correctly so there was improvement. With the Health and Dental Fund the City could not really predict what would happen with claims during the year.

Councilor Ives thanked him for a great and complete report.

Vice-Chair Bushee asked which three were over.

Mr. Mathisen said that was 06-06 on page 226. The construction and process reallocation fund was where two were not budgeted but amounts came through. They were not large amounts. When the City budgets a fund they have to have the funds to balance it. Those two were minor. He didn't consider them serious.

Vice-Chair Bushee asked if the procurement issue was something they didn't do in the past at all.

Mr. Mathisen said 4-5 years ago it was not something they emphasized but starting two years ago, they began doing it more seriously. The only procurement out of bounds was that training by fire department. The training was a \$21,000 cost and was intended to be funded by the fees paid by people who attended, many of whom were from other places. He thought it was a good event but the purchase orders were dated after the event took place and was not according to the City's procurement policy.

Councilor Ives noted page 3 showed four items resolved. He asked what the problem was with the first one.

Mr. Mathisen said in 2008 he looked at the City's IT policies and were dated 2003 and apparently had not been updated. But Dr. Morgan gave him sufficient documentation regarding updating that the problem was resolved.

Mr. Romero added that Ms. Kerr was internally auditing those policies to make sure they could certify that the updates claimed had actually been done and was not quite finished with the task.

**Councilor Ives moved to accept the CAFR. Councilor Dimas seconded the motion and it passed by unanimous roll call vote with Councilors Bushee, Dimas and Ives voting in favor and none voting against.**

### **23. Update of Second Annual Report on 2012 Audit Committee Activities (Liza Kerr)**

Ms. Kerr turned the report over to Mr. Maurice Lierz, Audit Committee Chair.

Mr. Lierz said their report was in the packet. The report was dated April 3 with cover letter and 3-page attachment. Two other members are here who could help him respond to questions. He said the Audit Committee was created by Resolution 2010-83 and the Committee was responsible to give the Finance Committee an annual update of their activities.

The Committee has spent time on the audit processes and they were focused on that with the auditor for the coming year. He related that he was an auditor for 30 years and always started before the end of the fiscal year. The Committee needed staff support to make that happen for the City.

They consumed a lot of time on getting an internal auditor and now had one. The Committee tries to meet on the first Wednesday of the month with the Finance Director and now also the Internal Auditor meeting with them.

He noted in the report, item six, in which Mr. Mathisen mentioned the fiscal agent responsibility. The Committee was concerned why the BDD audit for 2010 and 2011 were taking so long.

Vice-Chair Bushee asked if there were any penalties on it.

Mr. Lierz said there were not. The Audit Committee understood that City and County were the consumers for this audit. The other BDD audit was the June 30, 2012 operational audit. As Mr. Mathisen said, they were about 98% complete.

Mr. Romero asked Mr. Mathisen to address why they were held up.

Mr. Mathisen said the construction audits were on building the facility. The first was 2002 to 2009. They went into a holding pattern when BDD and the City couldn't agree on what the numbers should be. He presented for 2010 and 2011 what he thought were the correct numbers.

Mr. Romero said BDD's financial person left and they tried to hire a replacement for the BDD. The financial manager has been gone for several months. So they might have to get a contracted person.

Vice-Chair Bushee noticed it said the 2011 Railyard audit was delinquent.

Mr. Romero didn't think it was delinquent.

Vice-Chair Bushee said that statement was on page 2, #6.

Mr. Romero agreed to find out when it was turned in. He said he had a copy of it.

Vice-Chair Bushee asked the Audit Committee if this was problematic.

Mr. Romero agreed to have the Finance Director inform the Railyard. He wasn't aware that it was a problem.

Vice-Chair Bushee asked if some of this could be assigned to the Internal Auditor.

Ms. Kerr said she submits a report each month that tracks all of them with lots of detail. She would provide it for the Audit Committee.

Councilor Ives asked if she could update the Finance Committee as well. He would like to know the effort was being made.

Ms. Kerr suggested a quarterly report to Finance.

Vice-Chair Bushee agreed.

Mr. Lierz said the Audit Committee originally set up the monitoring of the various audits and were successful on a number of items. There were about 6-7 audits and not just the overall CAFR. So they were monitoring all of those.

Vice-Chair noted the CAFR was a recommendation from the Audit Committee.

Mr. Tapia said some of the audit statement brought up today he had just reviewed. The Finance Committee approves the budget. But there is a component not showing where the revenue comes from. There were certain procedures with approvals that had to be fixed and he considered them easy fixes.

He pointed out that late transactions were sometimes due to not getting the invoice in time.

He thought they were on track and having the internal auditor was great.

Vice-Chair Bushee was glad to see the whole IT matter brought in and the monitoring. They had hired some folks to work on the A/R issue. She asked if the Audit Committee was aware of collections activity.

Mr. Romero said they would follow through.

Councilor Ives noted a comment in the text indicating "the City has now lost this award (Certificate of Achievement). He asked how that had affected the bond rating.

Mr. Lierz said it had not degraded the bond rating but the rating agencies had to rely on an audit that was over a year old.

Vice-Chair Bushee thanked the Audit Committee for all for their work.

## **24. OTHER FINANCIAL INFORMATION**

### **A. Update of Gross Receipts Tax Report received in April 2013 (for February 2013 activity) and Lodgers' Tax Report Received in April 2013 (for March 2013 activity). (Teresita Garcia)**

Mr. Romero explained that the reports were supposed to be in today but didn't arrive. He agreed to



send the reports as soon as they came in.

## 25. MATTERS FROM THE COMMITTEE

Councilor Ives offered sincere condolences to Councilor Dominguez and his family.

Vice-Chair Bushee said they would get the information and details out to everyone. She asked how the Committee would handle next week.

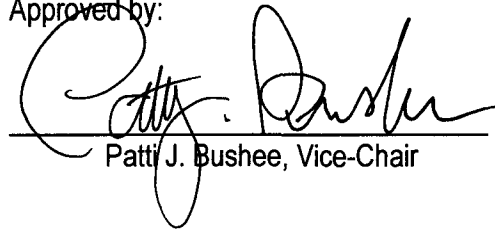
Ms. Green said they would start at 9:00 on Monday and hopefully would get it wrapped up by Friday. It will be similar to last year's schedule.

Mr. Romero said the first hour was general and then they would go to the departments.

## 26. ADJOURNMENT

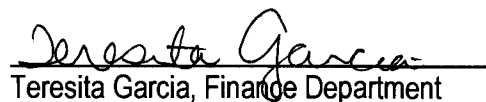
Having completed the agenda, the Finance Committee adjourned at 6:08 p.m.

Approved by:



Patti J. Bushee, Vice-Chair

Reviewed by:



Teresita Garcia, Finance Department

Submitted by:



Carl Boaz, Stenographer



# City of Santa Fe

**Presented by  
Martin Mathisen, CPA, CGFM**

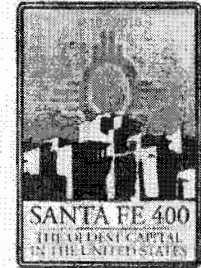
**April 15, 2013**

**ALKEMSON**

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*Exhibit A*

# Accountability – CAFR



## Auditory Accountability

**How resources were raised and used in a lawful manner**

## Process Accountability

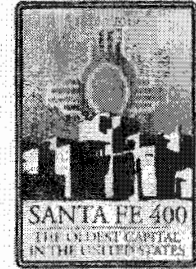
**That adequate internal controls and processes were used**

## Financial Accountability

**Extensive financial information on the City  
– Planning, priorities, programs, etc.**

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# **Points On FY 2012 Audit**



**Auditors' report date is February 19, 2013,  
prior year was February 13, 2012**

**CAFR is final – State Auditor has released**

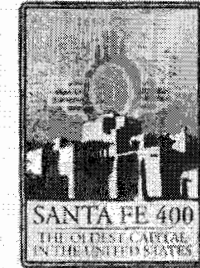
**City prepared the CAFR**

**Met with Audit Committee on April 3, 2013**

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## **Findings 4 Items Resolved From Prior Year**



**08-04 IT Policies and Procedures**

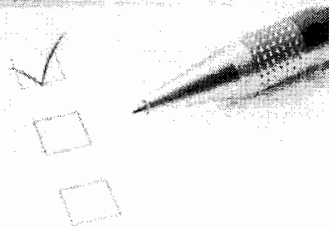
**11-02 Capital Asset Inventory Observation**

**11-03 Federal Grant Reporting**

**11-05 Federal Grant Monitoring**

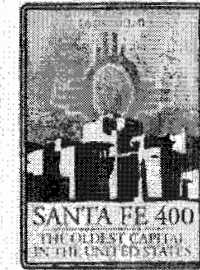
**Number of budget findings reduced**

**Schedule of Findings page 221 CAFR**



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# Significant Deficiencies



**06-05 Late Audit**

**11-01 Cutoff of Transactions**

**Other Repeats**

**06-06 Budget Overages**

**Other Findings**

**12-01 Professional Services Procurement**

**12-02 Purchase Order Authorizations**

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# Federal Findings



## Significant Deficiencies

- **12-03 Cash Management**
- **11-06 Procurement**

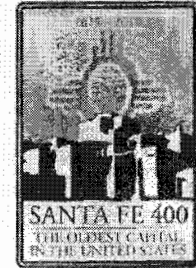
## Noncompliance

- **12-04 Data Collection Form**
- **11-04 Time Certification**

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## **Late Audit Discussion (Finding 06-05)**



**SWAMA was done on time – turned in (12/3/12).**

**Finding 06-05 Discusses late audit including recommendations page 223-224 of CAFR**

## **Looking Ahead**

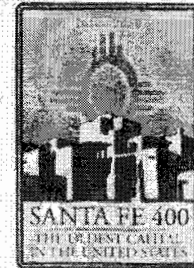
**Auditor and City Meeting on April 3, 2013 about FY 13 Audit**

**Auditor and Audit Committee Meeting on April 3, 2013 in part about FY 13 Audit.**

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## **Looking Ahead...Continued**



### **Atkinson/City plan to conduct interim period fieldwork for FY 2013**

**May planning and E-1 Training**

**Cash, investments, debt, lodgers tax, utility billings**

**Budgets and grants**

**Accounts receivable and accounts payable can begin testing in June**

**Master milestone schedule will provide the plan**

**Conduct Single Audit starting in August**

**Monitoring of plans and update meetings to implement discussion between Atkinson, Management, Internal Auditor, and Audit Committee.**

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# **SAS 114 Letter**

**No problems performing the audit**

**GAAP followed**

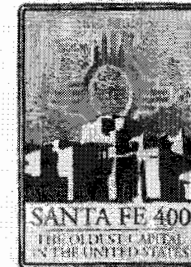
**Few AJE's – None that indicated a problem**  
**- all were posted by City**

**Under-budgeted estimate**

**- Santa Fe Health and Dental Fund excess actual over budget of \$669 thousand due to increase in claims, page 159-162 of CAFR**

**See discussion on Late Audit**

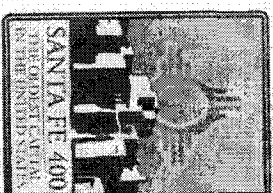
**Nothing to bring to Council's attention in addition to findings**



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# **Buckman Operations Audit**

**Final construction and operating audits  
pending final management meetings**



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# Questions???

# Thank You!

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10.

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# ***2013 New Mexico Science and Engineering Fair Winners***

**Eckert, Melissa D**

***Exhibit Title:*** The Effect of Acid Rain on Rocks

***Division:*** SR    ***Category:*** Earth & Planetary Sciences

***School:*** Monte Del Sol Charter School

***Awards:***

Certificate

Association for Women Geoscientists

For high standards of innovativeness and scientific excellence in the geosciences

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Honorable Mention    SR    Earth & Planetary Sciences

New Mexico Science and Engineering Fair

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