



Agenda

Capital Improvements Advisory Committee

Thursday, November 9, 2017

3:00 p.m.

City Hall, 200 Lincoln Avenue, 1st Floor
City Councilors Conference Room

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – Meeting of October 17, 2017
5. DISCUSSION AND ACTION ITEMS
 - A. **Fire Department – Resolution amending the Impact Fee CIP 2020**
Request to add Fire Station #6 to list of eligible projects listed in “Planned Major Fire/EMS Improvements, 2014-2020” (Table 82, Page 78) as follows:

<u>Improvement</u>	<u>Building Square Feet</u>		<u>Building</u>	<u>Equipment</u>	<u>Total</u>
	<u>Existing</u>	<u>Proposed</u>	<u>Cost</u>	<u>Cost</u>	<u>Eligible Cost</u>
Fire Station #6	1,422	2,272	\$ 250,000	\$ 0	\$ 250,000
 - B. **Fire Department – Impact Fee Funding Request in the amount of \$77,297 from the Fire/EMS Fund for Upgrades to Fire Station #6.**
 - C. **Impact Fees – Financial Summary & Status**
6. INFORMATION ITEMS
7. MATTERS FROM THE CHAIR / COMMITTEE / STAFF
8. MATTERS FROM THE FLOOR
9. NEXT QUARTERLY MEETING DATE (Thursday, January 11, 2018, 3:00 p.m.)
10. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk’s office at (505) 955-6520, five (5) working days prior to meeting date.

For questions regarding this agenda, please contact the Long Range Planning Division at 955-6610.

MINUTES OF THE
CITY OF SANTA FE
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

October 17, 2017

1. CALL TO ORDER

A regular meeting of the City of Santa Fe Capital Improvements Advisory Committee was called to order by Ted Swisher at 2:08 p.m. on this date in the City Councilors' Conference Room, 1st Floor, City Hall, Santa Fe, New Mexico.

2. ROLL CALL

Roll call indicated a quorum present for conducting official business as follows:

MEMBERS PRESENT:

Ted Swisher, Chair

Rex Givens

Jack Hiatt

Kim Shanahan

Marshall Thompson

Neva Van Peski

Marg Veneklasen

MEMBERS ABSENT:

Edmundo Lucero, resigned

Rick Martinez, excused

STAFF PRESENT:

Reed Liming, Long Range Planning Division Director

OTHERS PRESENT:

Jo Ann G. Valdez, Stenographer

3. APPROVAL OF AGENDA

MOTION: A motion was made by Mr. Hiatt, seconded by Mr. Thompson to approve the agenda.

VOTE: The motion passed unanimously by voice vote.

4. APPROVAL OF MINUTES:

- **Meeting of May 11, 2017**

Ms. Van Peski noted that she had some minor corrections (typos) to the Minutes.

MOTION: A motion was made by Mr. Thompson, seconded by Ms. Veneklasen to approve the Minutes of the May 11, 2017 meeting as amended.

VOTE: The motion passed unanimously by voice vote.

- **Meeting of July 13, 2017**

MOTION: A motion was made by Ms. Van Peski, seconded by Mr. Thompson to approve the Minutes of the July 13, 2017 meeting as presented.

VOTE: The motion passed unanimously by voice vote.

5. ACTION ITEMS

There were no action items.

6. INFORMATION ITEMS

**A. Quarterly Financial Summary and Permit Report
(July-September 2017)**

[Copies of the Quarterly Financial Summary & Permit Report {*Exhibit 6A*} were distributed in the Members' packets.]

Mr. Liming reviewed Exhibit 6A noting that in the last quarter (July through September 2017), the City brought in a total of \$411,156.00 in impact fees: \$349,783.50 in Roads impact fees; \$22,725.00 in Parks impact fees; \$11,494.00 in Police impact fees and \$27,153.50 in Fire impact fees. The available balances in the various funds as of July 1, 2017, are as follows: Roads Fund: \$1,853,883.41; \$466,629.54 for Parks Fund; \$180,299.30 for Police Fund and \$94,202.17 in the Fire Fund, for a total of \$2,595,014.42 in Impact Fees.

Mr. Liming provided a list of permit codes and an explanation of the codes. A copy is attached with *Exhibit 6A*. The list consists of all the permits for new construction that pay impact fees but does not include the affordable homes because they do not pay impact fees.

Ms. Van Peski noted that the available balance as of July 1, 2017 is different than it was at the last meeting. A difference of approximately \$70,000, particularly in the Fire Fund.

Mr. Liming said they had a situation where money was coming out of impact fee funds and going into a separate CIP fund. When he became aware of this, he went to the

Finance Department and informed them that monies cannot be moved out of these accounts. They have been trying to go back and correct these to ensure that they accounted for all of the money that should be in the impact fee accounts.

Mr. Shanahan asked if they show an increase or a decrease.

Mr. Liming said they are showing increases in some but he is going to check with Erica Martinez and the Finance Department to make sure that they are as accurate as they can be. He explained that it is hard for him to speak for the Finance Department and he does not know where the decision came from to move impact fee monies into the CIP reallocation fund. This is comingling of funds and they cannot do this with impact fee funds. Mr. Liming was never contacted about this.

The Committee Members expressed concerns about the fact that there are inconsistencies and irregularities in tracking the Impact Fee Fund numbers and there are no safeguards in place. After discussion, the following motion was made:

MOTION: A motion was made by Mr. Hiatt, seconded by Mr. Shanahan, that the Chair author and sign a letter to the City Manager outlining the issue that has come to the Committee's attention. A copy will go to the Finance Committee and to this Committee.

VOTE: The motion passed unanimously by voice vote.

Mr. Liming reviewed the Permit Report and asked if there were any questions on the Quarterly Financial Summary and Permit Report.

Ms. Van Peski asked what "Spectrum" was. She noted that they accounted for most of the permits this quarter.

Mr. Liming said it is a senior-assisted housing facility that has 132 units.

Chair Swisher asked if the City is on pace in issuing residential permits.

Mr. Liming said yes.

B. Las Soleras – Impact Fee Exemption & Credit Agreement-Update
i. Park Impact Fee Exemption (Pulte) – Tracking Sheet

[Copies of the Residential Permit Activity – Pulte (Las Soleras) Park Impact Fees waived in exchange for Park Development Dedication Land Development Code 14-8.15 (C) (6) {Exhibit 6B} were distributed.]

Mr. Liming reviewed Exhibit 6B noting that a total of \$194,382 of park impact fees were waived in exchange for Park Development Dedication. From 2016 to 2017, a total of 241 permits were issued and \$248,718 in park impact fees have been waived.

ii. Road Impact Fee Credit Agreement – Tracking Sheet

[Copies of the Road Impact Fee Tracking Sheet were distributed in the Members' packets. A copy is attached with *Exhibit 6B.*]

Mr. Liming referred to the page entitled "*Las Soleras -Road Impact Fee Credit Worksheet*".

He said the Worksheet shows the various developments and their dates so far that have come forward with permits to the City and have been given credit against their Road Impact Fee. On August 24, 2017, the City confirmed an assignment for a permit request by Las Soleras to Pulte via letter from Beckner Road Equities, Inc. to assign a portion of available credits (\$32,427.00) for permits within Tract 11-A. The Road Impact Fee Credit Balance as of today is \$57,961.00.

Mr. Liming mentioned that City staff is in the process of drafting a new Credit Agreement for Beckner Road Equities, Inc. He noted that they are getting close to opening Beckner Road.

Mr. Shanahan asked if the Committee will see a chart of the credits that Beckner has used.

Mr. Liming said yes.

Mr. Liming distributed a handout entitled "Residential Permit Activity for City and County" (*Exhibit 6C*). He said this is for informational purposes only.

Chair Swisher asked if there were any more questions and there were none.

7. MATTERS FROM THE COMMITTEE / STAFF

Mr. Liming distributed the copies of the 2018 CIAC Meeting Schedule.

Mr. Shanahan invited the Board Members to the Homebuilders Association office on Valdez Business Park on Thursday morning, from 8:00 a.m. to 10:00 a.m. This is a free event where they have invited people from Albuquerque who have been instrumental in getting their General Obligation Bond passed to finance affordable housing. He noted that the City of Santa Fe has never had a permanent funding source for affordable housing in our community. Commissioner Debbie O'Malley and a Professor from UNM Architecture will be coming up, along with city staff who administer these funds.

He said it might be time to put this issue back on the ballot, possibly as soon as the March 2018 election.

Mr. Liming noted that the reappointments and new appointments to the Committee will be made after the Election.

8. MATTERS FROM THE FLOOR

There were no matters from the floor.

9. NEXT QUARTERLY MEETING DATE:

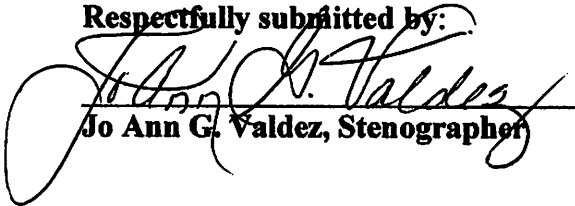
The next quarterly meeting is scheduled for January 11, 2018 at 3:00 p.m.

10. ADJOURNMENT

Having no further business to discuss, the meeting adjourned at 3:20 p.m.

Ted Swisher, Chair

Respectfully submitted by:



Jo Ann G. Valdez, Stenographer

1 upgrade Fire Station #6; and

2 WHEREAS, the city of Santa Fe deems these improvements necessary to assist in
3 enhancing public safety capacity;

4 NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
5 CITY OF SANTA FE that Table 82, page 78, "Planned Fire/EMS Improvements 2014-2020" of
6 the Impact Fee Capital Improvements Plan 2020 is amended to include the following project:

<u>Improvement</u>	<u>Building Sq. Feet</u>		<u>Building</u>	<u>Equipment</u>	<u>Total</u>
	<u>Existing</u>	<u>Proposed</u>	<u>Cost</u>	<u>Cost</u>	<u>Eligible Cost</u>
9 Fire Station #6	1,422	2,272	\$250,000	\$0	\$250,000

10
11 PASSED, APPROVED, and ADOPTED this ____ day of _____, 2017.

12
13 _____
14 JAVIER GONZALES, MAYOR

15 ATTEST:

16
17 _____
18 YOLANDA VIGIL, CITY CLERK

19
20 APPROVED AS TO FORM:


21
22 _____
23 KELLEY BRENNAN, CITY ATTORNEY
24
25

City of Santa Fe

memo

DATE: November 1, 2017

TO: Capital Improvements Advisory Committee

FROM: Reed Liming, Long Range Planning Director (Staff to CIAC) 

ITEM & ISSUE

Impact Fee Accounts – Transfers Out / Transfers In (FY 16-17)

BACKGROUND

For twelve months during fiscal year 2016-17 (July 1, 2016 through June 30, 2017), the city transferred out a set amount of money from each impact fee account at the end of each month and placed that money into a “CIP Re-Allocation” account. After conversations between myself and city budget office staff, this regular transfer out of funds ended and it appears, after checking against prior balances that the funds removed have been transferred back into each impact fee account. The amounts transferred out included the following by impact fee account:

		Monthly Amount	Total Amount
	(Fund)	<u>Transferred Out</u>	<u>Transferred Out</u>
Roads	(2720)	\$ 104,510.50	\$ 1,254,126.00
Parks	(2721)	\$ 33,475.92	\$ 401,711.04
Police	(2722)	\$ 10,579.08	\$ 126,948.96
Fire	(2723)	\$ 22,950.50	\$ 275,406.00
	TOTAL	\$ 171,516.00	\$ 2,058,192.00

Another individual transfer out from the Fire Impact Fee Account, not reviewed by the CIAC, in the amount of \$77,297 for Fire Station #6, is being presented to the CIAC to ensure that it is an “eligible project” to receive Fire Impact Fee Funds and, if so, added to the List of Eligible Projects in Table 82 (page 78) of the *Impact Fee CIP 2020*.

CONCLUSION

Only capital improvement projects that are shown to be capacity-expanding (i.e. required by new growth), are eligible to receive impact fee funding. The city’s larger CIP project list may include non-eligible projects that reflect maintenance or replacement. Therefore, for as long as the city charges impact fees, it should maintain a separate Impact Fee CIP project list and maintain separate impact fee accounts that can be used to fund only those qualifying and identified Impact Fee CIP projects.

JE	40350112 01001	07/01/2015 15/16 Oper	625	625	P	
JE	40350113 01001	08/31/2015 15/16 Oper	625	625	P	
JE	40350114 01001	09/30/2015 14/15 Oper	625	625	P	
JE	40350115 01001	10/31/2015 15/16 Oper	625	625	P	
JE	40350116 01001	11/30/2015 15/16 Oper	625	625	P	
JE	40350117 01001	12/30/2015 15/16 Oper	625	625	P	
JE	40350118 01001	01/31/2016 15/16 Oper	625	625	P	
JE	40350119 01001	02/28/2016 15/16 Oper	625	625	P	
JE	40390767 01001	02/28/2016 Mid Year o	318,493.00	318,493.00	P	
JE	40350121 01001	03/31/2016 15/16 Oper	625	625	P	
JE	40350122 01001	04/30/2016 15/16 Oper	625	625	P	
JE	40350123 01001	05/31/2016 15/16 oper	625	625	P	
JE	40350124 01001	06/29/2016 15/16 Oper	625	625	P	
JE	40452826 01001	07/31/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452827 01001	08/31/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452828 01001	09/30/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452829 01001	10/31/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452830 01001	11/30/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452831 01001	12/31/2016 16/17 Oper	104,510.50	104,510.50	P	
JE	40452832 01001	01/31/2017 16/17 Oper	104,510.50	104,510.50	P	
JE	40452833 01001	02/28/2017 16/17 Oper	104,510.50	104,510.50	P	
JE	40452834 01001	03/31/2017 16/17 Oper	104,510.50	104,510.50	P	
JE	40507135 01001	03/31/2017 3rd quarter	-940,595.00		P	-940,595.00
JE	40452835 01001	04/30/2017 16/17 Oper	104,510.50	104,510.50	P	
JE	40452836 01001	05/31/2017 16/17 Oper	104,510.50	104,510.50	P	
JE	40515744 02232	06/06/2017 FY 16-17 4t	-313,531.00		P	-313,531.00
JE	40452837 01001	06/29/2017 16/17 Oper	104,510.50	104,510.50	P	
		Column Tot:	325,993.00	1,580,119.00		-1,254,126.00
		Ledger Tot:	325,993.00	325,993.00		

Brian Snyder
City Manager
City of Santa Fe

Dear Mr. Snyder:

At the Capital Improvements Advisory Committee (CIAC) meeting of Tuesday, October 18th, committee members expressed concern regarding inconsistencies and irregularities in the *Impact Fee Quarterly Financial Summary* provided by staff in our quarterly CIAC meetings. The spreadsheet shows project obligations for the preceding quarter and provides "Available Balances" as of the end of the most recent quarter. During the discussion at this meeting it came to light that at some point the city was transferring impact fee monies regularly from each of the four impact fee funds (Roads, Parks, Police & Fire/EMS) into another, separate CIP fund. Apparently, the city transferred the monies from the separate CIP Fund back into the individual impact fee accounts.

Our understanding is that at no time should impact fee revenues be co-mingled or put into another fund that is other than an "expenditure account" set up for a specific project previously reviewed by the CIAC and approved by the Governing Body as being eligible to use specified amounts of impact fee funds.

The committee is now concerned that moving money back-and-forth between funds may have created inconsistencies in the Impact Fee Fund balances. While the committee did not specifically request an audit of the Impact Fee Funds, it may be a wise action to take to alleviate the committee's concerns. By state law, the committee is comprised of members of the development, construction and real estate industries.

Because of recent newspaper articles regarding the city's financial accountability, the committee would like more information on the CIP Fund into which the impact fee funds were originally moved into, including how this CIP Fund is funded, what projects the funds are used for and how it relates to the Impact Fee CIP 2020 and Impact Fees in general. The committee would also like to know what measures are in place to ensure that the unauthorized transfers do not occur in the future.

Sincerely,



Ted Swisher, Chair
Capital Improvements Advisory Committee