



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 30, 2012 – 5:00 P.M.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT AGENDA

5. APPROVAL OF MINUTES:

Regular Finance Committee Meeting – January 17, 2012

CONSENT AGENDA

6. Bid Openings:

A. Bid No. 12/15/B – Hospital Tank Liner Removal Project and Agreement between Owner and Contractor; Sasquatch, Inc. (Bill Huey)

1. Request for Approval of Budget Increase – Project Fund

7. Request for Approval of Professional Services Agreement – Hospital Tank Rehabilitation for Water Division (RFP #12/11/P); NCS Engineers. (Bill Huey)

A. Request for Approval of Budget Increase – Project Fund

8. Request for Approval of Amendment No. 3 to Legal Services Agreement – Qwest v. City of Santa Fe Matters; Cuddy & McCarthy. (Kelley Brennan)

9. Request for Approval of Services Agreement – Maintenance and Repairs of City's Land Mobile Radio System; Motorola Solutions. (Thomas Williams)

10. Request for Approval of Amendment No. 3 to Professional Services Agreement – Santa Fe River Park – El Parque Del Rio Renovations and Improvements; Surroundings Studio, LLC. (Brian Drypolcher)

A. Request for Approval of Budget Increase – Project Fund

11. Request for Approval of Agreement – Youth Conservation Corps Project for Fire Department; State of New Mexico Youth Conservation Corps Commission (YCCC). (Porfirio Chavarria)

CITY CLERK'S OFFICE

DATE 1/27/12 TIME 10:45

PREPARED BY Yolanda Green

APPROVED BY [Signature]



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 30, 2012 – 5:00 P.M.

12. Request for Approval of Capital Outlay Agreements – Fund STB Capital Appropriation Project for Senior Services Division; State of New Mexico, Aging and Long-Term Services Department. (Ron Vialpando)
 - A. Santa Fe City-Wide Senior Centers – Purchase and Equip Vehicles
 - B. Mary Esther Gonzales Senior Center – Building Improvements, Code Compliance, Purchase and Installation of Equipment.
 1. Request for Approval of Budget Increase – Grant Fund
13. Request for Approval of Vendor Agreement – Transportation, Nutrition and In-Home Support Services for Senior Services Division; North Central New Mexico Economic Development District Non-Metro Area Agency on Aging. (Ron Vialpando)
 - A. Request for Approval of Budget Adjustments – Grant Fund
14. Request for Approval of a Resolution Relating to a Request for Approval of Second Quarter (Midyear) Budget Adjustments for Fiscal Year 2011/2012 for Quarter Ending December 31, 2011. (Cal Probasco)
15. Request for Approval of a Resolution Supporting the Application and Response to the Request for Proposals issued by The North Central New Mexico Economic Development District, Non-Metro New Mexico Area Agency on Aging for Continuation of Services for the Senior Citizens of the City of Santa Fe. (Mayor Coss) (Ron Vialpando)

Committee Review:

City Council (scheduled)

02/08/12

Fiscal Impact – No

16. Request for Approval of a Resolution Directing Staff to Prepare the Required Documents to Amend the Current Agreement between the City of Santa Fe and the Santa Fe Railyard Park Stewards for Continued Services to be provided at the Santa Fe Railyard Park and Plaza for an Additional \$100,000 Per Year to be Paid Over a Three Year Term. (Councilor Romero) (Bob Siqueiros)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 30, 2012 – 5:00 P.M.

Committee Review:

Public Works (Approved) 01/23/12
City Council (Scheduled) 02/08/12
Fiscal Impact – Yes

17. Request for Approval of a Resolution Supporting Wilderness and National Recreation Area Designations for the Inventoried Roadless Areas Adjacent to the Pecos Wilderness. (Councilor Bushee) (Bob Siqueiros)

Committee Review:

Public Works (move forward w/no recommendation) 01/23/12
City Council (scheduled) 02/08/12

Fiscal Impact – No

18. Request for Approval of Staff Recommendations for Acquiring Security at the Santa Fe Railyard Pursuant to Resolution 2011-53. (Councilor Calvert, Mayor Coss, Councilors Romero, Bushee and Wurzbarger) (Bob Siqueiros)

Committee Review:

Public Works (approved) 01/23/12
City Council (scheduled) 02/08/12

Fiscal Impact – Yes

19. Request for Approval of a Resolution Directing Staff to Prepare Amendments to the City of Santa Fe Procurement Code to Expand Section 15.2 in Order to Establish a "Buy American" Procurement Policy. (Councilor Chavez) (Robert Rodarte)

Committee Review:

Public Works (approved) 01/24/12
City Business & Quality of Life (scheduled) 02/14/12
Finance Committee (scheduled) 02/20/12
City Council (scheduled) 02/29/12

Fiscal Impact – No

20. Request for Approval of an Ordinance Amending Section 6-10.3 SFCC 1987 Relating to the Staff Designation for the Children and Youth Commission. (Councilor Trujillo) (Terrie Rodriguez)



Agenda

FINANCE COMMITTEE MEETING
CITY COUNCIL CHAMBERS
JANUARY 30, 2012 – 5:00 P.M.

Committee Review:

City Council (request to publish)	02/08/12
Children & Youth Commission (scheduled)	02/28/12
City Council (public hearing)	02/29/12

Fiscal Impact – No

END OF CONSENT AGENDA

DISCUSSION

21. Request for Approval of a Resolution Adopting a Cost Allocation Method and Related Formulas for Assessing Operational City Divisions/Sections, Including Enterprise Divisions/Sections, for Services Provided by General Fund Divisions/Sections. (Mayor Coss) (Dr. Melville Morgan)

Committee Review:

City Council (scheduled)	02/08/12
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Fiscal Impact – Yes

22. Consideration of Proposed Financing for Purchase of St. Catherine's Industrial Indian School Campus. (Dr. Melville Morgan)
23. OTHER FINANCIAL INFORMATION
24. MATTERS FROM THE COMMITTEE
25. ADJOURN

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

SUMMARY OF ACTION
FINANCE COMMITTEE MEETING
Tuesday, January 30, 2012

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved [amended]	1
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES: JANUARY 17, 2012	Approved	4
<u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PREPARE THE REQUIRED DOCUMENTS TO AMEND THE CURRENT AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE SANTA FE RAILYARD PARK STEWARDS FOR CONTINUED SERVICES TO BE PROVIDED AT THE SANTA FE RAILYARD PARK AND PLAZA FOR AN ADDITIONAL \$100,000 PER YEAR TO BE PAID OVER A THREE YEAR TERM	Postponed to 02/20/12	4-10
REQUEST FOR APPROVAL OF STAFF RECOMMENDATIONS FOR ACQUIRING SECURITY AT THE SANTA FE RAILYARD, PURSUANT TO RESOLUTION 2011-53	Approved [amended]	10-14

END OF CONSENT CALENDAR DISCUSSION		

<u>DISCUSSION</u>		
REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING A COST ALLOCATION METHOD AND RELATED FORMULAS FOR ASSESSING OPERATIONAL CITY DIVISIONS/SECTIONS, INCLUDING ENTERPRISE DIVISIONS/SECTIONS, FOR SERVICES PROVIDED BY GENERAL FUND DIVISIONS/SECTIONS	Approved [amended]	14-19

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CONSIDERATION OF PROPOSED FINANCING FOR PURCHASE OF ST. CATHERINE'S INDUSTRIAL INDIAN SCHOOL CAMPUS	Postponed to 02/20/12	19-28
OTHER FINANCIAL INFORMATION	None	28
MATTERS FROM THE COMMITTEE	None	28
ADJOURN		28

**MINUTES OF THE
CITY OF SANTA FE
FINANCE COMMITTEE**
Monday, January 30, 2012

1. CALL TO ORDER

A meeting of the City of Santa Fe Finance Committee was called to order by Chair Matthew E. Ortiz, at approximately 5:00 p.m., on Monday, January 30, 2012, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Matthew E. Ortiz, Chair
Councilor Patti J. Bushee
Councilor Carmichael A. Dominguez
Councilor Rosemary Romero
Councilor Rebecca Wurzbarger

OTHERS ATTENDING:

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

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

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

3. APPROVAL OF AGENDA

Chair Ortiz said there is a request to remove Item #20 from the Agenda because it needs more work, and Item #17 is being withdrawn from the Agenda.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve the agenda, as amended.

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

4. APPROVAL OF CONSENT AGENDA

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

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

CONSENT AGENDA

- 6. BID OPENINGS:**
 - A. BID NO. 1215B – HOSPITAL TANK LINER REMOVAL PROJECT AND AGREEMENT BETWEEN OWNER AND CONTRACTOR; SASQUATCH, INC. (BILL HUEY)**
 - 1. REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**
- 7. REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – HOSPITAL TANK REHABILITATION FOR WATER DIVISION (RFP #12/11/P); NCS ENGINEERS. (BILL HUEY)**
- 8. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO LEGAL SERVICES AGREEMENT – QWEST V. CITY OF SANTA FE MATTERS; CUDDY & McCARTHY. (KELLEY BRENNAN)**
- 9. REQUEST FOR APPROVAL OF SERVICES AGREEMENT – MAINTENANCE AND REPAIRS OF CITY’S LAND MOBILE RADIO SYSTEM; MOTOROLA SOLUTIONS. (THOMAS WILLIAMS)**
- 10. REQUEST FOR APPROVAL OF AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT – SANTA FE RIVER PARK – EL PARQUE DEL RIO RENOVATIONS AND IMPROVEMENTS; SURROUNDINGS STUDIO, LLC. (BRIAN DRYPOLCHER)**
 - A. REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**
- 11. REQUEST FOR APPROVAL OF AGREEMENT – YOUTH CONSERVATION CORPS PROJECT FOR FIRE DEPARTMENT; STATE OF NEW MEXICO YOUTH CONSERVATION CORPS COMMISSION (YCCC). (PORFIRIO CHAVARRIA)**
- 12. REQUEST FOR APPROVAL OF CAPITAL OUTLAY AGREEMENTS – FUND STB CAPITAL APPROPRIATION PROJECT FOR SENIOR SERVICES DIVISION; STATE OF NEW MEXICO, AGING AND LONG-TERM SERVICES DEPARTMENT. (RON VIALPANDO)**
 - A. SANTA FE CITY-WIDE SENIOR CENTERS – PURCHASE AND EQUIP VEHICLES.**
 - B. MARY ESTHER GONZALES SENIOR CENTER – BUILDING IMPROVEMENTS, CODE COMPLIANCE, PURCHASE AND INSTALLATION OF EQUIPMENT.**
 - 1. REQUEST FOR APPROVAL OF BUDGET INCREASE – GRANT FUND.**

13. REQUEST FOR APPROVAL OF VENDOR AGREEMENT – TRANSPORTATION, NUTRITION AND IN-HOME SUPPORT SERVICES FOR SENIOR SERVICES DIVISION; NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT NON-METRO AREA AGENCY ON AGING. (RON VIALPANDO)
A. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENTS – GRANT FUND.
14. REQUEST FOR APPROVAL OF A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF SECOND QUARTER (MIDYEAR) BUDGET ADJUSTMENTS FOR FISCAL YEAR 2011/2012 FOR QUARTER ENDING DECEMBER 31, 2011. (CAL PROBASCO)
15. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING THE APPLICATION AND RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED BY THE NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT, NON-METRO NEW MEXICO AREA AGENCY ON AGING FOR CONTINUATION OF SERVICES FOR THE SENIOR CITIZENS OF THE CITY OF SANTA FE (MAYOR COSS). (RON VIALPANDO) Committee Review: City Council (scheduled) 02/08/12. Fiscal Impact – No
16. *[Removed for discussion by Councilor Bushee]*
17. REQUEST FOR APPROVAL OF A RESOLUTION SUPPORTING WILDERNESS AND NATIONAL RECREATION AREA DESIGNATIONS FOR THE INVENTORIED ROADLESS AREAS ADJACENT TO THE PECOS WILDERNESS (COUNCILOR BUSHEE). (BOB SIQUEIROS) Committee Review: Public Works (moved forward w/o recommendation) 01/23/12; and City Council (scheduled) 02/08/12. Fiscal Impact – No
This item was withdrawn from the Agenda
18. *[Removed for discussion by Councilor Bushee]*
19. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PREPARE AMENDMENTS TO THE CITY OF SANTA FE PROCUREMENT CODE TO EXPAND SECTION 15.2 IN ORDER TO ESTABLISH A “BUY AMERICAN” PROCUREMENT POLICY (COUNCILOR CHAVEZ). (ROBERT RODARTE). Committee Review: Public Works (approved) 01/23/12; City Business & Quality of Life (scheduled) 02/14/12; Finance Committee (scheduled) 02/20/12; and City Council (scheduled) 02/29/12. Fiscal Impact – No.
20. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SECTION 6-10.3 SFCC 1987, RELATING TO THE STAFF DESIGNATION FOR THE CHILDREN AND YOUTH COMMISSION (COUNCILOR TRUJILLO). TERRIE RODRIGUEZ). Committee Review: City Council (request to publish) 02/08/12; Children & Youth Commission (scheduled 02/28/12); and City Council (public hearing) 02/29/12. Fiscal Impact – No
This item was removed from the agenda and postponed

END OF CONSENT AGENDA

5. APPROVAL OF MINUTES: JANUARY 17, 2012

MOTION: Councilor Dominguez moved, seconded by Councilor Romero, to approve the minutes of the Regular Finance Committee Meeting of January 17, 2012, as presented.

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

CONSENT CALENDAR DISCUSSION

- 16. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO PREPARE THE REQUIRED DOCUMENTS TO AMEND THE CURRENT AGREEMENT BETWEEN THE CITY OF SANTA FE AND THE SANTA FE RAILYARD PARK STEWARDS FOR CONTINUED SERVICES TO BE PROVIDED AT THE SANTA FE RAILYARD PARK AND PLAZA FOR AN ADDITIONAL \$100,000 PER YEAR TO BE PAID OVER A THREE YEAR TERM (COUNCILOR ROMERO). (BOB SIQUEIROS)**

Committee Review: Public Works (Approved) 01/23/12; and City Council (Scheduled) 02/08/12. Fiscal Impact – Yes.

Councilor Bushee said she is unclear about this request, and asked if they are asking for an additional \$50,000, and not \$100,000.

Mr. Siqueiros said this is correct, noting the last resolution was for \$50,000, and they are requesting another \$50,000 for a total of \$100,000 per year for the next 3 fiscal years.

Councilor Bushee said the title of the Resolution and the Memorandum says they are asking for an additional \$100,000 per year.

Mr. Siqueiros said Councilor Calvert amended the Resolution to remove "additional" at Public Works.

Councilor Bushee said it also needs to be removed from the body of the Resolution.

Mr. Siqueiros said this will be done, and there are amendments to do this.

Councilor Bushee said the projected budget is \$205,000, which means the City is responsible for half of the funds, and asked the source of these funds.

Mr. Siqueiros said it is projected to get these funds from the Railyard GRT fund.

Councilor Bushee said there are lots of volunteer hours and asked how that translates into a quantitative figure. She said, "But what I'd like to understand is.... so Fabian's guys go in there and they work on irrigation systems and they mow and they sweep and they rake. And these guys run programs and do more of the fine maintenance of the gardens and the community garden oversight, but does that

mean we will be saving \$100,000 in staff time in terms of the maintenance.” She said she would like a dollar amount.

Mr. Siqueiros said this would be relatively hard to quantify, in terms of hours and what they provide. He said, “Would we be saving \$100,000 worth of salary savings. We try to get that, and when I submit the invoice to get the \$50,000....”

Councilor Bushee asked if anybody has tracked it that can give us this number.

Mr. Siqueiros said Fabian Chavez has tracked it in a technical way, but he hasn’t.

Councilor Romero said she believes Carol Schrader has the answer, because they have to track the in-kind.

Councilor Bushee said she read that, and she had expected Mr. Chavez to be here this evening. She said before this goes to Council, she wants to know exactly how much City staff time is saved – pure nuts and bolts – in terms of dollars.

Mr. Siqueiros said he can go back to previous years and get that information.

Councilor Romero said she had asked staff, and we can look at other parks with similar situations and experience, in terms of staff time saved by using volunteers, and believes that would reaffirm the dollars that are being saved.

Chair Ortiz said there is no City park where there is an Executive Director of a non-profit who is being paid a salary from partial City funding.

Councilor Romero said he is correct, but her point is we have parks where staff is being used this way – stewards from a Board along with volunteers doing the work staff would have done.

Councilor Bushee said she just wants information on the Railyard Park, commenting we don’t have a lot of parks that use volunteers. She said she has asked Carol Schrader, the Executive Director, to give her an idea of capacity and if there are promises and commitments on the other half of the funding from foundations. She wants to see justification for what isn’t needed by having City staff there, an estimated figure.

Chair Ortiz asked Mr. Siqueiros, given Councilor Calvert’s amendments, if the budget on page 13 needs to change from \$100,000 to \$50,000.

Mr. Siqueiros said no, it is \$100,000 per fiscal year.

Chair Ortiz said the proposed budget shows program revenue of \$205,000, and of the expenses, \$141,000 are staffing expenses. He asked the salaries for the people paid from the \$141,000.

Councilor Bushee said it is 60,000 for the Executive Director, \$45,000 for the Director of Education at 3/4 time and a Vista volunteer summer intern \$7,000, and the \$35,000 contractual services were for bookkeeping, grantwriting and such.

Chair Ortiz asked if the salaries for the Executive Director and Director of Education have remained the same for the past 3 years or since the City has been funding it.

Mr. Siqueiros said yes.

Chair Ortiz said then the work by volunteers could go on with the same amount of funding, if the City approves this contract.

Mr. Siqueiros said the budget last year was \$110,000, so the budget has doubled, but the positions haven't doubled, nor have salaries increased

Chair Ortiz asked if we are to infer that they received less of a share from the foundations, and the reason they're coming to the City for more money.

Mr. Siqueiros said, "I think so."

Councilor Bushee said based on her telephone conversations, she doesn't think this is true.

Chair Ortiz said he would be willing to hear from the Railyard Stewards if they have information.

Carol Schrader, Interim Director, said she has held this position for two weeks. She said there has been an increase in staffing. She said the Stewards operated for a year with a part time Executive Director. She said she was hired two years ago as the Director of Education to work 10 hours a week, noting her hours have increased gradually. She was half time last year, and will be going to 3/4 next year in her previous position. She said a Vista Volunteer position has been added and the and the summer intern has been given a half-time ongoing position. She said there has been a stepping up of staff which is reflected in the budget increase. She said part of this is toward organizational stability. She said they felt an Executive Director trying to manage everything wasn't sustainable, and would burn out staff.

Chair Ortiz asked if the Director of Education position is a new one because of the increased work load.

Ms. Schrader said, no, it was a half time position, and going into this year it is budgeted at 3/4 time.

Chair Ortiz said then Ms. Schrader is earning \$60,000 for Acting Director, and Ms. Schrader said yes, for a month.

Chair Ortiz asked if the Executive Director is a 3/4 time position, and Ms. Schrader said, no, it is a full time position.

Chair Ortiz said the Executive Director and Director of Education salaries are \$105,000 of the \$141,000 listed for staffing expenses. He asked if the balance of the money is for benefits and/or for other positions.

Ms. Schrader said the line item includes all payroll taxes and benefits, as well as the Vista Volunteer at a cost to them of \$7,000, and the Summer Intern who is paid \$18 an hour, noting the Summer Intern has been hired as permanent part time staff.

Ms. Schrader said they have been very successful in grantwriting and individual solicitations, so the increased request to the City isn't because they are receiving less revenue from that source. She said the request for increase is to get the staffing to a sustainable level, noting that is matched with grants and individual donors.

Chair Ortiz asked if the \$60,000 private funding is an increase over previous years, and Ms. Schrader said yes.

Councilor Bushee said she understood, in doubling its contribution, the City would have double the in-kind.

Ms. Schrader said she doesn't believe they have said they would double the on-the-grounds support, it is more trying to bring stability and sustainability to the organization, and to continue and to increase.

Councilor Bushee said, although she appreciates the work which has been done, she has a concern that we have done this on the Railyard in a couple of instances. She said we built a building and we had promises of programs, which are happening, but on a scaled-down basis – the doors are open only 3 days a week. She said she said she doesn't want this funding to wind up being about organizational capacity building, commenting she believes it is incumbent on the organization itself to do that. She is concerned that we will commit to this funding for three years, noting these are hard economic times for other non-profits. She said what we're doing is building up a non-profit, but not necessarily receiving an additional contribution.

Councilor Bushee said she wanted to have this discussion to talk about how much money the City would save in terms of salaries through the increase, but "this is all starting to get a little loose to me and I'm a little concerned."

Councilor Dominguez said he wants a complete breakdown of expenses, including staffing. He commented that many of the items don't reconcile between fiscal years. He said a lot of resources are spent on organizational capacity building, and not enough of the money is getting to the programs for which they are supposed to be advocating.

Councilor Dominguez said, "If we look at the tasks accomplished in the added value, one of the things they talk about is 'increase our job training hours with at-risk youth and young adults.' What

organizations are those – Santa Fe Public Schools, YouthWorks.” He said this said this is some of the information he wants by the time this goes to the Council.

Councilor Wurzbarger said she wants the Council to have clarity around the 2011-2012 budget, noting we are hearing it verbally, rather than seeing it in writing. She said, secondly, in the FIR on packet page 16, under Community Impact says, “The positive is that the volunteer labor provided by the Stewards is five to ten times that in services the City can provide in the Railyard Park, resulting in a saving for the City of Santa Fe.” She said she would like to have that data before Council.

Councilor Wurzbarger said since we are discussing, over time, increasing organizational capacity and staffing, at a time when the City revenue is flat, and many non-profits are decreasing in size, she would ask for a projection of what the savings might be next year for the City, in light of what the City is contributing to this project.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve this request for one year, on the condition that the requested information is provided by the time this goes before the City Council, so we can have the metrics related to the services that are being counter-balanced by this allocation in terms of City savings.

DISCUSSION: Councilor Romero said direction has also been given to staff to bring back the metrics, the information on savings. She said we need to be careful when we compare non-profits. She said this organization just became a non-profit recently, and to compare it to other non-profits on the Railyard is not fair. She said we can compare staff time saved where we aren't using City staff and the work is being done by the Stewards, but she is unsure what the next metrics would be around non-profits.

Councilor Wurzbarger said the comparison she was making was in terms of what's happening generally in Santa Fe with respect to our own budgets, as well as the budgets of the non-profits generally.

Councilor Bushee said she feels it might be better to have that discussion back here at the Finance Committee, so we don't have a Committee discussion at Council because of all the questions.

Chair Ortiz asked if timing would be an issue – are they already beginning to spend this money.

Mr. Siqueiros said no, they just received their last \$50,000, and these funds would come after the next fiscal year.

SUBSTITUTE MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve this request for one year, subject to this being returned to the Finance Committee, with the requested information, and we can reverse our decision at that time if necessary.

DISCUSSION: Councilor Wurzbarger said she has heard most of the information, she just hasn't seen it in writing, and she wants to see the information to analyze it.

Chair Ortiz said then you are moving for approval, but not moving it forward to Council.

Councilor Wurzbarger said this is correct, noting she is responding to Councilor Bushee's observation that there may be more questions from a financial point of view, the answers to which we want to see in writing. She said it is conceptual approval.

Chair Ortiz said if we approve something it goes to Council, and if we don't want it approved, then we keep it here at Finance.

WITHDRAWAL OF SUBSTITUTE MOTION AND RETURN TO ORIGINAL MOTION: Councilor Wurzbarger withdrew her Substitute Motion, and moved, seconded by Councilor Romero, to approve this request, subject to this being returned to the Finance Committee Meeting, with the requested information, and we can reverse our decision at that time if necessary.

CONTINUATION OF DISCUSSION ON THE ORIGINAL MOTION: Councilor Wurzbarger said this will send this request forward with condition that the requested information be submitted in writing in advance of the Council meeting, so hopefully the discussion can be reduced.

CLARIFICATION OF THE MOTION: Chair Ortiz clarified that the proposed approval is for only one year.

Councilor Wurzbarger said this is correct, and we can have a discussion at Finance a year from now about how everything worked, how much staff time was saved, and the results with regard to additional grants and contributions, etc.

CONTINUATION OF DISCUSSION ON THE ORIGINAL MOTION: Chair Ortiz said the idea of organizational capacity is just another way of saying that we are paying for administrative staff. He said in these economic times, he feels there could be better uses for these funds, especially in Parks & Recreation, than to pay someone \$60,000 and \$45,000 with benefits. He said he can see the benefit, but not by paying salaries with public monies.

Chair Ortiz said he presumes, if the information isn't provided by the Council meeting, the Council can decide to "boot it back to Finance," and Finance can look at it again. He said one of his concerns is that we start to see these Resolutions in advance of the budget process, and these kinds of Resolutions set a precedence for the budget which limits the future Governing Body as to how it wants to spend these funds.

VOTE: The motion was defeated on the following roll call vote:

For: Councilor Wurzbarger and Councilor Romero.

Against: Councilor Bushee and Councilor Dominguez.

The resulting vote was a tie and the Chair voted against, thus defeating the motion.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to postpone this item to the next meeting of the Committee, with direction to staff to provide the information requested by the Committee.

DISCUSSION: Councilor Bushee said, "Could we just have a mock-up with the amendments so it's real clear what they're asking for."

Chair Ortiz asked if she is speaking of the amendments in the packet, and Councilor Bushee said yes.

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

18. REQUEST FOR APPROVAL OF STAFF RECOMMENDATIONS FOR ACQUIRING SECURITY AT THE SANTA FE RAILYARD, PURSUANT TO RESOLUTION 2011-53 (COUNCILOR CALVERT, MAYOR COSS, COUNCILORS ROMERO, BUSHEE AND WURZBURGER). (BOB SIQUEIROS). Committee Review: Public Works (approved) 01/23/12; and City Council (scheduled) 02/08/12. Fiscal Impact – Yes

Councilor Bushee said she is in favor of all the security, but she doesn't understand the item in the report, on packet page 8, under Legislative Proposals for City Council Direction, Nuisance Liquor Store Regulations, which talks about regulating store operating hours and the prohibition of the sale of certain products. She said she has been told by previous City Attorneys that the City can't impede commerce. She said by doing this we might be impeding commerce, and wants to know if we can do this. She said she wants clear direction from the City Attorney, commenting there are ways to approach this through the nuisance ordinance.

Alfred Walker, Assistant City Attorney, said he doesn't think this was drafted by an attorney, but he believes there are ways to approach this as a nuisance. He has been looking at other ordinances adopted by other municipalities, noting California has a similar regulatory scheme to that of New Mexico in terms of alcohol regulation. He said several California municipalities have dealt with the issues which have been brought up in this context through a nuisance approach and the Courts have upheld those ordinances against attack. Mr. Walker said he can't guarantee what a New Mexico Court would do, but that is an approach that can be used.

Councilor Bushee said she wants direction on what would "fly here."

Mr. Walker said he hasn't looked specifically at State statutes concerning the hours of operation of liquor stores, and whether it would fit into this scheme, but he will do so.

Councilor Bushee asked what does "deemed approval" mean.

Mr. Walker said it states, basically, that all alcohol retail store locations are now non-conforming uses, but they are grandfathered-in, approved and allowed to continue under certain conditions. He said when they "go away" those particular retail locations go away as well. He said it gets rather complicated.

Councilor Bushee said she doesn't believe we can impede commerce and selectively impede commerce.

Mr. Walker said the language "about doing this in the Railyard, I think, is unfortunate and it would have to be done City-wide."

Councilor Bushee asked if he is saying to eliminate this language from this bill.

Mr. Walker said, "I think that would make this whole thing a whole lot easier."

Councilor Bushee said then we can approach it from a different angle, and Mr. Walker said yes.

Councilor Bushee said during discussions on her open container bill, the Police stated we couldn't do certain things. She doesn't want to give the impression that "we are doing something we can't do."

Mr. Walker said this is something "I don't think should be done quickly. It should be done after a lot of study and discussion."

Councilor Bushee said the bill tonight is a "sort of security package."

MOTION: Councilor Bushee moved to approve this request, with an amendment to strike the language in Item #2 under Legislative Proposals for City Council Direction on packet page 8. **THE MOTION DIED FOR LACK OF A SECOND.**

Chair Ortiz said he wasn't privy to the discussions in the Public Safety and Public Works Committees. He said in talking about a blended approach, "You are asking for a police officer to be there and you're providing for a private security person. Was there some thought as to having just a permanent police person and saving that money. Why wasn't that an option. The staffing issue... the Police Department can't have a particular police officer designated just for the Railyard."

Mr. Walker said, "I think the way they approached it is they would use either a volunteer police officer, in terms of overtime. It would not be a part of the regular schedule. It would just be overtime on a volunteer basis from the Police Department to work those hours."

Chair Ortiz said that would be \$15,000 to \$22,000 per year.

Mr. Walker said it would just be for a few months each year beginning in May.

Chair Ortiz said this would be for a full time security person at \$95,000 per year.

Mr. Walker said this is correct, and it includes weekends and holidays.

Chair Ortiz said then that security person would be responsible for the entire Railyard property, or just the north Railyard property.

Mr. Walker said just the north Railyard property.

[Chair Ortiz's remarks here are inaudible.]

Councilor Bushee said people are living in the Baca Street Railyard.

Mr. Walker said the Baca Street Railyard is developing more quickly, and there haven't been security issues at that site yet.

Chair Ortiz asked if it would be possible to have one Police Officer tasked with just the Railyard, and for less money.

Robert Romero said that was discussed. However, because the Police Department is not yet fully staffed, the Chief felt he couldn't afford to assign a commissioned officer to be there all of the time.

Chair Ortiz asked if the City would be paying for the security person, or would we ask that the Railyard Corp pay for us and then bill us for those services.

Mr. Romero said, as indicated in the packet, we would use money from the Railyard GRT to cover this, so it wouldn't be the SFRCC, it would be the City.

Responding to the Chair, Mr. Romero said an amendment to a Security Contract could be one way to do this. He said they already do the security on the Railyard for the parking garage.

MOTION: Councilor Romero moved, for purposes of discussion, to approve this request as presented by staff.

CLARIFICATION OF THE MOTION: Chair Ortiz asked if the motion includes the item we've been told is not appropriate.

Councilor Romero said this is correct. She said at Public Works, they noted there are stores, such as Whole Foods, which sell the single spirits. She said they gave direction to staff to come up with the best menu of things that can be done, and in that spirit, Item #2 should remain and it does help the neighborhoods.

SECOND TO THE MOTION: Councilor Wurzburger seconded the Motion for purposes of discussion, asking for a clarification.

DISCUSSION: Councilor Wurzburger said on the Railyard there is the Second Street Brewery, and a restaurant which also serves liquor, and Mr. Romero noted that is Tomasita's.

Councilor Wurzburger said her concern is that once the restaurant closed, there couldn't be a bar.

Councilor Bushee said there are four package liquor stores nearby.

Mr. Walker said it is a little more complicated, because it has to do with what happens to the liquor license. If the liquor license goes away, then the location goes away. If the liquor license is passed within the family, then it won't go away.

Councilor Bushee said she was trying to strike #2, saying she believes this bill was put forward by the Police Department, and not in consultation with the City Attorney's office. She said this causes complications, because the neighborhood would believe "that we could do something, that I don't think we can legally do."

Councilor Romero said, "The way this would work out is that a liquor store that has been grandfathered into a neighborhood, sells its liquor license to someone who is not in the family. Then the rules start all over again, so it actually does help this [inaudible] because the rules have changed. If that same family keeps their liquor licenses within the family, the grandfathering, in a sense, still continues. There's nothing we can do about that. What we're looking for is a window of opportunity when there is a shift, which in these economic times, there very could be a shift, and that's actually helpful."

Mr. Walker said, "In addition to the issues of non-conforming uses, and when those uses go away, there also are practices that are required of liquor stores concerning a whole host of things that are designed to reduce nuisances, reduce litter, reduce crime. The ordinances I've looked at, go so far as to provide how much of the windows can be covered by advertising, making sure the Police Officers can look inside a package store when they're walking by to make sure they're not being robbed and that kind of thing. And there's a whole list of items... and some of these ordinances also address issues such as the density of retail alcohol outlets, which is an issue I know that comes before the Council quite a bit. It sets how many feet apart retail outlets can be and that type of thing."

Councilor Bushee said she would like Mr. Walker to provide clarifying language, pointing out the problems we have with liquor sales within the area, and to strike the language in #2 that isn't achievable under New Mexico law.

Mr. Walker said, "I believe that, and I know this came up in another committee meeting, this document, I believe is to provide a roadmap, not a detailed roadmap, but a general roadmap of where the Council wants to go."

Councilor Bushee asked Mr. Walker, "Are you comfortable with the language in #2, because I know I'm now going to get people calling and saying, I want you to limit the hours of all liquors [stores], and I see that written down in writing, and I think, okay the attorneys have vetted this."

Chair Ortiz said we're going to get a quarrel with the Allsup's across from the Railyard Park.

Councilor Bushee said, "The approach that I've been told is to put it through a nuisance ordinance, and as a littering problem, probably is the most successful. I'm happy to have a plan, and that's what this is, it's a plan of attack. And so, if you're comfortable with that language, then I don't have a problem with it, but I've had conversations with you, and you've told me, well, we can't do that. So I thought, if I have it in black and white, maybe we should clean up that language."

Mr. Walker said, "Councilor, I would certainly express my concern that this language seems to be limited to the Railyard neighborhood, which I think is a potential problem, and there may be some issues which we need to look more closely at, which is hours of operation."

Councilor Bushee said, "Okay. We're about to vote on this, so what would you like us to vote on."

Mr. Walker said he doesn't have a vote.

WITHDRAWAL OF SECOND. Councilor Wurzbarger withdrew her second, saying she wants to see the language, commenting she is not convinced that this solves the problem, and noting she knows there is a tremendous problem. She said, "I don't want to debate that now. I'll spend some time researching it myself."

MOTION: Councilor Romero moved, seconded by Councilor Bushee, to approve this request, with an amendment to strike the language in Item #2 under Legislative Proposals for City Council Direction on packet page 8.

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Dominguez and Romero voting in favor of the motion, no one voting against, and Councilor Wurzbarger abstaining.

END OF CONSENT CALENDAR DISCUSSION

DISCUSSION

21. **REQUEST FOR APPROVAL OF A RESOLUTION ADOPTING A COST ALLOCATION METHOD AND RELATED FORMULAS FOR ASSESSING OPERATIONAL CITY DIVISIONS/SECTIONS, INCLUDING ENTERPRISE DIVISIONS/SECTIONS, FOR SERVICES PROVIDED BY GENERAL FUND DIVISIONS/SECTIONS (MAYOR COSS). (DR. MELVILLE MORGAN) Committee Review: City Council (scheduled) 02/08/12. Fiscal Impact – Yes.**

Responding to Councilor Bushee, Chair Ortiz said he did have a similar Resolution, but it's not printed, so he will propose to amend this Resolution.

Dr. Morgan said the services provided to other departments should be detailed, noting the proposed formula is divided into three basic pieces as indicated on packet page 6. He said he provided a detailed methodology about how it happened, along with a spreadsheet. Dr. Morgan reviewed the information in the spreadsheet on packet page 9. He said the bottom line is that what we need now and for the future, is a clear, precise formula, founded in fact and logic which allows us to put in numbers of employees, budget, accounting for those pieces and producing a percentage that would then be charged, as most agencies actually have.

Councilor Bushee said she likes the idea, concept and equity. However, there are items such as the GCCC and MRC which already are subsidized from the General Fund to keep them operating. This would impose more costs on those operations, which really aren't operated as a full enterprise fund, and perhaps should be treated differently. She is concerned this would require an even larger subsidy from the General Fund and CIP Fund to operate them to cover all of the administrative costs that you're trying to tack onto it. She doesn't know this can be done across the board for everything. She said, "If it's an accounting practice and you want to make it all look equitable and the same and treat them the same, that's one thing, but in actual reality you're going to have to come up with more money to subsidize further the GCCC and the MRC."

Councilor Romero said the cost allocation is more equitable, and something which can be documented and applied. However, she is concerned about entities which have been under-charged, such as SWMA, which would be charged .96%. She asked if it would remain at .96% or go to 6%, and if it would be applied in the future.

Dr. Morgan said SWMA has been charged approximately .96 %,,. If this formula is implemented, the cost would \$319,082.

Councilor Romero said that is a significant increase from the \$81,624. She likes the balancing of the formula at 6% in theory, but asked if there could be a different formula those entities which don't use 6%, and probably are closer to the .96%.

Dr. Morgan said not in this. He said this is based on actuals – numbers of employees for which we have to do payroll, number of financial transactions – everything based on an equitable formula for everybody.

Chair Ortiz said his concern is about rates we are charging the public as ratepayers. He said in relation to the utilities, we don't want a situation where, for example, an assessment is being made to department which already is paying for positions, which is one of the footnotes. He said, as it relates to the risk management assessment, he believes all of the enterprise funds already are being stuck with risk management fees and with workers compensation fees. He said you can't have that assessment and have that part of the calculation so that has to be accounted for and/or adjusted.

Chair Ortiz said, in terms of the process itself, the cap he wanted to see is 8% as a maximum. He said he envisions that this is the process which will be required by General Fund to "suck" money from the utilities – they have to go through a process, and the process sets a limit on how much can be taken out. He is in favor of a cap closer to 8-10%, not to the 25% that is being proposed. He said the research done indicates that presently we don't come close to 8%, and it has always been on the low side, so this ceiling can be there and work.

Chair Ortiz asked, once we establish the criteria, if it would be simple to go back and proof-check what we took out based on the criteria which is adopted, and account for any overages.

Dr. Morgan said this can be done.

Chair Ortiz said one of the proposals that has been proposed to pay for St. Catherine's is by using the loan to the Water Fund from the General Fund. He said the language he would like to see added to this proposal talks about the reasons the General Fund had to loan money to the Water Fund, which was basically to shore up the bonds, so the City wouldn't be in default. He said he would like to have an accounting for the loan so we don't face some kind of bond or ratepayer issue in the future.

Councilor Bushee asked the Chair if he is talking about the administrative costs in terms of the cap.

Chair Ortiz said he is interested only in the utilities for which the public pays rates – water, wastewater and solid waste, although Parking could fit in this category. He said the other funds are listed for information, because these are General Fund dependent. However, the enterprises should not be General Fund dependent, nor the General Fund dependent on the enterprises, which is the purpose of the proposed Resolution. He said the practice of taking from the enterprise funds by the General Fund needs to be clarified, and he thinks this goes a long way in doing that.

Councilor Romero said there are "enterprise departments" which should get their fair share of the overhead, and then there are others for which the City is just a pass through, so there is a different category for SWMA and maybe the RECC, so there may be 2 categories. She is very concerned about the assessment to SWMA which goes from \$81,000 to \$319,000, which is extraordinarily significant and would impact the ratepayers. She said she is Chair of the SWMA Board and is concerned about future budgets with this kind of significant increase, if the full assessment was made, as proposed.

Chair Ortiz said he is perplexed as to why we would be taking from SWMA, since SWMA is wholly dependent on rates of the Solid Waste Division.

Councilor Romero said SWMA is included in the City's audit, and the City does the payroll for the agency, and she believes it should pay its fair share, but she disagrees that it should be an increase from \$81,000 to \$319,000.

Chair Ortiz pointed out that SWMA will just raise its rates to cover the increase.

Councilor Romero said it might be cheaper for SWMA to get someone else to serve as its fiscal agent. She said this is one of the anomalies in the spreadsheet where the only recourse would be to pass the increase to the ratepayers. She said, "I don't care about anything else right now, because I'm in sticker shock over them [SWMA]."

Dr. Morgan said some of these do increase dramatically, but they have tried to control that in relation to the total budget. He said when the formula is run, it indicates what it would pay in relationship to its budget and all of the detail that is provided. He said you can give direction about pieces of this.

Dr. Morgan said currently they are doing a Transit Audit, and they asked for our indirect costs and rates and such, which we don't have, and he asked to show them what we've done for application to other places. He said they were pleased with it, although they had guidance and direction about how to deal

with federal grants. He said what we find here, is a clear and precise way for everybody to pay for that which they're actually using.

Councilor Romero said if this is based on the budget, the reserves SWMA maintains are mandated by the U.S. EPA, and New Mexico Environment Department for closure of plants, and these reserves are in the millions. She said therefore, the budget looks higher than it really is, because it contains the mandated reserves. She said we need to start thinking about the "however's," which is a budget which, for example, recognizes federal and state mandated reserves. She said we need to break out those entities which have special circumstances, and there may be others than SWMA.

Dr. Morgan said this is fine.

Councilor Dominguez said it seems we need to have some budget figures beyond what is being presented here, so we can understand those kinds of things brought up by Councilor Romero as it relates to each one of these, and at the least to the utilities.

Chair Ortiz said his only interest in utilities is as it relates to the ratepayers, and he doesn't have an opinion on all of the others.

Councilor Dominguez asked if some of them were changed to special revenue funds so the General Fund isn't charging them, such as the GCCC and the MRC. He said we need to look at this in relation to the utility's budgets, to look at it in its complete context, which he would find to be helpful to him in looking at this issue.

Chair Ortiz reiterated his concern is with taking funds from enterprises and pushing them into the General Fund.

Councilor Bushee said that is what her Ordinance amendment is designed to address.

Chair Ortiz said this is correct, although Councilor Bushee's Ordinance didn't address the institutional issue which this City has always had, which is we've always taken from the enterprise funds.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, approve this request, with direction to staff, as suggested by the comments, regarding treating enterprise funds with the surety that rates won't increase because of this action.

DISCUSSION: Councilor Bushee said she would like to see the Chair's proposed amendments.

Chair Ortiz said he has general amendments for discussion, but he has no language prepared.

FRIENDLY AMENDMENT: Chair Ortiz would like to amend the motion to change the cap to limit it to 8%.
THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.

FRIENDLY AMENDMENT: Chair Ortiz would like to amend the motion to include direction to staff to do an exercise to value test the formula base proposed against the actual budget, commenting we already assess risk management and workers compensation from those funds, and we don't want to double charge. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.**

FRIENDLY AMENDMENT: Councilor Romero would like to amend the motion to exclude entities, such as SWMA, where its budget isn't accounted for in the same way as what is being proposed for enterprise funds, and to have a different assessment for agencies that are a pass through. **THE AMENDMENT WAS FRIENDLY TO THE MAKER WITH THE CAVEAT THAT WE ASK FOR AN ANALYSIS SHOWING WHAT THOSE AMOUNTS WOULD BE AS AN OPTION.**

DISCUSSION ON THE FRIENDLY AMENDMENT: Councilor Romero said it would be helpful if it's an option which shows what it would cost. She said we are looking for the cost for an entity to conduct its business, and if we have that option, she could support the amendment.

Councilor Dominguez said a lot of this will happen at budget time.

THE AMENDMENT WAS FRIENDLY TO THE SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER MEMBERS OF THE COMMITTEE.

CONTINUATION OF DISCUSSION ON THE MAIN MOTION AS AMENDED: Councilor Bushee asked the reason Dr. Morgan chose this in the first place and if there is a different recommendation he was going to make for SWMA and the RECC, noting the BDD is separate.

Dr. Morgan said it was done for every single department and division in the entire City, commenting that there may be some included which the Committee doesn't want to be included.

Councilor Bushee said she is asking if SWMA is removed or treated differently, if he could break down the specific charges, which she would like to see. She said the BDD is at .82%, noting that it has its own attorneys and "everything else." She noted the REC is at zero. She said we are really talking just about SWMA, and that it should be the actual percentage rather than applying the percentage across the board.

Dr. Morgan said, "There is one beauty in having a formula like we're proposing, because any piece of the formula can be set to zero and it still works."

Councilor Bushee said when this goes to the Council, she wants to see what SWMA's actual costs are, and agrees that it is an inordinate jump from less than 1% to 6%. She said she believes this may be a unique entity, commenting that it needs to be included as part of the overhead. She doesn't understand why the BDD is at .82%, saying she thinks of it as very separate, although there may be some crossover on payroll.

Chair Ortiz said, presumably, under the formula we would get to charge them for payroll services we provide.

Councilor Bushee reiterated that the 6% proposed for SWMA is probably an inaccurate project, because it isn't receiving that many services from the City proper. She said it's trying to define the real picture. She said she would strongly suggest that SWMA and the RECC not be thrown into the mix, because we'll end up paying for it somewhere from the General Fund, which we don't want to do. She said this is all good, but she needs those specifics.

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

22. CONSIDERATION OF PROPOSED FINANCING FOR PURCHASE OF ST. CATHERINE'S INDUSTRIAL INDIAN SCHOOL CAMPUS. (DR. MELVILLE MORGAN)

Chair Ortiz noted there is a memo in the packet, which provides different funding options for the purchase of St. Catherine's, and asked if staff has narrowed the focus.

Councilor Bushee said Option #3 is to "borrow approximately \$3 million from the 2012 bond issue and repay it from a planned bond issue in 2014." She said if we are going to talk about repayment at all, it should go back to the repayment of the \$1 million we used and pledged on future bonds for the homeless shelter we purchased.

Chair Ortiz said we didn't borrow it, and we made the decision that money would come from cash reserves – we made that decision and it's done.

Councilor Bushee said, but you also made a condition to repay it.

Chair Ortiz said when we were presented with the option of taking the \$1 million out of available cash reserves, or repaying it, the Council made a decision to take it out of cash reserves, so that decision has been made.

Councilor Bushee said, "I guess what I'm saying is I wouldn't trust an Option #3 which suggested that it be repaid as a condition of anything. I don't think it'll be repaid."

Chair Ortiz said he doesn't trust any of Option #2, and it's disingenuous to the public discussion that the Governing Body had about the CIP Bond at \$22 million that we passed to say, "Oh, we have another option. We can tack on another \$2 million...."

Councilor Bushee said, "I asked the Mayor at the time, was that the plan, and while we're voting, why isn't it on this bond, and I don't know, everybody just punted, I guess."

Chair Ortiz asked if there is a recommendation from staff on any of these financing options.

Councilor Bushee asked, with regard to the water payback, if anybody has done due diligence to determine if any kind of payback is happening from Water to the General Fund, and if that increases the rates. She said that's always what we've been told when we were going to use it for balancing a budget.

Mr. Romero said this is true. If we are going to pay that money back from Water, it would result in an increase in rates at some point.

Councilor Bushee said that would be a non-starter for her.

Mr. Romero said they are analyzing that right now – to determine how much the increase would be, and when it would be necessary.

Chair Ortiz asked, regarding the last option on #4, how we can talk about using utility fund reserves to cover the purchase of this property.

Mr. Romero said, "Our thought is, they have reserves, and maybe there's a way.... right now we're getting a lot less on interest in the bank, and how it could be lent to buy this, and it get paid back with a certain interest rate. Again there we said we would have to work with Legal on that to determine whether it's even legal for us to do that. We know have lots of reserves in each of those funds, and maybe it might be an option to borrow from those funds and pay them back, if it's legal, but that's cash we know we have, and probably could use."

Councilor Wurzburger said everyone knows how she feels about borrowing from reserves. She asked what is the plan for paying the money back under any of the plans, what are the options. She said one of the discussions was in terms of the partnership paying it back. She wants to know who is going to be paying for this.

Mr. Romero said there is an appraisal that says the property is worth \$1.9 million, and we know more work has to be done, so we don't know right now exactly what it's worth – this is one issue. He said the other issue is what we determine during our negotiations and the agreement with the School. He said the options range from not paying it back to paying it all back at a certain rate. He said at the appropriate time, he assumes we would ask direction from the Council as to how they would like us to negotiate that agreement.

Chair Ortiz asked if there would be an ability to get tax credits, commenting we are in negotiations with the owner.

Mr. Romero said this is correct, but those haven't been very fruitful lately.

Councilor Wurzburger said she would take this one step further, to show the payback options. She is comfortable with reserve funds generally, health, workers compensation, but she doesn't want to go there. She said the only one she marked was Wastewater, and she wants to know how it would be paid back. She understands Councilor Bushee's remark regarding our history in terms of paying ourselves back.

Responding to Councilor Bushee, Councilor Wurzburger said this would be from reserves.

MOTION: Councilor Wurzburger moved, seconded by Councilor Romero, to postpone this item to the next meeting with direction to staff to come back with an analysis of how we pay back whatever reserve fund from which we might borrow.

DISCUSSION: Councilor Wurzburger said, without debating right now which one it might be, she needs to fully understand what would be the impact on rates if we borrow from reserves, and how we are going to pay it back.

Chair Ortiz said that would make sense for any of the options.

Councilor Wurzburger said this is true, and she needs to explicitly discuss this, but not tonight.

Councilor Bushee asked if we can discuss it this evening.

Councilor Wurzburger said yes, but she doesn't know that we have the information to discuss this.

Councilor Bushee would like to go down the list and say yes or no to each one as a possibility.

Chair Ortiz said there is a motion on the floor, which is to have staff to come back with a more detailed analysis on how the paybacks would be done for loans from water, wastewater, solid waste.

Councilor Wurzburger said this would include the options we've discussed, and how that ties into the lease.

Councilor Bushee said, "I don't understand why we don't have that discussion tonight."

Councilor Romero said direction to staff would include a payback on any of the options and the analysis of how it would be repaid. She doesn't know if it is limited only to enterprise funds or if it includes a payback on any of the options.

Councilor Wurzburger said, "It's on all of the options. If we borrow \$2 million from wherever, from the City, from a reserve fund, how are we going to pay it back. And I think they have the answer, but I think we have to explicitly discuss that."

Councilor Bushee said, "But not tonight."

Chair Ortiz said Councilor Wurzburger isn't willing to say we're going to get it back from the entity that we're leasing from, or we're going to get a property tax increase, or we're going to take it from the CIP GRT, because that's the only sources of revenue where we can get these funds. He said, "If we borrow it from the ratepayers, if we borrow it from the enterprise fund, then we have to pay it back. It's not like we cannot pay it back, we have to pay it back."

Councilor Wurzburger said if it's not acceptable to the leasing parties, then it's not an option, and we're back to Option #1 and #2, which is CIP or reserves.

Chair Ortiz said then Councilor Wurzbarger is asking for an analysis of the pros and cons of each of the Options/suggestions in order to weigh her decision.

Councilor Wurzbarger said this is correct.

Chair Ortiz asked Councilor Bushee if this answers her question.

Councilor Bushee said, "I thought this discussion would take place tonight, and I thought we would also start to talk about a lease and what requirements we would want to see in a lease. So, because what staff is going to come back and say to the Council, is that it is a policy decision as to where we take the money from and how you want to pay it back. And Councilor Ortiz is correct, I mean our options are limited. It's either going to be out of CIP in some form, you know, add on the debt service of the most recent CIP bond, and we didn't attach it to this upcoming property tax G.O. Bond, which I.... I asked on both occasions for both bonds, why aren't we putting this on one or the other, and it didn't appear."

Councilor Bushee continued, "And what I don't like about this motion is that we're not going down and discussing each option and its viability, like, are we just discounting out of hand the issue of industrial revenue bonds, or are we just.... I mean, honestly, we borrow it from any one of the enterprise funds or health fund or workers comp fund, we pay it back. You know I doubt it's going to be out of surplus from the GRTs in the near future. And so, it's going to have to come from somewhere, and we've already determined pretty much that we don't know to what degree. If it's out of the \$12 million loan that the water company made, you know, it's going to mean maybe a rate increase and I don't think that's acceptable to people."

Councilor Bushee continued, "And for me, it's just, you know.... the last time we made a condition to borrow money out of reserves and didn't pay it back, well, that stuck in my mind, well then I'm not going for Option #3 where we say in the future we're going to repay it and we choose not to. So, I am, myself, interested in hearing a miniature discussion, at least, on the IRB option, and see why that's not even palatable. And it is hard to talk about these without having the lease criteria we would like to see covered. I think it's been clear from everybody that I've spoken with on the Council that, you know, we want to make sure that the Council, the City, is not held at all responsible for the improvements on the property. So, I don't really know why we're moving this, I guess postponing it for a couple of weeks, or I'm not sure what that part of the motion was."

Councilor Wurzbarger said she has the memo before and conceptually in her mind, but she's not seen this memo before on the options. She said, "So, I would like to think about the options, including an IRB, because when you look at it..."

Councilor Bushee said, "Are you looking at something that is different than what is in the packet."

Councilor Wurzbarger said, "No, I read my packet this afternoon, I know you always read yours, so I have not had a chance to analyze that, and that was not my intention. But, if you all are ready to discuss it, so am I, and certainly an IRB which we have pursued once before, but again, that's where I would make the tie to the lease in terms of how we pay the \$220,000 back."

Chair Ortiz asked if the IRB is a subject which has been approached with the School for the Arts Foundation, and if the School knows how to begin doing that.

Mayor Coss said, "Yes. If you issue an IRB, I think the debt service is around \$200,000 a year, and the School for the Arts would not like to see that included in their lease. I think it makes it difficult to do an IRB."

Councilor Dominguez said, "For me, I want to be able to weigh the risk of the lease versus the options, is what I'm looking at. Because, there may be several different opportunities or options that we're really not taking into consideration. So having that information that the Mayor just spoke about is helpful in terms of being able to evaluate the IRB, but we don't necessarily have that.... we haven't had the opportunity to weigh those differences for each of these options against the lease. And I think that was just my concern and comment."

Councilor Romero said, "So we're back to a little more information so we can make a better decision. When I read this, I understood the IRB really wasn't an option, and based on what the Mayor just said, it would be like the last thing we would discuss, because it doesn't make sense for XX reasons, and so we're back to that issue that we need more information that's going to help us evaluate the decision we're going to be making. I just need a little bit more information. I think the motion gives us that opportunity, and that first IRB doesn't make any sense at this point. So, to me, it would be one of the last options, rather than the beginning of the memo as a discussion. The motion on the table is for more information based on the lease."

Councilor Wurzbarger said, "Part of the thinking on my part anyway, is for example, money is money. If it is the reserve funds, that is \$2 million. If we reject Option #1 that's \$2 million. Option #1 at \$2 million is \$220,000, but with an interest rate of 8%. Okay, let's try \$2 million at 4%. Are they willing to talk about 4%. Are we going to be able to find 4%. I think we do have to go through each option and putting the pieces together to see what we go with. It gets murky, but maybe we can reduce it, and we've already started on the CIP reallocation. Again, it's pros and cons for me, and like CIP. We can use the CIP allocation from the \$600,000. But wait a minute, I thought we already reallocated the reallocation. So, we're going down the list."

Councilor Bushee said, "We did the Parks Bond. The CIP."

Councilor Wurzbarger said, "So, if we use that, we'd have a million dollars, and at 4% that is \$40,000 per year. Anyway, I think somebody needs to, including myself, do some further analysis of what the actual financial implications are of each option, in trying to put a deal together to make this happen."

Councilor Bushee said, "Well, we know we won't have to repay the CIP Reallocation Fund. It had been my.... so interested in getting the payback of the \$1 million that we put on the condition, that's very close to the \$2 million, if that \$1 million had been available to be paid back as it was conditioned. So, what we really need to do is... I personally would be in favor of recommending the \$600,000 from the CIP Reallocation Fund, and then we're really looking at \$1.4 million and it makes it a little easier. If we're discounting out of hand the IRB, I had wanted to just hear... you know I just heard some talk about, you

know, the money that the State pays for each student, and I thought.... I don't know what that amount of money looks like on an annual basis, and if that covers the \$200,000, that might be an IRB payback on an annual basis."

Councilor Wurzbarger said, "Perhaps we can have staff clarify that."

Councilor Bushee reiterated that she wanted to go down the list and say, "Here's the pro and the con, and you know we have to pay this back, it meets this, and that's what I thought we would do tonight."

Chair Ortiz reiterated, "I think Councilor Wurzbarger's thought is to get it in a format so we can have another discussion."

Councilor Wurzbarger said, "Because actually, and if I may Mr. Chair, we have the school in high gear, I think you're right. Almost every option needs to be discussed, unless we are going to say to the Council, the Council's going to pay for this and it's going to be a wash, rather than saying how to restructure a lease for participation, whether it's \$600,000 or \$1 million or \$400,000. And that needs to be discussed, not here in finance, but going around one more time with the proposal of St. Catherine's."

Councilor Bushee said, "At the last Finance Committee meeting we made a condition to talk about any financing condition in public. And so, I guess I thought, well, if you look at the IRB and you just say okay, I can use \$600,000 out of the CIP Reallocation and I might not need to bond for \$1.9 million, I would have to bond for \$1.3."

Councilor Wurzbarger said, "The question is who is going to pay the \$1.3 million."

Councilor Bushee said this is what we're discussing tonight.

Councilor Wurzbarger said, "Okay, then what's your idea for creating the \$1.3 million."

Councilor Bushee said, "That's what I wanted to hear here tonight. I didn't want to discount the IRB option out of hand, I wanted to hear what that meant on an annual debt service for the IRB, and you know, obviously, it's not the City that pays that back. We'd have to discuss that and negotiate, and I don't know what the options are from the school, in terms of what the Charter School has paid for rent per student. And I want to see those numbers."

Councilor Wurzbarger said, "I thought the Mayor stood up and gave a response, so perhaps he should repeat it for purposes of the record."

Councilor Bushee said, "... the \$1.9 million, if you're reducing that, or if you find enough money from the City you cut it in half, and maybe it's an option that's a little more viable. We can have that discussion here. We have members from both entities. It's up to the Chair. That's what I thought tonight would be, and I'm not sure."

Chair Ortiz said it isn't his practice to ask people to speak to the Committee, but they may if they would like. He said, "Having this discussion now, instead of at a future Committee is to say, well shaving \$600,000 off \$2 million is like almost 45%, so you subtract 45% from the \$220,000, which gives you a payment of about \$130,000 that would then be the subject of negotiations with the School for the Arts."

Councilor Bushee said there might be a way to get that to \$1 million "if we got creative up here." She said, "I'm looking for a compromise. Are there further items we can discount and say, no, not going to fly, but we're not even having a dialogue."

Chair Ortiz said the dialogue comes from the participation of the members of the Committee. He said, "I will say, for my part, that I find it most objectionable to take from the enterprise funds for any purpose that is not related to the enterprise fund's operations. I think that's a violation of Ordinance that you passed, Councilor Bushee."

Councilor Bushee said it wasn't passed.

Chair Ortiz said, "But you wanted it to pass, and it's a violation of, maybe, the underlying bond commitments that we have in utilities. We should not be borrowing from the enterprise fund to pay for what is a General Fund obligation, period."

Councilor Bushee asked if this means workers comp and health.

Chair Ortiz said, "Workers Compensation and Health are General Fund funds, and I'm less concerned about those. That leads to the stabilization of those particular funds, and how much reserve the Governing Body is going to be comfortable with. It's clear that there is an implicit recognition that the easiest, most direct way of financing this is by taking out of reserves. It's what we've done in the past. It's what we did for the homeless shelter. It's what we could do now. The problem that I see, for future governing bodies that I'm glad I'm not going to be sitting on, is that the obligation for maintaining and fixing that property... yes, we can have a lease with the school, we could have a lease with the foundation, and the obligation is going to be on the government to remodel and redo all of those buildings. And that commitment far exceeds the \$7 million that's been talked about by the school. I think it far exceeds the \$20 million that we've been talking about, and that's the issue."

Chair Ortiz continued, "As it relates to the payment for the property, we know that we think the property is going to come in about \$2 million, and we know that the owner of that property is looking at \$7.5 million. And in litigation, or the unlikely event we compromise and we go into settlement, the Governing Body is going to be paying more than \$2 million for that property, whether they condemn it or they negotiate it. So, yes, we can talk about the plan now, assuming we can get it for \$1.9. We cannot. What are we going to do to put in a court registry if we're going to condemn, that we can take to the owner to say, here's the authority. This is all the authority we have. Take it or leave it. And the negotiation has to happen first with the owner before we can even talk about what's going to happen with this school. So, I don't know if that dialogue is sufficient for your purposes, Councilor Bushee, but I think that I'm in the minority on that position."

Councilor Bushee said she would like the Mayor to speak on this Resolution which he introduced, saying she never has heard from the Mayor. She asked his thought on the purchase.

Mayor Coss said, "My thought was a lot like yours, Councilor. I think I don't want to take it out of reserves that we might need in the General Fund, or out of the enterprise funds. I think we just did \$22 million worth of projects in the CIP. So, we did \$22 million, and you've made the observation that we didn't pay the millions back for Pete's Pets when we did the \$22 million. But, if you wanted to say, let's pay it back, then what you would do is to shave a percentage off every project that we approved in the \$22 million. So you would shave \$1 million off of \$22 million in projects and you would then have \$1.6 million with the CIP reallocation that is not obligated, and you could take the rest by shaving those projects. And I think that's the quickest and easiest way to do it that does not give you a future liability that doesn't have you saying, how are we going to pay back this reserve fund, or that reserve fund, and you know, that's the way I would recommend. That's the only option that I think is straightforward. It doesn't answer Councilor Ortiz's question about what if it is more than \$2 million. However, in all of these things there is a lot of what-ifs, and we're trying to nail them down one at a time."

Councilor Bushee said, "And was it premature when we were approving the CIP bond to not put some portion of this on that bond for discussion."

Mayor Coss said we didn't have a resolution stating that Council wanted to look at it at the time.

Councilor Bushee said, "Yes, we did."

Mayor Coss said, "No, it just passed last week."

Councilor Bushee said, "Well I mean you had submitted it, because I was asking you that night..... I actually like the idea."

Mayor Coss said, "You asked me that night, but I hadn't introduced that resolution. We were actually trying to figure out what ballpark we were in. We didn't have the appraisal from the school yet. I had drafted, but not introduced, the resolution. And so we did that on November 30th and the Resolution and the appraisal has all happened since then. But I think just the way we said, hey, we want to do Pete's Pets, so let's do it. So we took it out of CIP Reallocation. We can do that again, and that way your \$6 million in roads is \$5 million a year, etc."

Councilor Bushee said she wants to see what the numbers would look like to shave \$2 million or \$1.4 million.

Councilor Wurzbarger said it would be consistent with her motion to get further information on that, and as part of that to come back with clarification of having to come up with \$3.5 million to balance next year's budget. [Councilor Wurzbarger was for the most part inaudible here.] She would like to see how that option might be implemented in terms of the total budget gap we're facing, and where we'll find that.

Councilor Bushee asked if the motion included looking at a lease.

Councilor Wurzbarger said would like to look at the lease and the role of school in paying back any portion of what we're doing. She would like this information and she needs the opportunity to flush out the option presented by the Mayor and how the proponents would respond to that option.

Councilor Romero said she appreciates that the Mayor brought that option. She said, "I don't want to go backwards. We made a decision on Pete's Pets, and how we were going to do that. And anything that now shaves off, really just murks up the water. I don't think that's a good way to go – kind of backwards. I think what we've got in front of us is St. Kate's and how to make this happen, if we're going to make it happen, and there are lots of variables. But I think what we've got on the floor as a motion is going to bring forward some options and we just need a little more information. The notion of going backwards, I'm just not supportive of that idea at all, because we reached a decision on the projects that would move forward. That's what we've been talking about. Now, because someone is dissatisfied because they don't like this decision – I don't want to go back and revisit it. And I know it may be part of the options Mayor, but to bring it up now as, 'well we made that decision, let's go backward,' I just don't want to do it."

Councilor Bushee said, "It doesn't have to be revisiting on that point, it could be revisiting the bonds to purchase St. Catherine's, is what it really is. I brought up the principle of repaying and borrowing out of reserves because we've made several motions. We've kind of..."

Chair Ortiz said, "We've borrowed from reserves to pay operating expenses."

Councilor Bushee said she doesn't like borrowing from reserves. She said she is suggesting revisiting the CIP bond, it's not like it went to the voters.

Chair Ortiz said, "One of the concerns I have on the CIP bond. It's something we've done before and it's certainly allowed. But when we went to the voters we increased a \$21 million issue to \$22 million. We gave a list to come up with \$22 million, and then we said it would go for these projects. So to say, well we've got this money now, let's just shave off percentages to put another project on... it is going to be a moving target, unless we get a condemnation and we have an appraisal that comes in, it's going to be more than \$1.9 million. It is."

Chair Ortiz said he understands the hesitance to take from reserves, because we're facing a situation where we need to access reserves to balance the budget shortfall. He said we can get this back to Finance to get feedback from the potential lessor. He believes the Foundation can't do an IRB because it is too young as an entity; they don't have sufficient cash flow; and there is no commitment from the State for permanent funding. He pointed out that this is a "relatively start-up institution." He said it will drive a quicker decision if we get the information from the lessor, and the Council makes a decision on the top dollar which would be allocated. He thinks the owner will know the price we will or will not pay, because it is public and will be reported by the media, so we can't go that much farther up, which in some ways is a good position to be in. He said the motion/second allows us to have that information to come back to this Committee.

Councilor Bushee would like to add that at some point we start talking about the lease.

Councilor Wurzbarger said we really need to know what we're going to do before we start looking at the lease.

Councilor Bushee said then the next discussion will involve terms of the lease that we're interested in pursuing.

Councilor Wurzbarger said yes.

Chair Ortiz clarified that this is postponed to the next meeting which is February 20, 2012.

Chair Wurzbarger said yes, and she wants to be sure Chair Ortiz attends that meeting.

Chair Ortiz asked if this postponement of 3 weeks is sufficient to get the requested information.

Mayor Coss said, "Yes, Mr. Chairman."

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

23. OTHER FINANCIAL INFORMATION:

There was no other financial information.

24. MATTERS FROM THE COMMITTEE

There were no matters from the Committee.

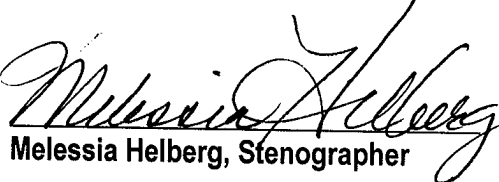
25. ADJOURN

There was no further business to come before the Committee, and the meeting was adjourned at approximately 7:00 pm

Matthew E. Ortiz, Chair

Reviewed by:

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


Melessia Helberg, Stenographer