



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 18, 2016 – 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 4/15/16 TIME 9:23AM

SERVED BY Yolanda Green

RECEIVED BY Andrew Ball

Regular Finance Committee – April 4, 2016

CONSENT AGENDA

6. Request for Approval of Grant Agreement – Santa Fe Municipal Airport Annual Maintenance; New Mexico Department of Transportation Aviation Division and Approval of Budget Adjustment in the Amount of \$11,111.00. (Cameron Humphres)
7. Request for Approval of Emergency Procurement and Professional Services Agreement – Sandoval Parking Structure Elevator Electrical Feeders; Don Gorman Electric, LLC. (David Pfeifer)
8. Request for Approval of Amendment No. 7 to Amended and Restated Railyard Lease and Management Agreement; Santa Fe Railyard Community Corporation. (Robert Siqueiros)
9. Request for Approval of Procurement Under State Price Agreement and Amendment No. 1 to Professional Services Agreement – Uniform and Linen Laundering for Transit Fixed Route Operations; Prudential Overall Supply. (Isaac Pino)
10. Request for Approval of Procurement Under State Price Agreement and Amendment No. 1 to Professional Services Agreement – Uniform and Linen Laundering for Transit Fleet Maintenance; Prudential Overall Supply. (Isaac Pino)
11. Request for Approval of Grant Application, Agreement and Award and Memorandum of Agreement – FY 2016 F.T.A. Section 5339 Financial Assistance for Purchase of Capital Equipment for Transit Division; New Mexico Department of Transportation, Transit and Rail Division and Approval of Budget Increase in the Amount of \$155,667 and \$38,916 Local Match. (Isaac Pino)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 18, 2016 – 5:00 P.M.

12. Request for Approval of Grant Application, Agreement and Award and Memorandum of Agreement – FY 2016 U.C.S. Section 5310 Financial Assistance for Purchase of Capital Equipment for Transit Division; New Mexico Department of Transportation, Transit and Rail Division and Approval of Budget Increase in the Amount of \$154,267 and \$38,567 Local Match. (Isaac Pino)
13. Request for Approval of Amendment No. 2 to Professional Services Agreement – Mechanical Operational Services at the GCCC Ice Arena; YearOut Services, LLC. (Liza Suzanne)
14. Request for Approval of Amendment No. 1 to Legal Services Agreement – High Summit v. City of Santa Fe Legal Matters; Sheehan & Sheehan, P.A. (Marcos Martinez)
15. Request for Approval of Amendment No. 3 to Professional Services Agreement – Financial Modeling Services for Water Division; Hawksley Consulting a/k/a MWH Americas, Inc. (Nick Schiavo)
16. Request for Approval of Change Order No. 2 to Contract – Installation of a New Water Metering System for Water Division; Badger Meter, Inc. (Nick Schiavo)
17. Request for Approval of Purchase Agreement - One (1) Toilet Retrofit Credit Buy Back and Approval of Budget Increase in the Amount of \$317,700; Aldea, LLC. (Andrew Erdmann)
18. Request for Approval of Amendment No. 4 to Professional Services Agreement – Printing and Mailing Services for Utility Billing Division; InfoSend, Inc. (Nick Schiavo)
19. Request for Approval of Joint Funding Agreement – Continuation of Permit-Required Monitoring Programs for Santa Fe River and Buckman Well Field; United States Department of the Interior Geological Survey. (Bill Schneider)
20. Request for Approval of Amendment No. 1 to Professional Services Agreement – Update the Long Range Water Supply Plan and Integrate with Capital Improvements Program; Carollo Engineers, Inc. (Bill Schneider)
21. Request for Approval of FY 2016/2017 Internal Audit Plan. (Liza Kerr)
22. Request for Approval of a Resolution Amending Resolution No. 2008-40 Regarding Membership of the Santa Fe Water Conservation Committee to Include Term Limits for Committee Members. (Councilor Ives) (Christine Chavez)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 18, 2016 – 5:00 P.M.

Committee Review:

Public Utilities Committee (approved)	04/06/16
Water Conservation Committee (approved)	04/12/16
City Council (scheduled)	04/27/16

Fiscal Impact – No

23. Request for Approval of a Resolution Instituting a City-Wide All-Electronic Payment Policy for Employees and Vendors to the Extent Permitted by State Law. (Councilors Ives, Lindell, Rivera, Maestas and Trujillo) (Oscar Rodriguez and Lynette Trujillo)

Committee Review:

Public Works Committee (approved)	04/11/16
City Council (scheduled)	04/27/16

Fiscal Impact – \$45,000 - This measure will allow the City to operate more efficiently and justify the elimination of at least half a position (FTE) in the Payroll staff.

24. Request for Approval of a Resolution Amending the Santa Fe Film Commission to Change the Name to the Santa Fe Film and Digital Media Commission; and Provide for Alternate Members of the Commission. (Mayor Gonzales and Councilor Ives) (Kate Noble)

Committee Review:

City Business Quality of Life Committee (approved)	04/13/16
City Council (scheduled)	04/27/16

Fiscal Impact – No

25. Request for Approval of a Resolution Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority to Refund, Refinance and Defease Certain Outstanding Senior Lien and Subordinate Lien Gross Receipts Tax Revenue Bonds and Loans of the City of Santa Fe, New Mexico. (Mayor Gonzales and Councilor Maestas) (Oscar Rodriguez)

Committee Review:

City Council (scheduled)	04/27/16
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Fiscal Impact – Yes



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
APRIL 18, 2016 – 5:00 P.M.

END OF CONSENT AGENDA

DISCUSSION

26. Request for Approval of an Ordinance Amending Section 14-6.2 of the Land Use Development Code to Remove Certain Limitations on Short-Term Rental Dwelling Units; Amending the Fee Schedule for a Short-Term Rental Permit; and Requiring that Permit Holders Pay all Applicable Taxes or Be Subject to Certain Penalties. (Councilor Maestas and Mayor Gonzales, Councilor Ives) (Randy Randall and Lisa Martinez)
- Request for Approval of a Resolution Establishing the Number of Short-Term Rental Permits the City of Santa Fe Land Use Department May Issue. (Councilor Maestas and Mayor Gonzales, Councilor Ives) (Randy Randall and Lisa Martinez)

Committee Review:

City Business Quality of Life Committee (approved)	03/09/16
Occupational Tax Advisory Board (approved)	03/22/16
Public Works Committee (approved)	03/28/16
City Council (request to publish) (approved)	03/30/16
Planning Commission (approved)	04/07/16
City Council (public hearing)	04/27/16

Fiscal Impact – Yes - expenditures = \$377,500; revenues = \$1,500,000

CONTINUATION OF BUDGET DISCUSSION

27. General Budget Discussion. (Oscar Rodriguez)
28. MATTERS FROM THE COMMITTEE
29. ADJOURN

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521.

**SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
April 18, 2016**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-4
APPROVAL OF MINUTES: REGULAR FINANCE COMMITTEE – APRIL 4, 2016	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – MECHANICAL OPERATIONAL SERVICES AT THE GCCC ICE ARENA; YEAROUT SERVICES, LLC	Approved	4-6
REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – FINANCIAL MODELING SERVICES FOR WATER DIVISION; HAWKSLEY CONSULTING A/K/A/ MWH AMERICAS, INC.	Approved	6
REQUEST FOR APPROVAL OF CHANGE ORDER NO. 2 TO CONTRACT – INSTALLATION OF A NEW WATER METERING SYSTEM FOR WATER DIVISION; BADGER METER, INC.	Approved	5-8
REQUEST FOR APPROVAL OF FY 2016/2017 INTERNAL AUDIT PLAN	Approved	8-12
REQUEST FOR APPROVAL OF A RESOLUTION INSTITUTING A CITY-WIDE ALL-ELECTRONIC PAYMENT POLICY FOR EMPLOYEES AND VENDORS TO THE EXTENT PERMITTED BY STATE LAW	Approved	12-13

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY TO REFUND, REFINANCE AND DEFEASE CERTAIN OUTSTANDING SENIOR LIEN AND SUBORDINATE LIEN GROSS RECEIPTS TAX REVENUE BONDS AND LOANS OF THE CITY OF SANTA FE, NEW MEXICO	Approved	14-15
***** END OF CONSENT CALENDAR DISCUSSION *****		
<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2 OF THE LAND USE DEVELOPMENT CODE TO REMOVE CERTAIN LIMITATIONS ON SHORT-TERM RENTAL DWELLING UNITS; AMENDING THE FEE SCHEDULE FOR A SHORT-TERM RENTAL PERMIT; AND REQUIRING THAT PERMIT HOLDERS PAY ALL APPLICABLE TAXES OR BE SUBJECT TO CERTAIN PENALTIES	Approved w/direction to staff	16-28
REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING THE NUMBER OF SHORT-TERM RENTAL PERMITS THE CITY OF SANTA FE LAND USE DEPARTMENT MAY ISSUE	Approved w/direction to staff	16-28
<u>CONTINUATION OF BUDGET DISCUSSION</u>		
GENERAL BUDGET DISCUSSION	Information/discussion	28-29
MATTERS FROM THE COMMITTEE	Information/discussion	29-30
ADJOURN		30

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE
Monday, April 18, 2016**

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, April 18, 2016, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Carmichael A. Dominguez, Chair
Councilor Mike Harris
Councilor Peter N. Ives
Councilor Signe I. Lindell
Councilor Renee Villarreal

OTHERS ATTENDING:

Oscar S. Rodriguez, Director, Finance Department
Kelley Brennan, City Attorney
Teresita Garcia, Finance Department
Yolanda Green, Finance Department
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 to these minutes by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

Mr. Rodriguez said Item #25 is listed as being cosponsored by Mayor Gonzales and Councilor Maestas, and they didn't get a change to okay that with the Mayor, noting his name was included *pro forma*.

Chair Dominguez asked Ms. Helberg to note that in the minutes.

MOTION: Councilor Ives moved, seconded by Councilor Lindell, to approve the agenda, as amended.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

6. REQUEST FOR APPROVAL OF GRANT AGREEMENT – SANTA FE MUNICIPAL AIRPORT ANNUAL MAINTENANCE; NEW MEXICO DEPARTMENT OF TRANSPORTATION AVIATION DIVISION AND APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$11,111.00. (CAMERON HUMPHRIES)
7. REQUEST FOR APPROVAL OF EMERGENCY PROCUREMENT AND PROFESSIONAL SERVICES AGREEMENT – SANDOVAL PARKING STRUCTURE ELEVATOR ELECTRICAL FEEDERS; DON GORMAN ELECTRIC, LLC. (DAVID PFEIFER)
8. REQUEST FOR APPROVAL OF AMENDMENT NO. 7 TO AMENDED A AND RESTATED RAILYARD LEASE AND MANAGEMENT AGREEMENT – SANTA FE RAILYARD COMMUNITY CORPORATION. (ROBERT SIQUEIROS)
9. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT AND AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – UNIFORM AND LINEN LAUNDERING FOR TRANSIT FIXED ROUTE OPERATIONS; PRUDENTIAL OVERALL SUPPLY. (ISAAC PINO)

10. REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT AND AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – UNIFORM AND LINEN LAUNDERING FOR TRANSIT FLEET MAINTENANCE; PRUDENTIAL OVERALL SUPPLY. (ISAAC PINO)
11. REQUEST FOR APPROVAL OF GRANT APPLICATION, AGREEMENT AND AWARD AND MEMORANDUM OF AGREEMENT – FY 2016 F.T.A. SECTION 5339 FINANCIAL ASSISTANCE FOR PURCHASE OF CAPITAL EQUIPMENT FOR TRANSIT DIVISION; NEW MEXICO DEPARTMENT OF TRANSPORTATION, TRANSIT AND RAIL DIVISION AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$155,667 AND \$38,916 LOCAL MATCH. (ISAAC PINO)
12. REQUEST FOR APPROVAL OF GRAND APPLICATION, AGREEMENT AND AWARD AND MEMORANDUM OF AGREEMENT – FY 2016 U.C.S. SECTION 5210 FINANCIAL ASSISTANCE FOR PURCHASE OF CAPITAL EQUIPMENT FOR TRANSIT DIVISION; NEW MEXICO DEPARTMENT OF TRANSPORTATION, TRANSIT AND RAIL DIVISION AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$154,267 AND \$38,567 LOCAL MATCH. (ISAAC PINO)
13. *[Removed for discussion by Councilor Villarreal]*
14. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO LEGAL SERVICES AGREEMENT – HIGH SUMMIT V. CITY OF SANTA FE LEGAL MATTERS; SHEEHAN & SHEEHAN, P.A. (MARCOS MARTINEZ)
15. *[Removed for discussion by Councilor Harris]*
16. *[Removed for discussion by Councilor Harris]*
17. REQUEST FOR APPROVAL OF PURCHASE AGREEMENT – ONE (1) TOILET RETROFIT CREDIT BUY BACK AND APPROVAL OF BUDGET INCREASE IN THE AMOUNT OF \$317,700; ALDEA, LLC. (ANDREW ERDMAN)
18. REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – PRINTING AND MAILING SERVICES FOR UTILITY BILLING DIVISION; INFOSEND, INC. (NICK SCHIAVO)
19. REQUEST FOR APPROVAL OF JOINT FUNDING AGREEMENT – CONTINUATION OF PERMIT-REQUIRED MONITORING PROGRAMS FOR SANTA FE RIVER AND BUCKMAN WELL FIELD; UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY. (BILL SCHNEIDER)
20. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – UPDATE THE LONG RANGE WATER SUPPLY PLAN AND INTEGRATE WITH CAPITAL IMPROVEMENTS PROGRAM; CAROLLO ENGINEERS, INC. (BILL SCHNEIDER)

21. *[Removed for discussion by Councilor Harris]*
22. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING RESOLUTION NO. 2008-40 REGARDING MEMBERSHIP OF THE SANTA FE WATER CONSERVATION COMMITTEE TO INCLUDE TERM LIMITS FOR COMMITTEE MEMBERS (COUNCILOR IVES). (CHRISTINE CHAVEZ) Committee Review: Pubic Utilities Committee (approved) 04/06/16; Water Conservation Committee (approved) 04/12/16; and City Council (scheduled) 04/27/16. Fiscal Impact – No.
23. *[Removed for discussion by Councilor Lindell]*
24. REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE SANTA FE FILM COMMISSION TO CHANGE THE NAME TO THE SANTA FE FILM AND DIGITAL MEDIA COMMISSION; AND PROVIDE FOR ALTERNATE MEMBERS OF THE COMMISSION (MAYOR GONZALES AND COUNCILOR IVES). (KATE NOBLE) Committee Review: City Business & Quality of Life Committee (approved) 04/13/16; and City Council (scheduled) 04/27/16. Fiscal Impact – No.
25. *[Removed for discussion by Councilor Harris]*

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

REGULAR FINANCE COMMITTEE – APRIL 4, 2016.

MOTION: Councilor Ives moved, seconded by Councilor Harris, to approve the minutes of the Regular Finance Committee meeting of April 4, 2016.

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

CONSENT CALENDAR DISCUSSION

13. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – MECHANICAL OPERATIONAL SERVICES AT THE GCCC ICE ARENA; YEAROUT SERVICES, LLC. (LIZA SUZANNE)

Councilor Villarreal asked staff to explain where the increase is needed, noting the FIR was confusing to her.

Tom Miller, Ice Arena Manager, said Ms. Suzanne couldn't attend this evening. He said there is a four-year contract with YearOut for \$200,000, and we're in the second year. He said it is for \$50,000 annually, but this year we have a major mechanical failure, and they are looking to purchase a chiller barrel in this fiscal year at approximately \$24,000, and install it in the next fiscal year. He said they need approximately \$24,000 above the \$50,000 noting there is funding of approximately \$72,000 in the line item.

Councilor Villarreal said so it is actually just moving funding sources, and Mr. Miller said yes.

Councilor Villarreal said then you are waiting to install the chiller barrel in the next fiscal year so you can capture funding in the next fiscal year.

Mr. Miller said yes, noting they should have sufficient funding next year for the installation, so this will be a one-time amendment for this part.

Councilor Villarreal asked if there are other such repairs anticipated for the next fiscal year.

Mr. Miller said they have 4 compressors at the GCCC, noting they are 16 years old, with a life expectancy of 20-30 years, so they are coming up on the life expectancy of the compressors. He said they are hoping this part will get them through the next 5-7 years. He noted there is an existing request for CIP funding to replace 2 of the compressors, noting 2 compressors cost \$6,000, and they will be looking for that funding the next two years.

MOTION: Councilor Villarreal moved, seconded by Councilor Ives, to approve this request.

DISCUSSION: Councilor Ives asked how old this part is, asking if it is perhaps 20 years old.

Mr. Miller said they are 16 years old, with a life expectancy of 30 years, if properly maintained, which they have done, but at the 20 year mark they will start considering how to get funding for replacement.

Councilor Ives asked if we know the reason it failed, since it had a 30-year anticipated life.

Mr. Miller said this part runs between two compressors and the temperatures get down to 12 degrees, so it is just wear, tear and corrosion over the years.

Councilor Ives said it would be helpful for all of the center to have a sense of the timeframe and life expectancy of the parts as we put together an extended CIP budget and looking at our facilities, and what we need to be anticipating as part of our budgeting process. He would like something like this for the GCCC for all equipment, which would be helpful and appreciated.

Mr. Miller said they are working on the 5 and 7 year plans as to what parts would need to be rotated out.

Councilor Harris asked Mr. Miller how he would rate YearOut Mechanical's performance.

Mr. Miller said this is their 2nd year, noting there was a big learning curve in year one, but since then they really understand the system, noting it is the first ice rink they're worked on. He said they have learned from us and we've learned from them, and they seem pretty stable now.

Councilor Harris asked if there was a timely response by YearOut.

Mr. Miller said the first year they had a couple of lag times, but they have done very well after that.

Councilor Harris said it is a good company, and he was curious about its performance.

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

15. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – FINANCIAL MODELING SERVICES FOR WATER DIVISION; HAWKSLEY CONSULTING A/K/A/ MWH AMERICAS, INC. (NICK SCHIAVO)

Councilor Harris asked if the rate study is part of the deliverables for this Amendment.

Mr. Schiavo said yes. He said Hawksley will come and make that kind of presentation on the financial status, projections, etc. He said he usually needs only \$130,000 annually for them to look at the 4 divisions. He said this year, we used a lot of their time looking at the bond debt.

Councilor Harris asked the schedule for the deliverables listed in the Amendment.

Mr. Schiavo said this would take them through June 30th. They are out of money and are in a holding pattern, with just enough money for Mr. Mumm to make two presentations at the beginning of May. He said they be making recommendations following that, including rate increases, if any.

Councilor Harris said a current certificate of insurance is not attached, and would like to make sure there is a current certificate on file.

Mr. Schiavo said that will be done.

MOTION: Councilor Ives moved, seconded by Councilor Villarreal, to approve this request.

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

16. REQUEST FOR APPROVAL OF CHANGE ORDER NO. 2 TO CONTRACT – INSTALLATION OF A NEW WATER METERING SYSTEM FOR WATER DIVISION; BADGER METER, INC. (NICK SCHIAVO)

Councilor Harris asked if this expenditure always was anticipated.

Mr. Schiavo said yes. They went out for RFP, and when they set the first contract they only did 1", 3/4" and 5/8" meters, most of which are residential. He said he is now requesting to move forward with the larger meters, noting the larger meters are in schools, institutions, State buildings, any of the large customers.

Responding to a question from Mr. Harris, Mr. Schiavo said the old meter readers purchased in 2008, the Firefly, is an optic eye only, so it only read the sweep of the dial, either 100 or 1,000 gallons. He said more than half of those had failed when he came on board 3 years ago, and the large meters are still good meters. He said the Fireflies have been removed that weren't reading, noting they have been reading the majority of these meters by hand.

Responding to Councilor Harris, Mr. Schiavo said when they went out for RFP, Dan Hagan who handles the State building maintenance and Lisa Randall of Santa Fe Public Schools sat on the selection committee when the Badger meter was selected. From the beginning, they were very interested in being able to see what is going on in their facilities. He said the real value is the digital information available in real time.

Chair Dominguez said, "I am glad you took sort of the baby steps first, to capture for the record, your comfort level in making this leap to the commercial customers. I'm not sure what the reaction is going to be. My guess is that they are going to realize they haven't been paying as much as they have been consuming, and will be getting a better reading. Correct."

Mr. Schiavo said, "I'm very comfortable with making this move. It's time for us to do the larger meters. I think those commercial companies that did have the Firefly, we removed many of them because they weren't reading properly. The large meters, particularly the 3 inch and up, we have calibrated once a year. So there shouldn't be too big of a shock for them in seeing a new meter that's reading more efficiently. I think there may be some customers who may be surprised by the new reads, but I think for the most part, we'll be in good shape."

Councilor Harris asked about the process of notifying the customers of issues, and what is the timeline.

Mr. Schiavo said if this is approved by the City Council at the next meeting, it will be 60 days before we will see the new meters, noting they don't keep them in stock. He hopes we can do all of the schools this summer, beginning in mid-July, and work through the State buildings and down through the list.

Chair Dominguez asked if City facilities will be first.

Mr. Schiavo almost all of the City facilities are done, noting almost all City buildings have a one-inch meter and less. He said we will miss the main season for the Parks, but those will all be done by late Fall 2016 to be ready for next year's season.

MOTION: Councilor Harris moved, seconded by Councilor Lindell, to approve this request.

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

21. REQUEST FOR APPROVAL OF FY 2016/2017 INTERNAL AUDIT PLAN. (LIZA KERR)

Councilor Harris he has questions about process. He asked, regarding the risk assessment percentages used, if these are standard, or is there a process by which others determined the percentages.

Ms. Kerr said she got those from benchmarking with other municipalities – Denver, El Paso and others, as well as talking with senior staff with the City as to where they think the risks are. She said the initial template was developed about 3 years ago. She got percentage from other municipalities and tweaked it a bit as to the risk in Santa Fe.

Councilor Harris said those seem to be appropriate, commenting that she and the Audit Committee have only about 3 years of experience.

Ms. Kerr pointed out she has three years experience here, but a lot of experience elsewhere. She said if he wants to open discussion about any percentage in particular she would be willing to do that.

Councilor Harris said that isn't necessary. He asked if the Audit Committee meets quarterly.

Ms. Kerr said it meets monthly, noting a subcommittee of the Audit Committee that meets more frequently than that as needed.

Councilor Harris asked if the results come back from the Audit Committee to the Finance Committee – the results of the Audit Committee's work.

Ms. Kerr said there is discussion, noting they reviewed the SWMA audit this past month, and they have a couple of items about which they want to alert the Finance Committee. The Audit Committee is in the process of preparing an email to go to the Committee regarding that particular item. She said the Audit Committee Ordinance has no guidelines on how often and how they report, but they are interested in reporting more to the Governing Body.

Councilor Harris said that seems appropriate, and it seems this Committee should hear from the Audit Committee, particularly if there are issues.

Ms. Kerr said she will convey that to the Chair, Clark de Schweinitz, whom she thought would be here this evening, but the weather may have prevented that.

Councilor Harris said on page 7, it says, *"....today's increasingly complex operational environments, audit functions must stretch beyond traditional risk assessment processes, generally focused on short-term risks, to identify and address emerging and long-term strategic risks."* He noted this is a blanket statement, and asked how is the statement viewed by her and by the Audit Committee.

Ms. Kerr said the idea of audit horizon strategy versus creating an audit universe is that if she were to list everything in the audit universe, she would be listing thousands of project and that is just too overwhelming. She felt that this approach more doable, and presented the results in a more realistic fashion so it's not so overwhelming.

Councilor Harris said her statement on audit horizon vs. universe makes a lot of sense. He said that approach will help her and the Audit Committee to identify and address emergency and long term strategic risk, rather than the short term.

Ms. Kerr said what is implied here is that gives us a little bit more flexibility.

Councilor Harris said perhaps we can talk about this the next time she is before the Finance Committee.

Ms. Kerr said she also can email him a response, and would be happy to do that, and Councilor Harris said that would be great.

Councilor Harris said on page 9, it says, *"There is a demonstrated need for additional need for additional staffing in internal Audit. Adding an additional staff person would make it possible to expand the audit plan to cover identified high risk areas."* He said this is the whole risk assessment process. He said, as you prioritize those, it allows that additional staff person to address more of the higher risk areas.

Ms. Kerr said that is true. She said the Department has been in place for 3½ years, and she hasn't felt she was ready for an additional person until now. She felt it was important for her to be able to lay down the infrastructure for that person, including developing policies and procedures, templates for this type of activity. She said they just received the internal audit software which should help make the department more efficient and effective. She felt she had to have everything in place when she came to this Committee to ask for a new person. She feels there is a demonstrated need, commenting she can point to any number of things that demonstrate that need. She said, "We really could use some help at this point."

Councilor Harris said he would agree. He asked if the Fraud, Abuse and Waste Hotline calls go directly to her.

Ms. Kerr said there is a team that works together on the hotline – Lynette Trujillo, Laurie Tapia, Kelley Brennan, the Police Chief and herself. She said it depends on the nature of the call, noting she can filter who the email goes to. She said, for example, if it is a violation of policy, it automatically goes to Human Resources, noting she and Ms. Brennan are copies on that. She said if something isn't being addressed, they ask the reason and what was done about it. The team has met periodically over the past

1½ years, since implementing the Hotline, to discuss various issues that have arisen, how they're being handled, the best way to handle them, and who on the team would be best to handle the particular issue. She thinks this approach has been effective.

Councilor Harris asked if the activity on the Hotline is reported to the City Manager or the Audit Committee.

Ms. Kerr said, "The activity is reported to the Finance Committee, City Council and City Manager. It's been 6 months since reporting, but to tell you the truth we haven't had a lot of activity on the Hotline, between then and now, but all of a sudden in the past month or so, we've had a little flurry of activity, none of which has risen to the level of the need for an investigation. But there have been several things that have come up all of a sudden, so it's probably a good time to report to the Finance Committee and/or the City Council. I have an annual report that is due 90 days after year-end, and that might be a good time also to a report, or I can do one sooner as well. There are some good reporting tools within the software."

Councilor Harris said he is impressed with the whole layout and it looks as if it should be very effective, and so he wishes her well.

Councilor Villarreal asked how Ms. Kerr's audits connect with the City's financial audit.

Ms. Kerr said the financial auditors focus on the finances of the City. The Finance Department prepares the Comprehensive Annual Finance Report [CAFR], but the financial auditors audit the Financial Statement to ensure they are materially correct, and there is no material misstatement. They are focused on the financial process supporting the numbers on the Financial Statement which is a Financial Audit. She said the kinds of audits she does are performance audits which gives her a lot of latitude as to how she goes into an entity, department, division and such. She doesn't follow the AICPA standards to do a performance audit, but instead she follows Government Auditing Standards. She looks at thing from a different angle. She might look at something the Financial Auditors looked at, but she will cover it in more depth. She said she might zero-in on a particularly troublesome area.

Councilor Villarreal asked if the financial auditors look at her audits.

Ms. Kerr said they do work together, noting she also is a Certified Information System Auditor. The first year she was here she audited the data centers and came up with several findings she felt the external auditors had missed regarding IT. Since she is a Certified Information System Auditor, they are able to use her work, and they list those findings until they have been cleared. She said there still are a few that are open. The Data Center is in the process of moving and different things like that.

Teresita Garcia, Finance Department, said the external auditor reviews the Fraud, Waste and Abuse Hotline, and if there is fraud, they also report that to the State Auditor. She said the external auditor has a requirement that if we suspect fraud we inform the State Auditor's Office. She said anything coming through the Hotline also is reviewed by the State Auditor.

Councilor Villarreal said she wants to be sure they somehow connect.

Ms. Kerr said they do connect, and if there is overlap she will share her work papers with the external auditor, which is reciprocated to her if she goes into an area on which they have started work, she can look at the internal controls so she doesn't duplicate their effort. This helps both the external auditor and her to be more efficient

Councilor Ives noted on pages 15 in the packet there are a series of charts, titled Risk Assessment 2016-2017, and she hopes she can help him understand the weighting, the columns and how they relate – what all of the numbers mean.

Ms. Kerr said there are many different ways to approach a risk assessment in the City or any entity being audited. One is to download all the financial information to see who has the most money allocated and that is where you focus your energy. Her approach is different because she wanted to put together something that was easier for management to do, so they each get a spreadsheet that works exactly alike. She said the entities forward them to her, she takes the totals, and fill it in on this spreadsheet. She reads the scores and what is written on the spreadsheets they send her, and then determine who to interview. She can do only 1-3 audits per year, depending on what else arises during the year. She said this gives her a starting point to open the conversation, and from those conversations she develops her audit plan.

Councilor Ives said he understands the process more than the information in the packet. He said on page 15, in the left hand corner under the category description, City Attorney Office, it has a 54 in the first box, and asked, "What does that tell you."

Ms. Kerr said she thinks it would be helpful to him if she sent him the spreadsheet that backs this up. She said there are 5 questions in each category, and each of the questions is weighted and it comes up with the final score, noting the maximum final score in each section is 75. She said it would be necessary to look at how they're answering those questions.

Councilor Ives said, given 54 is close to a 75, and halfway, is that a good thing or a bad thing.

Ms. Kerr said if they start talking about risk and we're talking about the City Attorney's office, we're talking about the governance risk and what is the governance risk in the City Attorney's office. She said, "Well everything. They have to comply with all of the stated laws, rules and regulations and make everybody comply with that type of thing. So the risk in that area, you would think would be high. Right. And so that's where that's coming in."

Councilor Ives said this is useful information, and he is happy to look at the backup materials, commenting he doesn't want her to redo the entire thing just for him.

Ms. Kerr said she will add more explanations to the report, commenting she wants the information to be helpful. She can send the backup for any particular department he wants to look at.

Councilor Ives said he would want the general ones that define how the process works might be all he needs.

Ms. Kerr said she will send him the template.

Chair Dominguez asked Ms. Kerr to send the information to the entire Committee. He said we don't usually get into too much detail in auditing practices and such when it gets to the Council. However, there is obviously an interest in understanding things a little better.

Ms. Kerr said she is happy to provide any needed information.

MOTION: Councilor Ives moved, seconded by Councilor Harris, to approve this request.

DISCUSSION: Chair Dominguez said this a good example of the reason we should not be making cuts across the board, because, in talking about the integrity of the City, it's these kinds of things that take a hit – important things.

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

23. **REQUEST FOR APPROVAL OF A RESOLUTION INSTITUTING A CITY-WIDE ALL-ELECTRONIC PAYMENT POLICY FOR EMPLOYEES AND VENDORS TO THE EXTENT PERMITTED BY STATE LAW (COUNCILORS IVES, LINDELL, RIVERA, MAESTAS AND TRUJILLO). (OSCAR RODRIGUEZ AND LYNETTE TRUJILLO). Committee Review: Pubic Works Committee (approved) 04/11/16; and City Council (scheduled) 04/27/16. Fiscal Impact – \$45,000 – This measure will allow the City to operate more efficiently and justify the elimination of at least half a position (FTE) in the Payroll staff.**

Councilor Lindell asked the reason this item required a Resolution, and the reason we couldn't just have done this as a matter of efficiency.

Mr. Rodriguez said primarily it is standing policy practice, and he would hate to have done that and for them to read about it in the newspaper. He said, "I guess, maybe as a matter of caution, an abundance of caution here, so you are completely informed."

Councilor Lindell said she appreciates that. However, her point is when we identify something that can make us much more efficient, it seems to be more a managerial decision that one that needs to come to the Governing Body for approval. She said this is an editorial comment "inasmuch as I am a cosponsor."

Councilor Lindell asked how many check monitors do we have.

Lynette Trujillo, Director, Human Resources, said she doesn't oversee payroll, but each department has a payroll monitor who does the timesheets, and some actually enter the time for the employees with access to computers. They actual go to payroll up to two days before payday and sort the checks to get them to their staff.

Mr. Rodriguez said there are 8 check monitors. He said these are people who travel from their department who come to City Hall to pick up checks.

Councilor Lindell asked if the future looks as if we could have a system where we could be more highly computerized and people aren't doing these things by hand, walking them across the City.

Mr. Rodriguez said yes, commenting that this change won't take a new system. It will take a change in how we do business. He described the current practice where some people get a check and an electronic payment. He said the presumption is we will go electronic, but State law requires us to issue a paper check if that's what the employee wants. The check will be mailed on Thursday when ready and no check monitor will pick up the check.

Councilor Lindell said then the standard will be that you will get a paper check only if you want a paper check, and not part paper and part electronic, and the paper check will be mailed to them on Friday morning.

Mr. Rodriguez said this is correct. He said there will be no option for vendors to be paid other than electronically.

Councilor Lindell said then there probably will be only one electronic payment. She said we probably don't need a Resolution to do this.

Mr. Rodriguez said, "It probably would be better for all concerned here, if it is established that it has a lot of support, otherwise you likely will be getting phone calls from people saying this isn't fair.

Councilor Lindell said, "That's all right. We get lots of phone calls anyway."

Councilor Lindell said this seems like a really good idea. She asked the reason there is only savings for ½ position if there are 8 check monitors.

Mr. Rodriguez said it is an estimate, but they were proposing to cut that position in the budget anyway. He said they also will be proposing additional changes in the Finance Department to make other cuts, but a big part of it is this. He said when there are changes it takes a lot of additional manipulations and additional coordination to make sure they are delivered, checked-off, and work with the vendors. This change will reduce the work load. He noted the position has been vacant for months.

MOTION: Councilor Lindell moved, seconded by Councilor Ives, to approve this request.

DISCUSSION: Chair Dominguez said, "Good job on this. We'll see what the future holds.

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

25. **REQUEST FOR APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY TO REFUND, REFINANCE AND DEFEASE CERTAIN OUTSTANDING SENIOR LIEN AND SUBORDINATE LIEN GROSS RECEIPTS TAX REVENUE BONDS AND LOANS OF THE CITY OF SANTA FE, NEW MEXICO (*MAYOR GONZALES AND COUNCILOR MAESTAS). (OSCAR RODRIGUEZ)**
Committee Review: City Council (scheduled) 04/27/16. Fiscal Impact – Yes. (Note: At the time of today's Finance Committee meeting confirmation of sponsorship had not been obtained from Mayor Gonzales for this Resolution.)

Councilor Harris asked if the bond parameters provide the details on the bonds, values of bonds, rates on the bonds and such. He said some of his questions were answered when he looked at the schedule which talks about bond parameters.

Mr. Rodriguez said yes, but to get all of the details, you have to look at all the different bonds. He said it isn't one big amount for a certain time at a certain interest rate, it is whole different sets with different interest rates, different timing.

Councilor Harris said that is the level of information we received previously when we looked at the Water bonds.

Mr. Rodriguez said the big difference here in the Water Bonds, is that we are going to refund the Water Bonds with other bonds, and in a case, these bonds will be refunded with a loan from MFOA, hopefully to close in July 2016. Ultimately, all of these combined will result in about \$300,000 in savings. He said the only one that affects the General Fund is the 2005 Series, which will bring \$130,000 in lower debt service costs.

Councilor Harris asked for background on the wastewater offset – page 7

Mr. Rodriguez said everything here is still being negotiated with the NMFA, and it's a done deal if the MFOA Board approves it. If not, we have to find a different means. He asked the Financial Advisor to the extent possible to put these together and to structure them in a way that would affect the bonds that would affect the General Fund the most. At that point it is a matter of saying which bonds have longer terms, higher interest rates, lower interest rates. He said the Financial Advisor structured them in a way that the ones that are the most marketable and would bring the greater savings early on will be in the General Fund. He said although there will be savings, the wastewater are offset from the structure that brings bigger savings right away.

Councilor Harris said he didn't understand that we were refinancing with new bonds, and refinancing with a loan, and Mr. Rodriguez said that is correct.

Councilor Harris said that isn't clear in the Resolution.

Mr. Rodriguez said the Resolution is asking for us to apply for a loan with NMFA.

Councilor Harris asked Mr. Rodriguez if he thinks that is stated clearly in the Resolution.

Mr. Rodriguez said we can do better. He said it is a note between the NMFA and the City. The NMFA binds that note along with others and they go to the market and issue bonds with that. He said the obligation is a contract or a loan with the NMFA. He will amend the caption to make that more clear. He debated whether to have the Financial Advisor to make a presentation to the Committee, and he opted to ask him to come to Council at its next meeting, so you will be getting that detail from him. He said at that time, the details will be more concrete.

Chair Dominguez said there are details in the FIR that aren't reflected in the Legislation, and asked if we can break out those details further. He said there is a statement in the FIR that "... *annual savings of approximately \$145,000 through 2021....*" He asked if that is cumulative of all of the debt – MRC, Wastewater, etc., and if so, can we break it out so we know the MRC amount, Wastewater amount, and such.

Mr. Rodriguez said yes, and he will amend the FIR to make that more clear, and include those figures.

Chair Dominguez asked if there is a reason it's not in the Resolution, and if it needs to be included.

Mr. Rodriguez said we would be putting in a lot that might distract from the bill. He said the entire note can be included if the Committee would like.

Chair Dominguez said it seems like something that would be beneficial. He asked if the City has to go through a pre-qualification process with NMFA to determine if we might be wasting everybody's time.

Mr. Rodriguez said this has already been done, and that happens with the exchange of the financial information, noting he is doing that along with the Financial Advisor.

Chair Dominguez said he wants to do whatever we can do to clarify the caption as Councilor Harris pointed out, and perhaps include the total amount in the bill itself – the savings and what is being refinanced. He knows we're early in the process and still analysis to be made. However, in the end, the public needs to know we're doing this because of the potential savings of a specific amount.

MOTION: Councilor Harris moved, seconded by Councilor Ives, to approve this request.

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

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

31. **REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 14-6.2 OF THE LAND USE DEVELOPMENT CODE TO REMOVE CERTAIN LIMITATIONS ON SHORT-TERM RENTAL DWELLING UNITS; AMENDING THE FEE SCHEDULE FOR A SHORT-TERM RENTAL PERMIT; AND REQUIRING THAT PERMIT HOLDERS PAY ALL APPLICABLE TAXES OR BE SUBJECT TO CERTAIN PENALTIES (COUNCILOR MAESTAS AND MAYOR GONZALES, COUNCILOR IVES). (RANDY RANDALL AND LISA MARTINEZ)**

- A. REQUEST FOR APPROVAL OF A RESOLUTION ESTABLISHING THE NUMBER OF SHORT-TERM RENTAL PERMITS THE CITY OF SANTA FE LAND USE DEPARTMENT MAY ISSUE (COUNCILOR MAESTAS AND MAYOR GONZALES, COUNCILOR IVES). (RANDY RANDALL AND LISA MARTINEZ)**

Committee Review: City Business & Quality of Life Committee (approved) 03/09/16; Occupational Tax Advisory Board (approved) 03/22/16; Public Works Committee (approved) 03/28/16; City Council (request to publish) (approved) 03/30/16; Planning Commission (approved) 04/07/16; and City Council (scheduled) 04/27/16. Fiscal Impact – Yes. Expenditures = \$377,500; revenues = \$1,500,000.

A copy of Section 18-1.7 SFCC Notice of Violation; Penalty, entered for the record by staff is incorporated herewith to these minutes as Exhibit "1."

Lisa Martinez, Director, Land Use Department, presented information in this matter from the materials in the packet. She noted the Realtors are concerned about whether or not a permit is transferrable from one property to another and the Ordinance provision dealing with properties adjacent to one another and that there can be no more than 2, and how it will be enforced and considered in terms of compounds/complexes and the City's unique street structure.

The Committee commented and asked questions as follows:

- ◆ Councilor Ives talked about the status of existing Ordinance regarding the transfer of the permit with the transfer of the property. He understands that doesn't exist in the Code, and it has been an interpretation permitted by the City.

Ms. Martinez said yes, in the past, former Land Use directors made the decision that the permits were transferrable, but that's not how the ordinance currently is written.

- ◆ Councilor Ives said then he has a hard time recognizing an entitlement there. He asked if anything changes in that regard in the proposed Ordinance.

Ms. Martinez said nothing changes. She said the Realtors Association brought this up, because they have written their real estate contracts to specify that if there is an existing short term rental permit, it is transferrable to the next property.

Ms. Martinez continued, saying the Realtors Association is concerned about the existing contracts, and having to change all future contractors to exclude that provision in the future.

- ◆ Councilor Ives asked how many contracts exist into the future.

Ms. Martinez said she doesn't know, but she wouldn't think there would be a whole lot, considering there are 350 permits right now. She said there is language in the new Ordinance that says specifically that they are not transferrable, so there should be no question about what can and cannot be done with them.

- ◆ Councilor Ives said he doesn't mind giving assurance to people who in the past, reasonably relied on an interpretation for a reasonable period of time, although it doesn't sound as if it is something we are terribly concerned about. He appreciates that won't become the basis of appraisal of property in Santa Fe, commenting it was never intended to be so. He is glad we're maintaining that course.

- ◆ Councilor Villarreal asked, procedurally, if it is easier to close out a permit and have them reapply. Is that more efficient than having what the Realtors are saying, that the transfer occurs when the house is purchased. She is trying to figure out what is easier to do, so it is clear to our staff, and the person buying the home, and to ensure it is clear to future rentals as well.

Ms. Martinez said we are committed to an educational campaign on the Ordinance, and we informed the Realtors and others that we would be providing very specific information in terms of what is and what is not applicable, and how enforcement will work. They are building a new web page to be associated with the City website that will have all of this information as well. She thinks it's going to be about education and just getting our message out there.

Ms. Martinez continued, saying because of timing, there will be a lot of permits which were renewed about a month ago, so there will be some continuing through the end of the year. She said as those come up for renewal next year, if the property has been sold, the new owner will need to apply for a new permit.

- ◆ Councilor Villarreal asked if there is something new staff will have to do in terms of new permits. She said, "I'm just curious, efficiency-wise, how it will help you all and what is easier for you."

Ms. Martinez said there will be a lot of staff work involved in the tracking and monitoring, noting they are looking at an electronic system that will help staff to pull the rentals that are being advertised on websites. This will help them do the comparison between what we have on file and what is actually out there. She said a test indicated that the numbers are close to our rough estimates.

- ◆ Councilor Villarreal asked how we will make sure staff is enforcing adjacent properties. She said, regarding language on page 6, line 11, regarding short term permits for units that are adjacent or across the street, she is curious how we decide who gets priority. She said this whole thing seems to open a Pandora's Box about who comes first. She said she doesn't think it prevents serial short term rentals. She asked Ms. Martinez's opinion on what we could do instead of looking at adjacent properties that may be looking at the bigger picture.

Ms. Martinez said it definitely will be a challenge, because any of the existing rentals adjacent to one another will be grandfathered in. She said the City will have to make a policy decision regarding any of those currently on a waiting list that are adjacent to existing short term rentals – will we issue a permit to them or not. Or if one is in line ahead of another, how are we going to manage that. She said the Realtors Association seems to think it's a logistical nightmare in terms of enforcement. She thinks there will be a lot of trial and error in that regard as we sort through it, reiterating we will have to develop internal policy and see where we end up. She said, "It's just going to take some work, and I don't have any good answers for you with regard to that right now."

- ◆ Councilor Villarreal asked if thought was given as to how we distinguish owner-occupied versus people renting, or owners with short term rentals that don't live here.

Ms. Martinez asked if she means "only issue to owner-occupied as opposed to...."

- ◆ Councilor Villarreal said, "Or a prioritization for owner occupied for people that live here that can actually maintain their property, follow the rules, make sure they are following the regulations, versus somebody that is out of State or a company that is out of State."

Ms. Martinez said that question arose in one of the public meetings, and there have been bits of discussion about it, but nothing in depth to decide if one should be prioritized over the other.

- ◆ Councilor Villarreal wants to look at that somehow. She said, "I think it does make a difference about just being the responsibility side of things, especially with Airbnb if somebody is there on the property and they're renting a room. I think that's different than somebody in another place that could care less about the implications of their rental. I don't know where that falls into the whole grand scheme of things, but I think it's important to look at. Maybe that also prioritizes where we decide they are located in terms of adjacency or other.... I don't know. This has come up. I think even the Chamber of Commerce had talked about this as well, but I don't have a solution at the moment, I just keep thinking about how this may help us either in prioritizing or also just making sure that maybe it's an *[inaudible]* way to regulate.
- ◆ Chair Dominguez asked Councilor Villarreal if she is asking for information and clarification on the potential to tax second homes, or if she is trying to figure out if there is a distinction between the two.

- ◆ Councilor Villarreal said she thinks there is a correlation, but she's not necessarily making that case, although that is a good point. She said, "I think it's really just looking at the responsibility of short term rentals in the community. I think if people are around and if they have a company that is here, they're more likely to make sure they're following the rules and being responsible neighbors. I guess I was wanting more clarity.....The Ordinance on lines 4 and 5 says, '*...This excludes the use of short-term rental permits for outdoor events, weddings and the like.*' I think we need to be more specific about 'the like.' I don't know if that means other group events or activities, or something that really specifies what we're referring to, because I think 'the like,' doesn't really tell us much. Maybe there were language suggestions from the Planning Commission."

Ms. Martinez said the Planning Commission did ask us to be more specific, and the language we're proposing would say, '*Use of short term rental permits for non-residential outdoor events is prohibited.*'

- ◆ Councilor Villarreal asked if 'activities' is the same thing as 'events.' She said, "Something like that. Make sure 'the like' is clarified. And there was a typo on page 13, line 6. It's 'informing' not 'informting.'"
- ◆ Chair Dominguez, referring to the FIR, said in talking about the fringe benefits listed at \$82,000, if they are anticipating that amount for both 2016/2017 and 2017/2018. He said it says, "*For fringe benefits contact the Finance Department.*" He asked if the Finance Department was contacted.

Mr. Randall said they use 50% for benefits, although it might be 40 or 45%. He said the benefit allocation on payroll in his Department, runs close to 50%, so this is an estimate for fringe benefits.

Mr. Rodriguez said it asked people to contact the Finance Department, because there is one person in the City who does all calculations and that's to whom they're referring.

- ◆ Chair Dominguez said then you are comfortable with that figure, and Mr. Rodriguez said yes.
- ◆ Chair Dominguez said he wants to make sure it all adds up and there are no extra expectations anyone might have. He said then for professional services, it's \$9,700 for 16/17 and it looks to be zeroed out for 17/18. He asked what those funds are for.
- ◆ Ms. Martinez said she believes the professional services amount is for an IT contract added to the existing services that *[inaudible]* performs for the City to be able to develop the specific web page for this program, and developing the on-line permit application and the associated documents.
- ◆ Chair Dominguez said then we don't need to hire them for next year.

Ms. Martinez said throughout the City, departments have been asked to identify individuals with IT experience to keep our general web pages updated, and she assumes this is the same – Once we receive the training, we will maintain those updates in-house, unless significant changes are needed as to how the on-line application is accessed.

- ◆ Chair Dominguez said then there could be some costs next year for professional services.

Ms. Martinez said, "We're hoping there won't be."

Randy Randall, Executive Director, Tourism Santa Fe Department, said he would add that since the FIR was completed, they have determined the availability of the potential software they would use and it would be contracted. He said, "Whether that would be considered a professional service or not, I'm not sure. It's in the range of \$10,000 to \$15,000. However there would be adequate funds in the other operating expenses to cover those needs."

- ◆ Chair Dominguez said he is concerned about the expectations the public has that we can't deliver, and this is the reasons he is asking these questions. He asked, "For clarification, is the \$164,000 for 2 or 3 additional staff."

Ms. Martinez said it is for two additional staff, on top of the one individual they have currently.

- ◆ Chair Dominguez said then that individual will be paid out of this revenue source. It is a General Fund operation, but the expectation is that whatever revenue is generated will pay for all 3 people or just 2.

Ms. Martinez said this is for the 2 additional FTEs.

- ◆ Chair Dominguez said then the \$164,000 is for 2 additional FTEs, plus fringes.

Ms. Martinez said, "If I could make a correction. Yes, the \$164,000 is for all 3."

- ◆ Chair Dominguez said okay, just so we're clear.

- ◆ Chair Dominguez said, "Then \$1.5 million is the anticipated revenue, which means these folks will be paying fees, GRTs and Lodgers' Tax."

Ms. Martinez said that is correct.

- ◆ Chair Dominguez said, "I want to make sure we get that for the record."

- ◆ Chair Dominguez said one of the reasons this issue was so important in the previous administration, was because of the impact it was having on neighborhoods. There was no, or a weak, policy in place. It was unenforceable, and there were no metrics to measure against, or perhaps very little metrics. He said it was a difficult process for the public and for the City to enforce.
- ◆ Chair Dominguez asked, outside of this Ordinance amendment, how many short term rentals do we have now.

Ms. Martinez said we have 350, plus a few extras for structures on the same lot, what they call contiguous, adjacent to the other residences, and she thinks there are about 415.
- ◆ Chair said we'll just say 400 for this discussion. He said so we are going to be bumping this up to 1,000 short term rentals.

Ms. Martinez said yes.
- ◆ Chair Dominguez said Ms. Martinez said that enforcement is going to be a challenge.

Ms. Martinez said enforcement of the short term rentals that are adjacent to one another will be a challenge to enforce.
- ◆ Chair Dominguez said then you're not talking "generally speaking."

Ms. Martinez said, "I would say this. One of the questions that has come up, in terms of whether or not we have adequately determined if we have the appropriate number of staff to manage the new number of permits. The issue that has come up is right now we have one person to manage 350-400 permits. So if we triple that number, and ending up with the same number of staff per truck of permits, we aren't really increasing enforcement. We're just keeping the same levels. So the question has arisen as to whether that will work, will that be sufficient, or do we need a fourth person to do this.
- ◆ Chair Dominguez said that's where he he is going ultimately. He said if we're having trouble enforcing.... some may think the claims by residents where there are a large number of short term rentals is unfair, but he tends to believe what they are saying is true. There is an impact, although to what degree he is unsure. He thinks there is some truth to what people are saying about the impact short term rentals have to their neighborhoods. He said, with that, if we're having trouble enforcing it now, are we going to really truly be able to enforce it with the number of people being anticipated being on staff.

Ms. Martinez said there is a component where an inspection is performed, a business license is issued, and as a part of the business inspection there are fire inspections. She knows the Fire Department is minimally staffed, so it will be a challenge on their side to keep up with the inspection work, especially at the beginning as we issue the new permits. She said, knowing

where the City is financially, and trying to be as conservative as possible, we try to look at it from the perspective to work as a team. If additional Code Enforcement is needed, perhaps we can bring in additional staff from Randy's department to help part time. She said if the Ordinance is adopted, we will return to the Council in 18 months with an analysis of the status. If they find enforcement is an issue, or if this is becoming bigger than anticipated, they likely would ask for additional FTEs to manage the program even better.

- ◆ Chair Dominguez said one of the challenges in the City generally is Code Enforcement, not just for short term rentals. He said if we feel we need to experiment with one additional Code Enforcement Officer to get short term rentals squared away, he has no problem moving it to general Code Enforcement later if we feel this program is established. He wants to make sure we don't create more bureaucracy and we have the personnel necessary to make this a successful program, and we're not just creating positions to create them.
- ◆ Councilor Ives said the way some of the restructuring has been done is intended to incentivize participation in the Ordinance. He said there are incentives to participate by virtue of expanding the opportunity to participate and reducing the initial fee so there is a lower threshold for entry. On the back side, there are increases in penalties so those who haven't been compliant will have two incentives to greater participation – a reduced fee for entry and stiffer penalties for violations. There are provisions providing penalties for those assisting people to engage in activities that are not reported. This should leverage the capacity of this staff to be very effective in enforcement.
- ◆ Chair Dominguez said it is a very well written bill, but he wants to make sure that the public expectations are articulated somehow for those dealing with short term rentals on a regular basis.
- ◆ Councilor Lindell said we have worked long and hard on the Ordinance, and she has sat with numerous people and gone through this. In 2008, when she was on the Planning Commission, the City adopted the first short term rental ordinance. She said she thought we had been successful because no one was happy with it, and hopefully, we're headed down that same path. She said it needs to be acknowledged that we have a tremendous shortage of rentals and she doesn't think we acknowledge that increasing short term rentals harms the long-term rental market, and in some neighborhoods there is no long-term rental market,
- ◆ Councilor Lindell continued, saying times have changed, and we have to acknowledge that short term rentals are here to stay. We have to try to harness as much income due to us as possible. She said the motivation for the Ordinance acknowledges that times have changed. She said, "I also want to acknowledge that short term rentals hurt our long term rental market. Folks with short term rentals that don't live in Santa Fe, that have those as a second home, they're really not members of the community that participate in the same way as others do, which is troubling to her. She said part of this is a loss that we can't quantify.
- ◆ Councilor Lindell continued, saying she just found some research on short term rentals around the country, noting San Francisco's Office of Short Term Rentals operates on a budget of \$880,000 for the entire City of San Francisco.

- ◆ Councilor Lindell continued, referring to page 6, saying she would offer that on line 21 dealing with off-street parking, that 5 or more bedrooms would require 3 parking spaces.
 - ◆ Councilor Lindell, referring to page 8, line 2 dealing with insurance, asked if people need only basic insurance, or if they need an enhanced policy since they are operating a commercial enterprise.
- Ms. Martinez said she thinks we might need to do research on what kind of policy that is required, although she thinks it might be just general liability, but they will double check that to make sure.
- ◆ Councilor Lindell, referring to page 12, line 13, talking about permit renewal, said, "I want to say this on the record, I'm sure that the plan is that the person to renew would be filling out, maybe not the same initial questionnaire or application, but we aren't just sending them an invoice to renew. There is paperwork involved with renewal. Correct."
 - ◆ Ms. Martinez said, "There will be an application for the renewal, and we want to be able to do everything electronically, have it available on line, so it should be very user friendly."
 - ◆ Councilor Lindell said she wants to make sure they just get an invoice and get an automatic renewal that way.
 - ◆ Councilor Lindell said on 13, line 21, it provides pursuant to Subsection 18-1.7 through 18-1.9. She provided a copies of that Subsection for the Committee [Exhibit "1"]. She said she is not sure that referring us to this Subsection is appropriate, and she believes legal needs to weigh-in on this and do more work on it before it comes to the Council. She said she contacted Councilor Maestas who is carrying this forward, to let him know about this. She said she thinks that any agent that knowingly assists an owner in advertising or renting a dwelling should have a business license subject to revocation, and the penalty for that should be pretty punitive.
 - ◆ Chair Dominguez said he almost thinks there should be penalties associated with the agent or broker.
 - ◆ Councilor Lindell said if your turn your property over to a rental agency and they carry out the short term rental activities and they are well aware they are representing an unlicensed property, this is a big problem – after all we've gone through.
 - ◆ Chair Dominguez said there is a Code of Ethics to be complied with and that be reported to the Board of Realtors at the State level. He agrees that there needs to be some pretty severe penalties.
 - ◆ Councilor Lindell said she thinks it would be a severe violation of all the work that has gone into working out this very tough situation.

- ◆ Councilor Lindell thinks we need to review this part of the Ordinance. She said she is not convinced that Subsection 18 of the Code is the right place for us to look to this.
- ◆ Councilor Lindell thanked Mr. Randall, Ms. Martinez and Mr. Berke for their work on this Ordinance. She believes this is an improvement. She would like to know at what point in time we would know what our agreement is with, for example Airbnb. She asked how Airbnb is cooperating with us on this.

Mr. Randall said they are cooperating quite well. He said we have a draft voluntary collection agreement in their legal department that has been reviewed by City Legal, and it appears it is close to execution. He said he and Oscar will meet this week with Tax & Revenue to determine how to facilitate the collection of the GRTs that Airbnb is willing to collect on behalf of their host, but they would have to remit it to the City and not the State, because it has no agreement with the State. The funds would have to flow the same way with the Lodgers' Tax.

- ◆ Councilor Lindell asked if part of the agreement that they agree to not advertise Santa Fe properties on its website without licenses.

Mr. Randall said they do not, because again it is a voluntary collection agreement on behalf of their host. He said they are accepting no enforcement for the City. He said first of all we will be getting the taxes, and with this software program we can see if have a permit. If not, we will contact the owner and deal with it internally.

Mr. Randall continued, saying with this software program, the scraping of the internet can be done daily, and we can get changes daily. He said that will make the enforcement process more effective, because the "hunting part" will be gone largely.

- ◆ Councilor Lindell asked if this is the software on which she and Mr. Randall have communicated back and forth.

Mr. Randall said that is correct.

- ◆ Councilor Lindell said as a point of how big this business is, and what a "cat and mouse" game this has become, there is another software to hide rentals during the day when municipalities might be running scraping software. She said it is a mammoth cat and mouse game, and we will do well to inch ourselves over the finish line in front of whoever is chomping at us from the back side. However, she has confidence that we are going to do better than what we have been doing in the past.
- ◆ Councilor Harris said he agrees with Chair Dominguez that Code Enforcement is a problem in general. He sees a host of problems associated with the Ordinance. He isn't opposed to it, but thinks it will be difficult to enforce. He asked what kind of mechanism could/would be included to allow a homeowners association, for example in District 4, Nava Adé, which is a large community, to notify the City it isn't allowed. He said it is very clear its covenants don't allow short term

rentals. He asked how they can inform the City that it is not allowed so short term rentals don't get started and then there is an issue in the neighborhood. He asked if this was discussed.

Ms. Martinez said yes, and one of the questions that will be included on the application form is for the applicant to attest to whether or not there is a homeowners association applying for the short term rental permit, and whether or not that association allows short term rentals. This means they will have to do homework as to whether the association allows it.

- ◆ Councilor Ives, referring to page 8, line 11, (ii), said this is the provision Ms. Martinez is addressing. He thinks we need a slight change on page 9, (vi) so that the notification that is required to be sent out not only goes to any owner within 200 feet, but also to the homeowners association, if any in the area. This would allow the association to support its covenants which its obligation.
- ◆ Councilor Ives also proposed a slight change to the language on page 14, Subsection (g), because he doesn't think it is written as it should be legally. He would prefer language that says, *'Nothing contained herein shall negate or otherwise prevent private property owners from entering into private restrictive covenants dealing with these matters.'* He said the City really has no business in those private covenants.
- ◆ Councilor Harris said he was trying to shortstop a situation starting to develop. He said in the FIR, under Community Impact, it says, *'Briefly describe the major positive or negative effects.'* He said it doesn't describe anything in terms of community impact, and there needs to be a reasoned, thoughtful statement of the positives and negatives of the community impact, because there has been and will be. He said he would eliminate the word 'briefly,' and it should be given thoughtful consideration.
- ◆ Councilor Harris continued, saying regarding the FIR, he would like more explanation on the numbers in terms of revenue, noting these are rounded numbers, and how those numbers were determined.

Mr. Randall said, "I believe we used 1,100 or 1,200 short term rentals, and taking away the 350 that are currently permitted, so we took the difference. We made some assumptions on the percentage of occupancy. We made some assumptions on average rates, using the existing Lodgers' Tax collections on the 400 permitted units we have. We calculated a Lodgers' Tax value for the current rentals that are paying taxes. We know the number paying taxes, and applied that to the total, and the 650 is a rounded number of the difference."

Mr. Randall continued, "So there was some decent logic in it. The big guess is really the total of non-permitted short term rental owners who would be obligated to pay Lodgers' Tax, which isn't under discussion today. The fact that Airbnb is willing to collect Lodgers' Tax on all hosts, without regard to the exemption offered in the Lodger's Tax Ordinance, makes that calculation more reasonable."

- ◆ Councilor Harris said he is puzzled by Mr. Randall's statement. He said the Ordinance allows 1,000 rentals, but the revenue assumptions are based on 10-20% greater numbers.

Mr. Randall said the short term rental units that are located in commercial zoning and the resort units don't require permits, so those two sit on top of the 1,000 short term rentals.

- ◆ Councilor Harris asked if these are permitted.

Mr. Randall said, "They may be currently paying, yet we don't know, because we've never required them to register. Under this Ordinance, even units in commercial zoning, will be required to register with the City."

- ◆ Councilor Harris said, "Does that ring true, the people who have worked on this, does that ring true."

- ◆ Councilor Ives said, "Yes. And the way the statutes work together, currently there are exemptions from various portions, but there wouldn't be exemptions from collections of gross receipts tax, or Lodgers' Taxes, but seeking short term rental permits, there are various exemptions in the current Ordinances and applicable Code for these types of multi-family units. So it is a bit of a patchwork. And again, the effort to try and up the ability to capture gross receipts and Lodgers' Tax appropriately for rental of those units, even though fees might not be applicable because of those exemptions, is part of what is sought to be accomplished by these changes."

Mr. Randall said the fees would be applicable, and it would be whether they had to pay Lodgers' Tax. He said all of them are required to pay gross receipts taxes, without regard to the exemptions offered in the Lodgers' Tax Ordinance. He said this was a very educated guess/calculation on the revenue, and said in his opinion it is conservative.

- ◆ Councilor Ives said he would include the HOA's in the parties to be notified. He said there is a more artful way to phrase the language on page 14, Subsection (g) that captures the spirit of the law rather than the current language as if permission was being granted which is not the case. That is a matter of private contractual relationships between homeowners, and the City does not enforce private covenants.

- ◆ Councilor Ives said he understands, regarding the voluntary agreement with Airbnb, that Airbnb doesn't want to be an enforcement mechanism in any way, shape or form. However, being able to share information, if they would, would be a softer position, but no softer from their perspective. He asked if this has been considered in the discussions.

Mr. Randall said yes, and the information Airbnb is willing to provide is very restricted. He said at the public meeting it was suggested that we not allow Airbnb to be in the City, which is impossible to do. He said we could just not have the voluntary collection agreement, and we would lose a great deal of revenue. He said we do have to work within the terms established for the 18 other municipalities where they have these, and there are limitations, "but we did pursue that. Yes sir."

- ◆ Councilor Ives understands cases filed around the country vis a vis Airbnb and other similar providers, have focused on the fact that the fees those institutions collect might be considered to be part of the rental payments. He said, "I presume that in our agreement with Airbnb we're not approaching that as a point in consideration of their voluntary collection and regurgitation of Lodgers' Tax and potentially gross receipts tax. Would that be correct."

Mr. Randall said he thinks he understands the question, and if he does, yes, it is correct.

- ◆ Councilor Ives said there might be an easy way to facilitate collection of GRTs with the State, which would be to create a joint account with the State, because the State collects all GRTs. If it was a joint account, it could be paid to the City as a joint owner, and the State could take that into its calculations before "paying back to the City, to Caesar that which is due to Caesar."

Mr. Randall said he will make that suggestion on Thursday, and invited Councilor Ives to attend that meeting.

- ◆ Chair Ives said he will do so if his schedule allows.
- ◆ Councilor Villarreal asked if Airbnb is collecting Lodgers' Tax for the 18 other municipalities.

Mr. Randall said Airbnb is collecting Lodgers' Tax on behalf of its hosts and remitting it to the municipality.

- ◆ Councilor Villarreal said then they are collecting both GRTs and Lodgers' Tax.

Mr. Randall said, "They are in other states, and they have no agreement in New Mexico, and most states don't have GRTs." He said he doesn't know what taxes they collect. He said, "It's just that any collections they make must be remitted to the entity they have their agreement with. And they will not split a distribution of taxes to a state government they don't have an agreement with. There is a possibility in the future, and we're encouraging the State of New Mexico to enter into a state-wide agreement with Airbnb, but currently there is no interest at that level.

- ◆ Commissioner Villarreal asked if there has been push back for Airbnb to collect Lodgers' Tax.

Mr. Randall said no, it's a fee passed to the visitor and most hosts are very pleased that Airbnb will do it on their behalf, but he can't speak for all the hosts.

- ◆ Councilor Villarreal asked for an explanation on the FIR where it says, All Other Operating Costs at \$121,000.

Mr. Randall said it's \$121,000 in year one and then recurring at \$70,000. He has a detailed budget that backs-up these numbers, and he would be glad to send that to her, commenting he doesn't have that detail with him.

- ◆ Chair Dominguez said \$1.5 million is a big chunk of change. He asked, so we don't have improper expectations, how does that reflect on our proposed budget, what you are recommending, reiterating it is a lot of money.

Mr. Rodriguez said most of the \$1.5 million is Lodgers' Tax, and at this point there is no mechanism for Airbnb to collect the GRT and remit it to the State. He has had conversations with Taxation and Revenue, and at this point they can't figure out how that would happen. He said they will take money if there is an account for it, and if not, there is a problem. He has not included that, noting probably \$250,000 of that would accrue next year.

- ◆ Chair Dominguez said then the GRTs and Lodgers' Tax are not part of the current budget, so it's not like we will have an additional \$1.5 million.

Mr. Rodriguez reiterated there is an anticipated increase in collections is about \$250,000, assuming we can get things worked out.

- ◆ Chair Dominguez reiterated he wants people to know we're not going to have an additional \$1.5 million more coming into the City coffers.

MOTION: Councilor Ives moved, seconded by Councilor Lindell, to approve this request, with direction to staff to make some of the modifications that were mentioned in this discussion.

DISCUSSION: Chair Dominguez said he thinks Councilor Lindell said correctly that it is an industry that is here, we need to deal with it, and continue to try to do right by the industry, the neighbors and the community.

Councilor Ives said he would be happy to revisit Section 18 of the Code on this and other matters, especially where is an intent to avoid abiding by the Ordinances the City has in place. We can have that discussion separately, but he would like to have that conversation.

VOTE: The motion was approved on a voice vote with Councilors Harris, Ives, Lindell, Villarreal and Chair Dominguez voting in favor of the motion and no one voting against.

CONTINUATION OF BUDGET DISCUSSION

27. GENERAL BUDGET DISCUSSION. (OSCAR RODRIGUEZ)

Mr. Rodriguez said he expects to be sending out the budget electronically to the Governing Body on Wednesday. He said they have tried to stay as closely as possible to the framework, and the budget balanced, but there will be more cuts to make up the shortfall from fee increases. He said he and staff had an exercise, and they realized the hikes in fees had reached the point of diminishing returns, so we couldn't come in with \$2.5 million in fee increases. He said that means the cuts to operations will be approximately \$5.7 million. He said we put in place a savings plan to make sure we had the additional

\$3.5 million out of this year's budget going forward, but most of that will come through vacancy savings. He said that exercise will be very helpful going forward. He said they are putting in a hiring freeze through the end of the fiscal year for non-essential, non-mission critical, non-Public Safety personnel. So there won't be a lot of hiring between now and the end of the fiscal year.

Mr. Rodriguez said he emailed the Financial Report on Saturday, and things are looking better from the standpoint of revenue increase, noting the revenue increase projections seems to be solid. He said they are confident to build a budget based on those revenues. He said spending has decreased, noting they have been slowing down on purchasing and hiring. He said he believes we will have the needed ending balance of \$15 million, so we can pay the \$3.5 million plus what was committed to the capital fund. He said generally it does seem the revenues will reach the projected 3%, and expenditures in the General Fund will be below the budget by about 6% and overall by about 9%.

Mr. Rodriguez continued, saying we will be talking in a lot more detail about the budget. He said he would offer a personal, one-on-one briefing on the budget. He said you will see a lot of changes in the budget. For example, the General Fund will reflect all of the costs that should come to the General Fund, as opposed to being shifted to other funds. He said there will be a General Fund of \$100 million.

28. MATTERS FROM THE COMMITTEE

Councilor Harris said he appreciates the monthly updates. He asked if it would be appropriate for him to talk to Mr. Hopkins about some of the information since he generates the report.

Mr. Rodriguez said we all do that, noting he is following an algorithm that he built in. He said, "You can ask all 3 of us, but Andy has all of the nitty-gritty information."

Councilor Harris said he knows Mr. Rodriguez is really busy this week, and he would like to get some of the baseline information.

Mr. Rodriguez said he will ask Mr. Hopkins to follow up with Councilor Harris. He said the new Budget Officer Adam Johnson would be available as well.

Councilor Harris said he would like to get to know both individuals, reiterating that he needs more information and a better understanding of what we've generated to this point, particularly as we go into the budget.

Mr. Rodriguez thanked him for his interest saying staff will gladly provide that information.

Chair Dominguez said the budget hearings are set for next week, April 25, 26 and 28. He is working on the agenda details with staff, so the Committee should be seeing that in the next two days. He said they will be receiving information from Mr. Rodriguez on Wednesday.

Chair Dominguez said, "I would encourage you all to review the information and find out what questions you have, and please take the time to meet one-on-one with staff, and please take the time to ask the questions that need to be asked ahead of time. If they need to be made for the record, that is fine, I have no problem with that, but get as much as information as you can ahead of time."

Councilor Harris asked when the Chair is saying to ask questions of staff, if he's talking about the Finance Staff, as opposed to going to Public Works, for example.

Chair Dominguez said we will have the opportunity to ask specific questions from each Department as we go through the budget hearing process, but for the most part it would be Finance Staff. He said if Councilor Harris feels he needs to contact other department staff that is fine.

Councilor Harris said he will focus on Finance staff and won't call staff from other departments.


Chair Dominguez said it appears we will have the opportunity to ask each department some questions. He reiterated, "I would encourage again, if there is a way to move some of those departments to an approved budget status without having a lot of discussion, we should take the opportunity to do that. In other words, as you will see, some departments will require much more conversation than others. And so, if there is an opportunity to minimize too much discussion, that's fine as well. Be prepared to amend the agenda if you want to. It will be somewhat fluid and will be dependent on how much information we get from the Finance Department in their recommendation or the City Manager. And also be prepared to offer solutions as much as you can during the discussions. The expectation isn't that we just say, I disagree with that and there are no solutions to make sure the budget balances. We need to be prepared to come with solutions as we move forward."

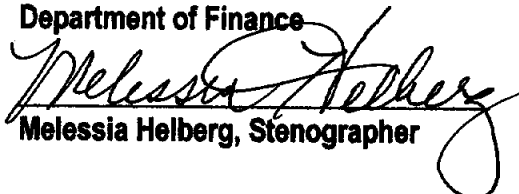
29. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:25 p.m.


Carmichael A. Dominguez, Chair

Reviewed by:


Oscar S. Rodriguez, Finance Director
Department of Finance


Melessia Helberg, Stenographer

18-1.7 Notice of Violation; Penalty.

A. If a person required to secure a business license and pay a business license fee is in violation of this section or any provision of SFCC 1987 or is operating in a manner contrary to the public welfare, the city shall:

(1) Send the person a notice of violation specifically stating the nature of the violation; or

(2) If there are past due fees, ordering that the past due fees plus a penalty which is double the amount due, be paid immediately.

B. The notice may further state that if the fee and penalty are not paid, and if the provisions of this section or other provisions of SFCC 1987 are not complied with or that the operation contrary to the public welfare is not discontinued within fifteen (15) days after receipt of the notice, the person shall appear before the finance committee to show cause why the business should not be closed. The notice shall set a date, time and place of the hearing by the finance committee.

(Ord. #1981-64, §7; SFCC 1981, §9-4-7; Ord. #1996-11, §2)

18-1.8 Enforcement; Hearing; Cease and Desist Order.

A. If, at the hearing before the finance committee, the person fails to show cause why the business should not be closed, the finance committee shall issue a cease and desist order closing the business. Such cease and desist order shall prevent the owner or operator of the business from conducting any business in the building, structure, or on the land, until the terms of this section have been complied with.

B. The hearing before the finance committee shall not be less than thirty (30) days after the notice provided in subsection 18-1.7 of this section is mailed.

C. An appearance may be made by counsel and the person charged with violating this section may present evidence and call witnesses to show cause why his license should not be denied or revoked.

D. Any persons aggrieved by the decision of the finance committee may submit to the governing body a written petition for appeal. Such petition for appeal shall:

(1) Be submitted to the city clerk's office within thirty (30) days of the date the action appealed was taken by the finance committee.

(2) Set forth that such proceedings or assessments were in error in whole or in part, specifying the grounds of the appeal.

(3) Be included on the agenda of the next possible regularly scheduled meeting of the governing body, during the evening session. Verbal or written notice shall be given to the appellant at least five (5) calendar days prior to the meeting of the governing body.

(Ord. #1981-64, §8; SFCC 1981, §9-4-8; Ord. #1996-11, §3)

18-1.9 Penalty.

Any person who violates the provisions of this section or fails to comply with any of its requirements shall be liable for the amount of the license fee, in addition to a penalty which is double the amount due and shall be subject to revocation or denial of the license as set forth in Section 3-38-2 NMSA 1978. (Ord. #1981-64, §9; SFCC 1981, §9-4-9)