SANTA FE COUNTY

REGULAR MEETING

BOARD OF COUNTY COMMISSIONERS

June 26, 2007

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:10 p.m. by Chair Virginia Vigil, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:	**Members Absent**:
Commissioner Virginia Vigil, Chair	[None]
Commissioner Paul Campos	
Commissioner Mike Anaya	
Commissioner Harry Montoya	
Commissioner Jack Sullivan [telephonically at 4:20]	

V. INVOCATION

An invocation was given by John Baca from the Public Works Department.

VI. APPROVAL OF THE AGENDA

A. Amendments
B. Tabled or withdrawn items
C. Consent Calendar: Withdrawals

ROMAN ABEYTA (County Manager): Thank you, Madam Chair. We have the following amendments. Under XI. Consent Calendar C. 8 on page 3, we had to amend the language to that caption. We had to make a clarification. Item 22, still under C, the Consent Calendar on page 4, we added a Resolution authorizing the County Manager to have signature authority for a lease agreement for operation of the Vista Grande Library, and that's delegating authority to the County Manager to finalize that agreement.

Under XII. Staff and Elected Official Items, C. 2, we had to amend the amount of compensation to $38 million and increase compensation for architectural and engineering services by $655,337.75. Staff is requesting that under item D. Growth Management Department, items 1 and 2 be tabled at this time to the July 31st meeting. And Madam Chair, on page 5, item F, Matters from the County Attorney, 3, we amended that caption to remove the amount. That's something that we need to discuss in executive session then come out and take action on.

And finally, Madam Chair, under Consent Calendar withdrawals, I would ask that we withdraw item 21 so that we could have discussion on that and a roll call vote by the BCC.

CHAIR VIGIL: That's C. 21?

MR. ABEYTA: Yes, Madam Chair, C. 21 on page 4.

CHAIR VIGIL: Are there any other changes, Mr. Abeyta?

MR. ABEYTA: No, Madam Chair.

CHAIR VIGIL: Okay, are there any changes to the Consent Calendar? Any withdrawal items from any of the Commissioners?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: I ask that C. 12 be withdrawn on the Miscellaneous. XI. C. 12.

CHAIR VIGIL: Okay. C. 12. Any others? Commissioner Anaya.

COMMISSIONER ANAYA: What was that one you were talking about?

MR. ABEYTA: Madam Chair, Commissioner Anaya, that's item number 21 on page 4, which is request approval to publish title and general summary of the Santa Fe County labor management relations ordinance.

COMMISSIONER ANAYA: And you want to do what with it?

MR. ABEYTA: I want to withdraw it so that we can discuss it.

COMMISSIONER ANAYA: Oh, I see. Okay.

CHAIR VIGIL: Any other items? I have some items. Let me request that we consider discussion on C. 5 and 6. Ready for your motion.

COMMISSIONER ANAYA: Move for approval as amended.

COMMISSIONER MONTOYA: Second.

The motion to approve the agenda as amended passed by unanimous [4-0] voice vote.

VII. <u>APPROVAL OF THE MINUTES</u>

A. May 29, 2007

COMMISSIONER CAMPOS: Move to approve.

COMMISSIONER MONTOYA: Second.

The motion to approve the May 29th minutes as submitted passed by unanimous [4-0] voice vote.

VIII. MATTERS OF PUBLIC CONCERN – NON-ACTION ITEMS

CHAIR VIGIL: This is the opportunity for any members from the audience to address the County Commission on any items that are not a part of the agenda. Feel free to come forward. Seeing none, we will move on.

IX. MATTERS FROM THE COMMISSION

A. Resolution No. 2007-91. A Resolution to Join the Santa Fe Public School Board in Support of H.R. 648 No Child Left Behind Improvements Act of 2007 (Commissioner Vigil)

CHAIR VIGIL: I'm not sure. I think the superintendent of schools had planned on being here. This actually came as a request from the Superintendent of Santa Fe Public Schools, Dr. Leslie Carpenter and members of the board. I believe this resolution, Commissioner Anaya, is also the one you referenced under Matters from the Commission at our last meeting. This is basically a resolution in support of improvements to the No Child Left Behind Act. We have been in communication with Congressman Udall's office. This will specifically go to his office. There are improvements that need to be done to the No Child Left Behind Act after every school district in the entire nation has experienced implementation of it.

What this purports to do is allow Congress to lift boundaries or establish further boundaries in specific areas and lift boundaries in other areas after the learning curve for the No Child Left Behind Act has actually been realized from everyone. So unless there are any questions – let me just entertain any questions on it. Are there?

COMMISSIONER ANAYA: So moved.

COMMISSIONER MONTOYA: Second.

The motion to approve Resolution 2007-91 passed by unanimous [4-0] voice vote.

CHAIR VIGIL: I think this act allows for us to get this delivered to Congressman Udall and also to the school board.

IX. OTHER MATTERS FROM THE COMMISSION

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: I'll pass for right now.

CHAIR VIGIL: Commissioner Campos. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I'd just like to be placed on the agenda for a vote to be placed on the Housing Board.

CHAIR VIGIL: I think that has been taken care of though the Housing Board and it will be placed on the next Housing Board agenda. Anything further, Commissioner Anaya?

COMMISSIONER ANAYA: I believe that's it. Thanks.

CHAIR VIGIL: Commissioner Campos, you don't have any matters.

COMMISSIONER CAMPOS: I don't have anything.

CHAIR VIGIL: I don't have anything either.

X. PRESENTATIONS

A. Presentation on the Retirements of Elizabeth Baca from the Treasurer's Office, Romolo Romero from Growth Management/Public Work's Division, and Bill Mc Sweeny from Community Services/Fire

CHAIR VIGIL: Let's start with Elizabeth Baca. Is there anyone from the Treasurer's office?

MR. ABEYTA: Madam Chair, Elizabeth Baca, Romolo Romero and Bill McSweeny couldn't be with us today. However, they were made aware of their retirement. I would just like to say thank you to them for the years of service they provided to the County and their families. We will miss them all. But again, thank you from the Manager's office, the Treasurer's office, Public Works, the previous Public Works Department and the Fire Department to these three individuals. And we have plaques that we will be getting to the three individuals.

CHAIR VIGIL: Thank you very much, Roman, and on behalf of the Board of County Commissioners please extend our gratitude for their service and also to their families.

XI. CONSENT CALENDAR

A. Budget Adjustments

1. **Resolution No. 2007-92 A Resolution Requesting an Operating Transfer From the General Obligation Bond (GOB) 1997 Series Fund (350) to the GOB Debt Service Fund (401) to Budget Investment Income Revenue for Debt Service Expenditure in Fiscal Year 2007 (Administrative Services Department)**
2. **Resolution No. 2007-93. A Resolution Requesting an Operating Transfer from the General Obligation Bond (GOB) 2001 Series**

Fund (353) to the GOB Debt Service Fund (401) to Budget Investment Income Revenue for Debt Service Expenditure in Fiscal Year 2007 (Administrative Services Department)

3. **Resolution No. 2007-94. A Resolution Requesting an Increase to the Emergency Medical Services Fund (206) / Chimayo and La Cienega EMS Districts to Budget Prior Fiscal Year Cash Balance for Expenditure in Fiscal Year 2007 / $5,730 (Community Services Department)**
4. **Resolution No. 2007-95. A Resolution Requesting an Increase to the Jail Operations Fund (518) Adult Facility to Budget Prior Fiscal Year 2006 Cash Balance for Nursing Services for Fiscal Year 2007 $205,000 (Corrections Department)**

B. **Professional Service Agreement**

1. **Request Approval to Enter into a Professional Services Agreement/Contract No. 27-0815-FD/JC in Response to an RFP for Medical Director in the Amount of $100,050 for a Four Year Period (Community Services Department)**
2. **Request Authorization to Accept Amendment No. 2 to Extend for an Additional Year and Compensation of $90,000 a Professional Services Agreement to Norton J. Bicoll, DDS, PSA No. 26-1807-CORR/MS to Provide Dental Services for the County Adult Detention Facility (Corrections Department)**
3. **Request Authorization to Approve Amendment No. 1 for PSA No. 26-1202-SD/MV, the Santa Fe Animal Shelter. The Amendment will Increase Compensation by an Additional $167,000 (For Additional Services), Revise the Scope of Work and Extend the Termination Date to June 30, 2008 (Sheriff's Department)**

C. **Miscellaneous**

1. **Request Authorization to enter into a Telecommunications Service Agreement with Qwest to Provide PRI Internet, Data, and Voice Services for Santa Fe County in the Amount of $207,000 (Administrative Services Department)**
2. **Consideration of Lease Agreement for 1470 sq ft of Office Space at the Bokum Building in the Amount of $33,810 per Year for 2 Years (Administrative Services Department)**
3. **Resolution No. 2007-96. A Resolution Authorizing the Surplus of Fixed Assets in Accordance with State Statutes (County Sheriff's Office / Administrative Services Department)**
4. **Request Authorization to Accept and Award Agreement No. 27-0303-FI/MS to Modrall Sperling Lawyers for Bond Counsel**

Services for Santa Fe County in Response to RFP No. 27-0303-FI/MS Bond Counsel Services (Administration Services Department)

5. **Resolution No. 2007-__. A Resolution Requesting Approval of the "Taxable Fringe Benefits Policy" to be Adopted as a County Wide Policy that Applies to any/all Employees and Elected Officials who Receive Fringe Benefits that are Taxable under the Internal Revenue Code (Administrative Services Department) ISOLATED FOR DISCUSSION**
6. **Resolution No. 2007-__. A Resolution Requesting Approval of the "Propriety of Expenditures Policy" to be Adopted as a County-Wide Policy that Applies to any/all Employees and Elected Officials who Receive Fringe Benefits that are Taxable under the Internal Revenue Code (Administrative Services Department) ISOLATED FOR DISCUSSION**
7. **Request Authorization to Accept and Award Agreement No. 27-1917-FI/MS to Qualified Highest Rated Offeror for Financial Audit Services for Santa Fe County in Response to RFP No. 27-1917-FI/MS (Administrative Services Department)**
8. **Request Approval of Local DWI Grant Agreement No. 08-X-I-G-27 with the New Mexico Department of Finance and Administration in the Amount of $300,000 for FY 2008 (Community Services Department)**
9. **Resolution No. 2007-97. A Resolution Authorizing the Donation of Surplus Fire Department Rescue Equipment (Community Services Department)**
10. **Request Approval of Amendment No. 5 to Contract No. 22-0098-PW Between Santa Fe County and the Louis Berger Group, Inc. to Increase Compensation by $244,156.24 to Architectural and Engineering Services for the New Public Works Facility (Community Services Department)**
11. **Request Approval of Change Order No. 2 to Lockwood Construction Contract No. 26-0715-PFMD/RH for the Youth Shelter Phase II Project - $55,000 (Community Services Department)**
12. **Request Approval to Award Multiple Indefinite Service Contracts to the Life Link, Hoy Recovery Program and the Santa Fe Recovery Center for Outpatient Treatment Services (Community Services Department) ISOLATED FOR DISCUSSION**
13. **Request Approval of Local DWI Grant Agreement No. 08-D-J-G-**

27 with the New Mexico Department of Finance and Administration in the Amount of $55,000 for FY 2008 (Community Services Department)

14. **Request Approval of 1 FTE Term Clerk Position for the CARE Connection Assessment Center (Community Services Department)**
15. **Request Approval of Amendment No. 3 to the Las Cumbres Learning Services to Provide Mental Health Services Through its Community Infant Program in the Amount of $178,000 for FY 2007-2008 (Community Services Department)**
16. **Request Approval of the Memorandum of Agreement No. 4674 from the Department of Health/Public Health Division for the Administration of the Santa Fe County Maternal and Child Health Council in the Amount of $132,523 for FY 2007-2008 (Community Services Department)**
17. **Request Retroactive Approval for Amendment No. 4 to Contract No. 26-1812-ADF/RH with Quality Medical Staffing for Payment of Outstanding Invoices Totaling $98,222.71 and Additional Funds Needed of $75,000 for Nursing Services through 06/30/07 (Corrections Department)**
18. **Request Retroactive Amendment No. 4 to Contract No. 26-1814-ADF/RH with Medical Staffing Network for Payment of Outstanding Invoices Totaling $89,194.24 and Additional Funds of $138,000 Needed for Nursing Services through 06/30/2007 (Corrections Department)**
19. **Request Authorization to Enter into Price Agreement #27-0614-PW/JC to Provide a Fleet Service Oil and Lube Truck /$128,596 (Growth Management Department)**
20. **Consideration and Approval of Resolution No. 2007-98. A Resolution Amending Resolution No. 2007-5 (A Resolution Accepting the Dedication of Beckner Road) By Substituting a Replacement Exhibit A (Legal Department)**
21. **Request Approval to Publish Title and General Summary of the Santa Fe County Labor Management Relations Ordinance (Human Resources) ISOLATED FOR DISCUSSION**
22. **Resolution No. 2007-99 A Resolution Authorizing the County Manager to Have Signatory Authority for A Lease Agreement for Operation of the Vista Grande Library (Community Services)**
[Exhibit 1: Memo and Resolution]

COMMISSIONER MONTOYA: Move for approval on the Consent Calendar.

COMMISSIONER CAMPOS: Second.

The motion to approve the Consent Calendar with the exception of items C. 5, 6, 12 and 21 passed by unanimous [4-0] voice vote.

XI. C. 5. Resolution No. 2007-100. A Resolution Requesting Approval of the "Taxable Fringe Benefits Policy" to be Adopted as a County Wide Policy that Applies to any/all Employees and Elected Officials who Receive Fringe Benefits that are Taxable under the Internal Revenue Code (Administrative Services Department)

6. Resolution No. 2007-101. A Resolution Requesting Approval of the "Propriety of Expenditures Policy" to be Adopted as a County-Wide Policy that Applies to any/all Employees and Elected Officials who Receive Fringe Benefits that are Taxable under the Internal Revenue Code (Administrative Services Department)

CHAIR VIGIL: Teresa, thank you for being here. I withdrew that item and I just have some specific questions. I read the memo and it seemed specific to particular taxed fringe benefits, I believe that you are trying to adopt as policy for us. Is there any other taxed fringe benefits that were part of the audit finding that weren't on this memo?

TERESA MARTINEZ (Finance Director): Madam Chair, Commissioners, it's a two-year plan, if you will, in terms of what we're attempting to get done here. The biggest mention was to the take-home vehicles and the lack of policies and procedures. The next target would then be clothing and uniforms. So this was the biggest mention within the audit finding.

CHAIR VIGIL: Okay. And I assume if there are additional items that need to be included it would be included in the policy. Would that have to come back to us?

MS. MARTINEZ: Any changes we make to the policy will always be brought before the Board. And it is a work in progress, as we make additions for other taxable fringe benefits we will add to this policy and bring it before the Board for approval.

CHAIR VIGIL: Okay. I just needed that clarification. Thank you. With that, I move that we approve items – and you actually clarified 6 for me also – that we approve items 5 and 6 on the Consent Calendar.

COMMISSIONER CAMPOS: Second.

The motion to approve Resolutions 2007-100 and 101 passed by unanimous [4-0] voice vote.

XI. C. 12. Request Approval to Award Multiple Indefinite Service Contracts

to the Life Link, Hoy Recovery Program and the Santa Fe Recovery Center for Outpatient Treatment Services (Community Services Department)

COMMISSIONER MONTOYA: Thank you, Madam Chair. My question is, what is a multiple indefinite service contract?

STEVE SHEPHERD (HHS Director): Madam Chair, I'm going to let Richard address that.

RICHARD MARTINEZ (Procurement Division): Madam Chair, Commissioner Montoya, the way we had structured these agreements based off of the solicitation was an indefinite service based off of unit costs. Basically, indefinite means that the contractor can provide all of the multiple services that they've been on at a set unit cost indefinitely for the term of the contract.

COMMISSIONER MONTOYA: Oh, for the term of the contract. Okay.

MR. MARTINEZ: That's correct.

COMMISSIONER MONTOYA: So it's not an indefinite contract that will run forever.

MR. MARTINEZ: Correct. Indefinite service, unit cost.

COMMISSIONER MONTOYA: Okay. Move for approval, Madam Chair.

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Motion and second.

The motion to approve the contract passed by unanimous [4-0] voice vote.

XI. C. 21. Request Approval to Publish Title and General Summary of the Santa Fe County Labor Management Relations Ordinance (Human Resources)

CHAIR VIGIL: Bernadette, do you want to give us a summary of this?

BERNADETTE SALAZAR (HR Director): Madam Chair, members of the Commission, attached to the draft ordinance is a cover memo outlining the reasons why we would like to proceed with this request and some of the benefits of having a local board would be quick response on issues. All meetings will be conducted here in Santa Fe rather than our employees having to travel to Albuquerque and our board members would be local, therefore more receptive to local issues and less interested in using the National Labor Relations Board criteria, which is primarily designated to improve working relationships between private sector employees and their employers. The appointees would be on the board for one year, rather than three years. It would be a balanced board: a labor person, a management person, and a third appointee would be somebody that both those first appointees would mutually agree upon.

Those are some of the reasons why we would like to proceed with this.

CHAIR VIGIL: Thank you, Bern. Are there any questions?

COMMISSIONER CAMPOS: One question, Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: The members are approved by the County Commission?

MS. SALAZAR: Yes. All three members.

COMMISSIONER CAMPOS: All three members. When you appoint the third member, is that annually, or is that only when there is a need to convene?

MS. SALAZAR: It would have to be annually, but they can serve unlimited terms.

COMMISSIONER CAMPOS: Thank you.

CHAIR VIGIL: Questions? Bern, I have one. Clarify for me. This is for both union and non-union, correct?

MS. SALAZAR: It would only be for bargaining unit employees, Madam Chair.

CHAIR VIGIL: Okay. Then in fact the appeal, sort of complaints board that we were talking about for any complaints that would occur not necessarily in employment but other, that's a whole different issue, Mr. Abeyta?

MR. ABEYTA: Madam Chair, this would have to do with disciplinary actions or grievances, personnel related matters.

CHAIR VIGIL: Okay. Any further questions?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: My understanding is that this strengthens, cleans up, clarifies any sort of ambiguities that may have existed.

MS. SALAZAR: Madam Chair, Commissioner Montoya, I think so. I think this would streamline a lot of the issues that we may have with our unions.

COMMISSIONER MONTOYA: Okay. Madam Chair, if there are no further questions, I move for approval.

CHAIR VIGIL: Motion.

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: And second. Any further discussion?

The motion to authorize publication of title and general summary of a labor relations ordinance passed by unanimous [4-0] voice vote.

XII. <u>STAFF AND ELECTED OFFICIALS' ITEMS</u>

A. <u>Santa Fe County Board of Finance</u>

1. Resolution No. 2007-102. A Resolution Amending Santa Fe County's Investment Policy *[Exhibit 2:Treasurer's Investment Plan]*

COMMISSIONER MONTOYA: Move to recess as the BCC and enter into the Board of Finance.

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Motion and second that we go into the Board of Finance.

The motion to convene as the Board of Finance passed by unanimous [4-0] voice vote.

CHAIR VIGIL: Brian, will you be presenting this?

BRIAN BACA (Deputy Treasurer): Madam Chair, Victor Montoya just went down to the office to get some paperwork. He should be here momentarily.

CHAIR VIGIL: Okay. And he is also going to give us an update on County investments?

MR. BACA: Yes, he is.

CHAIR VIGIL: And also the County Treasurer report.

MR. BACA: I believe so.

CHAIR VIGIL: Okay. We'll wait a few minutes and we'll go back to that item. Could we move on to item XII. C. Community Services Department? Ah, Victor. You're here. Are you ready for your items on the agenda? That is specific, Mr. Montoya to your request to add an additional member to the investment policy, correct?

VICTOR MONTOYA (County Treasurer): That is correct, Madam Chair. Good morning, Commissioners.

CHAIR VIGIL: Good morning, Mr. Montoya.

MR. MONTOYA: Madam Chair, I guess the reason I'd like to add a member that's a non-County employee from the private sector is that I thought it would just give us a lot more transparency with our investments and also I think some of the people that I know have a lot of expertise also in this area and I thought it would be something that would be beneficial to run the investment committee.

CHAIR VIGIL: Okay. Are there any questions on this? Commissioner Campos.

COMMISSIONER CAMPOS: Madam Chair, Mr. Montoya, what's the selection criteria for the new member? Is it spelled out? Is it totally discretionary? Is it totally up to you to make that decision? How does that work?

MR. MONTOYA: Commissioner Campos and Madam Chair, well it's not spelled out specifically. Whoever I would nominate to the committee would be presented to the entire committee. It wouldn't be my final decision; it would be a joint decision based on whoever's serving on the committee.

COMMISSIONER CAMPOS: So do you nominate or do you select? Does the Commission have a role in the decision-making process?

MR. MONTOYA: Commissioner Campos, I think when we presented the initial investment policy to the Commission, we outlined all the members of the committee at that time and since we haven't – that's been approximately three and a half years ago and I don't think we've changed that until this proposed change. I guess if you had a strong feeling for doing it another way we could certainly look at doing that.

COMMISSIONER CAMPOS: I'm just concerned about criteria, expertise in a particular area, because I think that's what you're looking for. And if you nominate someone to this committee, it's really your selection then, right? Is that what you're saying?

MR. MONTOYA: It's my recommendation. Yes, sir.

COMMISSIONER CAMPOS: Who do you recommend?

MR. MONTOYA: Well, right now, I'm looking at working with this gentleman named Lowell Gilbert. I don't know if you know Lowell.

COMMISSIONER CAMPOS: I know Lowell. He's pretty good.

MR. MONTOYA: Lowell and I worked at PERA together for a long time. He's a very knowledgeable person about IT issues. He's also very knowledgeable about investments and I think he would make an excellent candidate.

COMMISSIONER CAMPOS: I agree. I think Mr. Gilbert's an excellent candidate. But do you select him or does the County Commission select him? Who selects him?

MR. MONTOYA: Well, Commissioner, I guess if you approve this amendment to the investment policy I would be nominating him and presenting him to the committee and if the committee concurred with me I guess you would say I would be selecting him.

COMMISSIONER CAMPOS: That is true.

COMMISSIONER MONTOYA: So, Madam Chair, just to clarify, it does say a non-County employee appointed by the Treasurer. The selector is the Treasurer, yes.

CHAIR VIGIL: We could, as you intended, amend that to say appointed by the Treasurer and agreed to by the Investment Committee. It sounds like that's what the intention was. Is that correct?

MR. MONTOYA: That's correct, Madam Chair.

COMMISSIONER MONTOYA: Or it could be a non-County employee nominated by the Treasurer and appointed by the Investment Committee members. Would that work?

CHAIR VIGIL: I think that's the recommendation I just made. Was that your understanding, Mr. Montoya?

MR. MONTOYA: Yes. That will be fine, Madam Chair.

COMMISSIONER MONTOYA: Also, Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Also on that particular section, page 6, letter B. I would just suggest that we make those non-gender specific so that they're gender neutral in terms of saying their designee instead of his designee or her designee.

CHAIR VIGIL: Does that make sense, Mr. Ross?

MR. ROSS: Madam Chair, that's easily taken care of. You want me to verbalize my suggestions?

CHAIR VIGIL: Yes.

MR. ROSS: What I would suggest is that under B, Investment Committee Members, that the members of the Investment Committee shall be the Chair of the County Board of Finance or the Chair's designee, the County Manager or the County Manager's designee, the Treasurer or the Treasurer's designee, the Finance Director or the Finance Director's designee, the County Attorney or the County Attorney's designee, and a non-County employee appointed by the Treasurer – I'm sorry, a non-County employee nominated by the Treasurer and appointed by the members of the Investment Committee. How's that?

CHAIR VIGIL: Sounds good.

COMMISSIONER MONTOYA: Madam Chair, move for approval.

CHAIR VIGIL: With amendments?

COMMISSIONER MONTOYA: With amendments, yes, ma'am.

CHAIR VIGIL: There's a motion with amendments as stated by Mr. Ross. Is there a second?

COMMISSIONER ANAYA: Second.

CHAIR VIGIL: There's a motion and second.

The motion to approve Resolution 2007-102 as amended passed by unanimous [4-0] voice vote.

MR. MONTOYA: Thank you, Madam Chair.

XII. A. 2. Update on County Investments

MR. MONTOYA: Madam Chair, in accordance with the Santa Fe County investment policy, Resolution 2004-107, I'm submitting this memorandum to present the County Treasurer's investment plan for the foreseeable future and to give the County Board of Finance a status report on the County's investments. Of course my primary objective is to ensure that the County's portfolio contains safe, liquid and diversified investments while earning a market rate of interest on all money that is not immediately required to meet the

County's cash flow needs. Part of the investment plan is to diversify the portfolio and to invest in all permitted investments authorizing the policies as follows.

These are interest-bearing accounts with our custody bank, certificates of deposit ensured by the FDIC or collateralized at 102 percent for investments over $100,000. The other thing we can invest in is government agencies, which are bonds, treasury bills or other debt securities issued by and backed by the full faith and credit of the United States government. These investments are fully collateralized as provided for in our investment policy. In terms of helping the local economy here in Santa Fe County, I looked at investments that benefit our local economy that will assist banks and credit unions with the ability to provide mortgage loans, auto loans and construction financing to our County constituents.

The investment made in two banks that are classified as financial depository institutions for the County is as follows. Those are part of the guidelines that are in our investment policy, so that's the basis for approving these two banks that have so far been designated as financial depository institutions. The First Community Bank, of course is our custody bank and it was recently awarded a new contract. To date we have invested five million in a two-year certificate of deposit that yields approximately 4.75. It's got roughly I think about just under a year to go before it matures. We also have $2 million in seven-day CDs that renew every seven days and are currently yielding the fed funds rate of 5.25 less 50 basis points, or 4.75 percent.

These seven-day CDs are adjusted every time the feds raise the rates. The balance in our bank accounts are swept into an overnight repurchase agreement account and redeemed the following morning. The overnight repo account is currently yielding 4.75 percent. Just to give you an example of how much we made on this overnight repo account, for the calendar year ended 2006 we generated $571,949.69 on the overnight repo account. Year to date for 2007 we've generated $212,583.34. And the reason that amount has gone down is because I have been placing more money at the local government investment pool, and the reason I'm doing that is because at the pool we've been earning in excess of five percent, so we're earning like around almost 5.25 and for the last month, as you'll see further down in my report, for the month of May we earned 5.3. So the pool is currently paying a lot more.

The Los Alamos National Bank, this bank received financial depository institution status from the County Board of Finance in August of 2005 and we currently have $20.1 million invested in certificates of deposit, fully collateralized at 102 percent by irrevocable letters of credit from the Federal Home Loan Bank in Dallas. Some of the – we have approximately $12 million at very favorable rates. I have summarized some of those rates, some of the higher interest rates I guess that we're getting on those investments. As you can see, we have approximately $1 million in a six-month CD at 5.65 percent and we have about $6 million at 5.3, $2 million at 5.4, so these are short-term rates at both the First Community Bank and the local government investment pool.

On my Treasurer's report that's attached later on in this presentation there are some other interest rates. They're not as high, with Los Alamos National Bank, but of course those were negotiated back in August 2005 at which time the fed funds rate was much lower. At the State Treasurer's Local Government Investment Pool I am a member of the participant council. I attend their State Investment Committee meetings, better known as STIC meetings. I don't attend every month but I do occasionally attend. These meetings provide me with information on how the State Treasurer is investing the LGIP, how long he's investing for, and the economic outlook for the County. This information is very beneficial to me in basing my investment decisions and my recommendations to the Investment Committee.

Finally, I provided a comparison of our investments being compared to the LGIP. Here are the results for the last three months. For May we earned 5.306; April, 5.235; March, 5.233. The current investment at the LGIP is approximately $85,245,923.

CHAIR VIGIL: I'm sorry, Victor. Where was that $85 million at?

MR. MONTOYA: At the Local Government Investment Pool. Then in government agencies or bonds, this is one area of our portfolio that I have worked on as part of the diversification of our assets. We've increased our holdings to $39 million. Much of this increase came about when we invested $5 million left from the 2005 bond sale for road improvements and water projects. These investments are short term and designed to meet our cash flow needs as the projects materialize. The last two investments from the 2005 bond sale will mature by the end of this calendar year.

In closing, I have attached a copy of the Treasurer's report which shows all investments in CDs, government bonds and Local Government Investment Pool we have made to date. These investments show the principal investment, the effective annual interest rate, the term and the maturity date, and how we receive the income. The County's total portfolio as of the end of yesterday was $152,131,556. The County Treasurer's Investment Committee has been meeting regularly since April 2005. I present an agenda to the committee each month that includes the investments that have been made or matured and minutes from the prior month. I strive to keep the committee informed by having our local banks and other entities make presentations to the committee on how they intend to use County funds to improve the economy of Santa Fe County when they apply for depository financial institution status.

I'd like to mention also that next Wednesday I'll be meeting with – or this Wednesday, I should say, with Wells Fargo. They're interested in becoming a financial depository institution. So once I have them make their presentation to the committee and get an idea of what they would like to entertain what they offer, we'll bring it to the Commission to have them approved as a financial depository institution. So we're still off about a month or maybe a month and a half away from doing that.

I'd like to thank the Investment Committee for their hard work and commitment to attend these monthly meetings. I know that they have many commitments and obligations and other things that they attend to on behalf of the County. Madam Chair, before I ask the Finance Director to come up to the table, I would just like to share a few charts with you.

These are over at First Community Bank. Our total account balances on the first page after the narrative, if you'll see there, we have $7 million in CDs and a cash balance of $10,013,847. That amount is broken down on the next page with checking account balances, and it shows our major accounts.

We have the inmate trust fund, the new money market account and the repo account and other accounts. The money is transferred daily to the repo account overnight and if you can see there in the kind of a brownish color, that was the amount that was invested night before last, $9,326,170. And then on the last page of those first e-cash charts it shows what our time account balances are. We have the two $1 million CDs and the $5 million that's invested for a 24-month period. It should be maturing next year in April.

And with that, my section of the Treasurer's report follow those pages and they're all broken down there by individual investment items under the Santa Fe County Treasurer's report. With that Madam Chair, I guess what I would like to just let you and the Commissioners know that that concludes my portion of the presentation. The Finance Director will now provide an overview of the cash flow receipts and disbursements for you. Thank you for your kind attention and I make myself available to any questions you might have. I don't know if you want to do that after the Finance Director gives you her presentation, or if you want to talk to me right away.

CHAIR VIGIL: It might be fresh in our memories. Are there any questions for Mr. Montoya? Commissioner Montoya.

COMMISSIONER MONTOYA: Victor, on the checking account balances, the other accounts, more or less how much is in that? About another 200 and some thousand?

MR. MONTOYA: Yes. I think it's about 200 and some thousand, Commissioner. It's a very small amount because they're very small, little accounts. Some of them are the Sheriff's accounts that we transferred over that were at the First National Bank downtown. They've all been consolidated now.

COMMISSIONER MONTOYA: Oh, so that's all been done?

MR. MONTOYA: Yes, Commissioner. And I remember that we had this discussion during our meeting. And we've finally taken care of all of that. The only thing – and just to give you an update on the $1.4 million that we discussed regarding Las Campanas for affordable housing, the County Attorney's designee to the Investment Committee has contacted or has read the information from Las Campanas and who has previously been investing the money, that $1.4 million, and we are sure that that money can be transferred over to us to invest here at the County and we just have to send them a letter that says we have the ability to set up a separate account to track the investment of those funds and one of the things that the Investment Committee discussed is to make sure that we had a policy or a procedure in place to draw down the money whenever the affordable housing program had a need for it. We want to make sure that there's a procedure in place to do that and I think the Finance Director determined that we do have that in place. So the next thing is to make sure that the money that's invested right now, the $1.4 million, that we don't pull it out before it matures because we might have a penalty to draw down early. So we'll just need to see when that date is about to happen.

COMMISSIONER MONTOYA: Okay. And lastly, Madam Chair, I just want to commend Victor and the work that you've done in terms of since April of 05, the portfolio, the investments that the County has made are just unsurpassed I think probably in the history of Santa Fe County. I don't think I'm going to far-fetched by saying that. And I just really want to commend you and the work that you've done. The only thing that I would caution is that if we – we get these big conglomerates like Wells Fargo and I guess I'm interested in seeing how much do they actually reinvest back into the community, as opposed to like First Community or Los Alamos National Bank, that we know our locally owned, locally operated and the majority of what they produce for us stays in Santa Fe County. So that would be my things that the Investment Committee could look at that particular aspect of what our huge national conglomerate is going to bring to Santa Fe County. That's my only comment on that.

MR. MONTOYA: Commissioner Montoya, Madam Chair, your point's well taken. They will have to come before the Commission before they're approved as a financial depository institutions and before we place any money with them. So we'll be able to question them at that time to see how they propose to invest the money that we place with them in our local economy.

COMMISSIONER MONTOYA: Okay. Thank you, Madam Chair. Thank you, Victor.

MR. MONTOYA: You're welcome. Thank you for the kind words, Commissioner.

CHAIR VIGIL: I echo them. Thank you for all the work you've done and really the focus you've created through your leadership on the Investment Committee and the work your staff has done with it. Real specific: Wouldn't a financial institution depository need to go through an RFP process? Isn't that how we go with First State? Or are you looking for a separate institution for investment purposes only?

MR. MONTOYA: Yes. The latter, Madam Chair. Basically, under the investment policy there's certain criteria that any bank can qualify to become a financial depository institution, and they have to make just basically a brief overview. They have to make a presentation of how much money and what kind of rates they could give us and how that would benefit the County. And then I would present that to the Investment Committee and if the Investment Committee concurred we would then bring it up to the Commission for approval and for that designation.

CHAIR VIGIL: Okay. So the investments would only include bonds, CDs, those kinds of things with them, like we currently have with Los Alamos National.

MR. MONTOYA: Yes, Commissioner. I think banks are not typically involved in the process of selling bonds, so I usually deal with brokerage houses on that.

CHAIR VIGIL: They don't do municipal bonds at all?

MR. MONTOYA: I don't think so, but normally what we do is I guess use brokers to buy the bonds with. And of course when you buy a bond if you get a really high yield on a bond, it's usually a callable bond which means they're going to probably mature before it goes to the term of completion. But predominantly with banks like First Community Bank, Los Alamos National, we've been really lucky to get such great rates from Los Alamos National Bank, and they crank all the money back into the economy here or the community. And with First Community Bank I think, while their rates are certainly fair. I'm not going to say they're not fair, but what they would like is for me to charge or allow them to collateralize at a lower rate and they would give us a higher yielding rate. But it's my understanding from some of the discussions we've had at the Treasurer's affiliate that the constitution requires us to collateralize at 102 percent. State statute says we can go down as little as 50 percent, based on the strength of a bank. But I don't like – first of all, the banks have to file a financial report every 90 days and on top of that 90-day time period they have an additional 45 days to file that report. So they have a total of 4 ½ months and if a bank's in trouble, 4 ½ months is a long time before we would know how much trouble they were in. So I would rather err on the side of –

CHAIR VIGIL: Collateralization.

MR. MONTOYA: Yes.

CHAIR VIGIL: I understand. Are there any further questions? Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Madam Chair. I've got a question, Mr. Montoya. The $15 million left from the 2005 bond sale of road improvements and water projects, why do we have $15 million left and why haven't we worked on improving our roads and water systems?

MR. MONTOYA: Madam Chair, Commissioner Anaya –

CHAIR VIGIL: Is that something for Teresa?

MR. MONTOYA: It might be. I was going to add I don't get involved in those types of decisions, Commissioner, but I do work with the Investment Committee and I do point those things out to the Finance Director and to the County Manager when we meet. They're much more prepared to answer something like that than I am. Originally the bond sale was I think $20 million from that 2005 and I think that from my limited knowledge and I think we spent about $5 million on the Top of the World and the rest they have been drawing down and that's the way I invested the money, based on the estimates as to when they would need it. So that's why I say that they have – of course I'm sure that the Buckman Diversion has taken a lot longer to materialize then what everybody anticipated, but with that, Commissioner, that's all I'll have to say on that.

CHAIR VIGIL: Okay. Teresa, would you add whatever you can to that question?

MS. MARTINEZ: Madam Chair, Commissioner Anaya, Victor's very right. A good portion of the funding in terms of the bonding was dedicated to the BDD, and that hasn't materialized. And then if you'll recall, we had a water planning meeting with the Board and a lot was decided on that day in terms of the criteria and the order of projects that would be allocated funding. If I'm not mistaken we're going to have additional study sessions that will be dedicated towards the water portion. But right now, one of the contracts you just approved today, I was looking at the Public Works side on the bonding and the money is encumbered and has been spent. So as we see a significant expense then we'll work with the Treasurer to draw down the funds.

So we're orchestrating coordination so we give him a time line as to when we may need the funds, and that way he can invest based on our time line. So it is being spent and it is earmarked.

COMMISSIONER ANAYA: Madam Chair, Teresa, what are we doing with the money that we invest and that we're making? Do we just keep putting it back in investing?

MS. MARTINEZ: Well, it depends on the available funds. It could be reinvested. A lot of it falls through to cash balance and it will assist – this budget session, this year we made a step towards dedicating more cash balance than we have in years past for the building blocks. If you'll recall, the building blocks that we went through. So it will fall to cash balance, it will help maintain our reserve requirement, and then it will be reallocated to either recurring or non-recurring expenditures like you did this year.

COMMISSIONER ANAYA: So it is flowing through our budget. The reason I ask is because we're recently going to raise taxes, or we're talking about raising taxes a quarter percent for the sole community provider fund. And I believe we need like $2 million or something like that. I forget the exact amount. Is there any way that we can use some of this money that is invested or we've looked at it? I'm seeing all these figures, $152,131,000, I'm saying, well, why can't we use $2 million of that so that we don't have to raise taxes?

MS. MARTINEZ: Madam Chair, Commissioner Anaya, in terms of a lot of the large number amounts you see in Victor's report, $15 million for the 2005-A bond, that money is invested but it's very much dedicated and earmarked towards roads or water. So you'll see huge amounts in there in terms of being invested based on the time lines of need by the different departments managing those projects. But they're very earmarked for their needs. So we are taking investment earnings and we are putting it into the budget cycle.

The other issue is with sole community provider, you're then saying you're going to take general fund money investment earnings and dedicate towards a recurring expenditure. And I probably would not recommend that, given the rate that the sole community provider commitment is growing, that would be a constant demand on the general fund if we decided to go down that road, and that's why our recommendation was for the implementation of a new tax.

COMMISSIONER ANAYA: Okay. Thank you, Madam Chair. Thank you.

CHAIR VIGIL: Further questions? Teresa, we just put you to questions. You do have a little bit of a presentation. Please proceed.

MS. MARTINEZ: Madam Chair, Commissioners, this is our first attempt at giving you a cash flow analysis. So we've included several slides that will summarize property taxes, receipts, disbursements and then a timely reminder of our cash flow requirements.

The first slide I believe you have in your presentation is the property tax collection and distribution side. This is in the neighborhood of $106 million collected towards property taxes. And the intent of this slide is to point out to you how that money is distributed to the different entities and what portion of that money goes to the schools, goes to the County. So if you look at the slide, the predominantly pink area is actually representative of the Santa Fe County portion of revenue, which is 40 percent and comes in just at about $42 million.

You'll also see that 49 percent of the taxes collected are going to the schools and that includes Santa Fe Community College at about $52 million. The state receives 7 percent of that collection at about $7 million, and municipalities, which is the City, gets 3 percent at almost $3.7 million, and the remainder is other, which are your water, conservation districts, which is about $1.3 million. So this slide is intended to show you how the taxes collected are distributed to the different entities.

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: The 40 percent, last week we were given a presentation that has us collecting about 25 percent.

MS. MARTINEZ: I thought it was 25 percent too, and then as we put the numbers together and I also coordinated with the County Treasurer and the County Assessor, it actually is at 40 percent. But part of that probably is also the debt service requirement, so that makes up the difference. So I apologize, because I questioned that and I didn't have time to research it. But we did state 25 percent in the past.

COMMISSIONER MONTOYA: Okay. Could you find out what that 15 percent difference is?

MS. MARTINEZ: Okay.

COMMISSIONER MONTOYA: Thank you.

CHAIR VIGIL: Further questions? Please continue.

MS. MARTINEZ: The next slide is to show you total revenue, total receipts brought in by Santa Fe County, and the numbers reflected here are reflective of the period ending May 2007, through May 2007. Again, property tax being the biggest generator for Santa Fe County at 50 percent and $106 million. Then you have gross receipts tax, which is another major component of our revenue funding at $32 million. Then you have capital improvement plans, which is basically special appropriations made to Santa Fe County, our enterprise funds and then the other funds. And others could be made up of fees and charges, care of prisoner fees. Pardon me, that's an enterprise, and also grants.

The next slide is intended to show you how that money is spent, broken down by category. You'll see that one of the largest components of our budget is salary and benefits at

$36 million. Our tax distribution requirements at 32 percent, and then we have our other categories which are travel and fuel, maintenance, contractual services, supplies, other operating costs, capital purchases and also our debt service requirements. So this is intended to show you how the money is distributed and spent.

COMMISSIONER MONTOYA: And this is the $106 million?

MS. MARTINEZ: Yes.

COMMISSIONER MONTOYA: Okay. Madam Chair, I'm sorry. Teresa, the tax distribution is what?

MS. MARTINEZ: That's the property tax distribution to the other entities.

COMMISSIONER MONTOYA: To the schools –

MS. MARTINEZ: The schools, the City, yes.

CHAIR VIGIL: Further questions? Please proceed.

MS. MARTINEZ: The next slide is labeled Fiscal Year 2007 Cash Flow, and this is just putting the two on the same page so you can see how they fare, receipts versus disbursements. Early July, you'll see disbursements up a bit because that is usually a lot of our debt service requirements, principal and interest requirements are made on July 1st. Then you'll see the peaks in the blue line, the revenue line, it's in line with tax collection. And then you'll also see the disbursements at that time are up a bit and that would also be relative to the disbursements we made with regard to the property taxes.

COMMISSIONER MONTOYA: Madam Chair, just an observation. It appears that the majority of the taxpayers pay in full in December then.

MS. MARTINEZ: Some do. I don't know that it's the majority, but I can research that for you.

MR. MONTOYA: Madam Chair, Commissioner Montoya, I think that that's correct. The bulk of the money comes in on first half collections, which is November, December, and then April and May it's a little bit less. So that's a good observation.

CHAIR VIGIL: And probably because people pay the full year at that time and then those who decide to go semi-annual – okay.

MR. MONTOYA: Yes. Most of them – the people of means will pay the entire bill right away.

MS. MARTINEZ: And the last slide again compares receipts and disbursements and then also adds our cash reserve requirements. And I'll stand for questions, Madam Chair.

CHAIR VIGIL: Questions?

COMMISSIONER MONTOYA: So, Madam Chair, our cash reserve is at about $37 million?

MS. MARTINEZ: Right. And that's always determined by the total budget value at 25 percent of that value.

COMMISSIONER MONTOYA: Okay.

CHAIR VIGIL: Further questions? Commissioner Montoya.

COMMISSIONER MONTOYA: No.

CHAIR VIGIL: Teresa, you spend so much focused time on keeping us focused on finances and our balance, do you have any sense of how we compare? How our financial portfolio, so to speak, not specifically investments, but what we keep in cash balances and all, compares to other counties? I know you're a part of the association. This seems healthy to me but I don't have comparisons.

MS. MARTINEZ: Madam Chair, I think we are a healthy county in comparison to others. I can do a little research and look at counties that are comparable to our size, but as long as I've been here we've had good practices, if you will, in place. We might have been a little fiscally conservative, but I think it's good to be that way, and I do think that we're healthy. Having experienced my first bond rating, I think we were successful, due to our healthy financial status.

CHAIR VIGIL: When we received that DFA award that we congratulate Paul for all his hard work for, is that award specifically for the template and the way it's reported or is it specifically for the policies and the practices that we have?

MS. MARTINEZ: I think it's both, Madam Chair. And in the past, the majority of the time we've won the award it is for the format, how it's been presented. Paul does some wonderful work with trends and analysis. We have been instructed or guided if you will that we should be working on our fiscal policy, so that's why you see that we're bringing these policies and our intent is to have an entire county manual for you by the end of next fiscal year. Then I think you could even see GFOA national level awards.

CHAIR VIGIL: Thank you. Thank you, Teresa. Mr. Montoya.

MR. MONTOYA: Madam Chair, just one more thing, Commissioners. This is also for Commissioner Anaya. I know that we stated in there that we had $85 million at the Local Government Investment Pool, but the other item that's a very large portion of that $85 million is the $25 million for the new County courthouse. That's parked over at the pool and it's part of that $85 million. Thank you.

CHAIR VIGIL: Thank you, Mr. Montoya. Any further questions? Seeing none, I believe we have completed the update on County investments. Thank you, Mr. Montoya. Thank you, Teresa.

COMMISSIONER MONTOYA: Madam Chair, I move that we adjourn as the Board of Finance.

COMMISSIONER ANAYA: Second.

CHAIR VIGIL: There's a motion and second.

The motion to adjourn as the Board of Finance passed by unanimous [3-0] voice vote. [Commissioner Campos was not present for this action.]

XII. B. <u>County Treasurer</u>

1. Request Authorization to Publish Title and General Summary of Ordinance No. 2007-__. An Ordinance Relating to the Movement of Manufactured Homes; Providing For a Permit from the County Treasurer; Providing Penalties for Failure to Comply

MR. MONTOYA: Thank you, Commissioners, Madam Chair. This ordinance is intended to address the problems that we're having with the manufactured homes, primarily the illegal movement of manufactured homes and this occurs on weekends and after 5:00.It's become difficult in collecting the property taxes on personal property. And we think that this ordinance will help put some structure on the collection of taxes for mobile homes or manufactured homes that are not assessed as real property. So with that, Commissioners – oh, the other thing that we would do with this specific ordinance is that we would issue a permit to move it and it would be kind of a neon-colored permit, something that was reflective, rather large, so that either Motor Transportation or the Sheriff would be able to see that when a mobile home like this is being transported that it has the authorization of the County to be moved.

One a mobile home is moved illegally we have no way of tracking where it goes to. It could be moved to Rio Arriba, it could be moved to Bernalillo, Sandoval – any other county – San Miguel, and when I send out my staff to red tag mobile homes for lack of payment of taxes, often times, I think this past year we had to delete over 100 mobile homes because we could not find them anymore. And sometimes we go out and tag a mobile home and we tag the wrong one because they've already moved the old one and there's a new one in place and we didn't know. So it is a problem.

The other thing that we've asked for I believe in this ordinance is a $25 administrative fee that will be used to offset the costs of creating those mobile home permits. We at one time were collecting a fee of $25 as a revenue as a revenue source for the County and so I'd just like to get it officially approved through the ordinance status.

CHAIR VIGIL: Questions?

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Montoya, so this would require the person that wants to move a mobile home would have to come into your office and show proof of taxes paid before they can move it?

MR. MONTOYA: Before we would issue a permit, Commissioner Anaya, Madam Chair.

COMMISSIONER ANAYA: So what about the repo business? The banks? Do they have to come in, or how does that work?

MR. MONTOYA: They would be required also, if they're taking possession and they're going to move the mobile home. They're going to be required to – legally, I think I would defer to the County Attorney, but I believe that they would also have to come in, because that's the only way that the County can get its share of the taxes that are due on that, whether it's repossessed or whether it's owned by a private owner.

COMMISSIONER ANAYA: So the bank would then have to pay to get the permit?

MR. MONTOYA: Yes, Commissioner.

COMMISSIONER ANAYA: But isn't that repo deal a hush-hush thing, and they take it when they're not there?

MR. MONTOYA: Well, that's been the problem. Technically, they're supposed to come in and get a mobile home release because a repo company that takes the mobile home back, in order for them to sell it, they have to get a title, and in order to get a clear title to it they have to get a mobile home release from the County. So that part is taken care of. The big problem on this thing is they would be required to get the permit also to move it, but the big problem is with the illegal movement of the mobile home.

COMMISSIONER ANAYA: Okay. Thank you.

CHAIR VIGIL: Questions? Continued questions?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Kind of along those lines, I guess the education as to how the moving companies – are we going to let them know? Because some of them probably do it just because they're asked to do without knowing that they need to have this. So are we going to let them know or how are we going to let moving companies know?

MR. MONTOYA: Madam Chair, Commissioner Montoya, we can publish the ordinance in the paper and we can provide it to all known mobile home dealers, but to individuals – I'm not sure how that would work. But oftentimes, some people sell the mobile home, like through a real estate contract, and so the new owner may not even know that he's supposed to come in and have the mobile home assessed in his name. So many four, five years go by and it's not like how the Taxation and Revenue works the accounts and sells property that's delinquent. On mobile homes, they don't work them at all. So it's up to the County to work. So the only thing I can tell you, Commissioner, is we try to work, put out as much information as we can and when we send out delinquent notices we also send people out to red tag the mobile homes that we can find, but that's usually the big problem, is that by the time we go out to red tag them, often they've already moved the old mobile home and there's a new one in place and then those people will come in and say, this is not my mobile home, the one that you red tagged is the one that's mine. These people no longer live here and the mobile home's gone.

So like I said, we've already – last year deleted about 100 off of the tax roles because we couldn't locate them. And so hopefully, this will help address that issue, but as far as getting information out, I just don't know how to do it because you can buy and sell those things like cars. The only time it becomes an issue for an owner, it's not assessed in their name and they come in to get a mobile home release and they say, oh, you haven't paid your taxes for three years. We collect, and then in addition to paying the back taxes, they have to pay the taxes one year in advance before they move it. Then they go and they get a mobile home release from the Assessor's office and then they can take that mobile home release over to Motor Vehicles and they change the title and the ownership for it.

COMMISSIONER MONTOYA: Madam Chair, Roman, maybe something can be done with our PIO.

MR. ABEYTA: Madam Chair, Commissioner Montoya, yes. If the ordinance passes we'll be sure to put the word out there and we'll do press releases and other type of public information and outreach.

COMMISSIONER MONTOYA: Okay. Madam Chair, if there are no more questions I move for approval to publish title and general summary.

CHAIR VIGIL: Motion. Is there a second?

COMMISSIONER ANAYA: Second.

CHAIR VIGIL: Motion and second for this proposed ordinance to publish title and general summary for an ordinance prohibiting movement of mobile homes without possession of a certificate of movement.

The motion passed by unanimous [4-0] voice vote.

XII. B. 2. Request Authorization to Publish title and General Summary of Ordinance No. 2007-__. An Ordinance Providing for the Payment of Property Taxes in a Single Payment if Taxes Due Are Less Than Ten Dollars ($10)

MR. MONTOYA: Madam Chair, Commissioners, on that I would just like to say that it's pretty expensive for us to send out a tax bill on anything under $10. Eventually, what I hope to do through the Treasurers affiliate is not have to bill anything under $10, because if it costs us $15 to prepare a tax bill then we're actually losing money on the collection of taxes. So this I think will help us collect in one installment anything under $10 and I think it's something that we need and I would really appreciate it if the Commissioners would consider it. Thank you.

COMMISSIONER MONTOYA: Madam Chair, move for approval.

CHAIR VIGIL: Motion to approve. Is there a second?

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: I have a question. Does state statute require us to collect this, and what you're trying to do with the affiliate is to amend the state statute?

MR. MONTOYA: Yes. That's eventually what I hope to get before the Treasurers affiliate and hope that they will make it a priority. Then we'll present that to the

New Mexico Association of Counties and the New Mexico Association of Counties will set it as one of their priorities. Because it's really difficult and it costs a lot of staff time to bill for that, for anything under $10 and I think we should raise the threshold and make the minimum tax payment of at least $15 or $20.

CHAIR VIGIL: And you actually are not forgiving these accounts. You're just asking that it be made in one-time payments, right?

MR. MONTOYA: Exactly.

CHAIR VIGIL: Okay.

MR. MONTOYA: But long term, I hope that they raise the threshold for the $10 to $20.

CHAIR VIGIL: Okay. Any further questions?

The motion passed by unanimous [4-0] voice vote.

CHAIR VIGIL: Thank you very much, Mr. Montoya. Thank you for the work you do for us.

XII. C. <u>Community Services Department</u>

1. Request Approval of Amendment No. 11 to the Memorandum of Agreement Between Santa Fe County and St. Vincent Hospital for FY 2008 *[Exhibit 3: Restated MOA]*

MR. SHEPHERD: Madam Chair, I do have amended copies that have two very minor corrections that I'd like to hand out so you've got the complete document.

CHAIR VIGIL: Please do.

MR. SHEPHERD: Madam Chair, I will just go over the changes shortly. Page 4, Section 7.1, we changed that from the 9th to the 10th amendment. It was just something we missed. On page 5, we added items along in this part of the scope of the services that were not added and should have been. Folks from St. Vincent's caught it and asked us to change it and we thank them for that.

The MOA itself totals $10,992,500. The best thing to look at is the spreadsheet that's attached, Attachment 1. It's in your original packet materials. But I would stand for any questions you have. This is very – almost the exact same document as last year.

COMMISSIONER MONTOYA: Madam Chair, Steve, with an increase of what? About $500,000?

MR. SHEPHERD: Actually, the amount last year was $9,971,659, so it's about a million dollars.

COMMISSIONER MONTOYA: About a million.

MR. SHEPHERD: Yes.

CHAIR VIGIL: How is that million dollars allocated?

MR. SHEPHERD: Madam Chair, large changes within the content, going down the side of the spreadsheet, there's been a number of decreased EMS medical, mostly due to the imposition of the tax. There was an increase to indigent funding, a fairly large increase to medical care for residents – for our folks in the jail, a small increase for coordination with Health and Human Services. Maternal and Child Health stayed the same, Paratransit was approximately the same. We did request a reduction of CARE Connection/Sobering Center funding because we are carrying a large carryover balance and we want to exhaust that. We don't feel that we should be carrying that; we should be funding year to year.

We took $50,000 out of the mobile healthcare unit because of changes in the way that was being funded. And then there was the addition of senior services and other health services. Those are the substantial changes with the exception of item 15, other community benefits. These are things that St. Vincent Hospital does directly in the community, and that money won't cross our books but it recognizes those efforts.

CHAIR VIGIL: Okay. Any further questions? What is the pleasure of the Commission?

COMMISSIONER MONTOYA: Madam Chair, I need to recuse myself from this vote.

CHAIR VIGIL: You are so recused. What is the pleasure of the Commission? I will move for approval of Amendment #11 to the memorandum of agreement between Santa Fe County and St. Vincent's Hospital for fiscal year 2008. Is there a second?

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Any further discussion?

The motion to approve the amended MOA passed by 3-0 voice vote with Commissioner Montoya having recused himself.

XII. C. 2. Request Approval of an Amendment to Contract No. 27-0701/PFMD/MS Between Santa Fe County and NCA Architects PA to Increase the Project MACC to $38 Million and to Increase Compensation for Architectural and Engineering Services by $665,337.75 for the New First Judicial District Courthouse Facility (Community Services Department) *[Exhibit 4: Information Packet]*

JOSEPH GUTIERREZ (Community Services Director): Madam Chair, Commissioners, if it's okay with the chair, before we move to the actual action of the amendment to the contract, let me give you a brief summary of where we are on the courthouse project, if that would be okay.

CHAIR VIGIL: Please.

MR. GUTIERREZ: Thank you, Madam Chair. I've given you a small handout and that handout gives you an update in terms of where we are with the First Judicial District Courthouse. We finished the programming at this point. The architects have finished the program. And I also have with me, I have Mr. John Lehman, who is with the Architects, MCA, I have James Mee who is the project manager for the County, and I have Paul Olafson who is the director of projects.

Where we are on the programming, we have a base program now where we're looking at eight courtrooms, two hearing rooms, at approximately 103,000 square feet. We're looking at 40 secured underground parking slots and 150 of non-secured parking slots. If you look at the tabbed section that says building area that will give you a brief idea in terms of the office space and the square footage allocated to that. Again, the bottom line totals to 103,000 square feet, not including parking.

If you go to the next tab that's labeled schematic layout, this is pretty much what the courthouse is starting to look like. You can see the first page there shows the parking. This is secured parking and non-secured parking, and this is basically two stories underground, below-grade parking. It's not a full two stories underground but it is a story and a half underground, below ground of underground parking. You can see that we have the secured parking, [inaudible] and then basically the employee and public parking would be below grade.

The first level shows where the public would enter the courthouse and basically what we have is administrative office space on the first floor, entryway and the secured area. The second level shows four courtrooms there and it also shows one of those four courtrooms is a large courtroom. The courtroom space, if you look at the courtroom space, based on what we have now, it's a little over 1200 square feet per courtroom, the three courtrooms there are 1700 square feet. So the average courtroom is larger than what we have right now. The large courtroom is a little bit smaller than the current large courtroom that we have now. So we've gained in most of the courtrooms other than the large courtroom, which isn't used that frequently. It's a little bit smaller. We see the judicial suites in the area.

There's basically segregation between the public, the judges and the prisoners. So this is a very important factor that we have that was incorporated here that we have separate entryways and passages so that you have movement of the public, the judges and the prisoners.

The next page basically is the same thing. It shows the third level of the courthouse, and again, there's four courtrooms. These are all the same size, basically the same layout. You can see there's little x's in squares. Those are elevators. There's secured elevators. There's elevators for the judges and then elevators for the public.

The next tab that I have labeled is called the master plan. The first page, Concept A phase one. This is something that we're not working on right now, but it is an option. It says that the courthouse, which is labeled A shows the existing district attorney's office. It shows a plaza area, a vehicle sally port, which is going to be at ground level, and then parking. The big difference on this is parking, because like I say, we've established a base program of eight courtrooms, two hearing rooms, 103,000 square feet, and basically 190 spaces. The challenge we have right now is budget. If we were to fall short on the budget this option here would reduce the cost, because we have parking on ground level as opposed to below level.

If we go to Concept A, phase 2, we're also looking at where the courthouse would be down the road in terms of additional building space. You can see that they've added that building labeled B, and this would allow for an additional three stories and 45,000 square feet and four additional courtrooms. So this is the plan for expansion on the existing site. Again, this is above level parking mostly.

If we go to Concept B, phase 1, this is the base program. This is what we're trying to achieve. Basically the courthouse you're seeing, all the parking is below level, below ground, and there will be 190 spaces, 40 secured, 150 non-secured. This is the program that we're looking at right now. Concept B, phase 2 shows that existing expansion.

The design team put out there just to show a possibility of Concept C. And again, this would be a four-story courthouse. Three stories would be finished. The fourth would not be finished. We're looking at an outdoor parking structure, plaza and sally port. This is something we are really not considering now, but it is a possible option down the line. We're pretty much looking at a three-story building at this point.

The last page there is basically the budget. I had independent meetings with all of you to talk about the budget and basically, the County's budget for this project is $55 million. If you look at a project budget of $55 million, we're looking at a courthouse construction cost somewhere in the neighborhood of about $38 million. You can see there's a lot of other costs associated with that. Right now, again, it is a challenge to make the 103,000 square feet, but we're in the schematic design. The idea is that the schematic design will be finished by the end of July and at that point we will have a better projection in terms of the cost. After the schematic design is done in July we plan to have a public forum for the public to get input in terms of the layout or design of the courthouse at that point.

Based on this information – again, I have the architect and I have the project manager here. If you have specific questions. What we've brought to you today is an amendment to the existing contract. The existing contract, the architect has a $30 million MACC and I believe we're approximately about a $3 million fee at that. We're asking to raise the maximum allowable construction cost to $38 million and associated with that is an architectural fee increase of the $665,000. Again, this was not surprising to the team. All along we felt the MACC that we initially set was a little bit low and now that we've gone through approximately – we started this process in January. Where we're at now we can see that we want to raise this to $38 million at this point. We're looking at a $55 million project budget. I stand for any questions.

CHAIR VIGIL: Real quick. Is the $38 million you're requesting a part of the $55 million that we've budgeted?

MR. GUTIERREZ: Madam Chair, yes, it is.

CHAIR VIGIL: Okay. Questions? Commissioner Campos, then Commissioner Montoya. Then Commissioner Anaya, if you have any.

COMMISSIONER CAMPOS: Mr. Gutierrez, you said there's a public hearing, or you're going to have input from the public at some point in the near future?

MR. GUTIERREZ: Madam Chair, Commissioner Campos, the architectural team has mentioned to me they would like – they plan to have an all-day public forum on the courthouse and it would probably be in early August, after we finish the schematic design to let the public look at what is the progress of it, get input in terms of their feelings on it, those types of things. That's where we'd be at. I'm not sure in terms of – we know what the layout would be. I'm not sure that we would have an actually design of the exterior walls and those types of things.

COMMISSIONER CAMPOS: So that's the schematic, not the exterior, the appearance of the exterior.

MR. GUTIERREZ: The architectural team said that we would have exterior design also.

COMMISSIONER CAMPOS: By August. Could you let us know when that hearing is, where and the time and all?

MR. GUTIERREZ: Madam Chair, Commissioner Campos, we definitely will.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Thank you, Madam Chair. Joseph, regarding the three concepts, A, B, and C, right now B 1 is being favored by the team?

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, yes. By the team, and by the – well, B 1, the program has been signed off on by the judges, and that matches Concept B, phase 1.

COMMISSIONER MONTOYA: Now, you mentioned that the parking was at-level. It says two levels below grade. What does that mean?

MR. GUTIERREZ: Concept B, phase 1, that's the original plan which would be two levels – not two complete levels, but two levels of parking below grade. That means all the parking for the courthouse would be underground. There would be 40 secured parking spaces for the judges and selected staff and there would be an additional 150 spaces of non-secured parking for the employees and the public. Those 150 spaces, there would probably be one complete level of underground parking on the first level and then the second level would probably be only a partial level of parking. I don't believe that there would be two complete levels of parking below grade.

COMMISSIONER MONTOYA: So there's actually more spaces than what are identified here. You said there's forty, plus 150. This one just identifies 140 parking spaces.

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, if you look at the – I think it specified on top 40 secured spaces, under item A, 30 to 40 secured parking spaces below.

COMMISSIONER MONTOYA: Yes.

MR. GUTIERREZ: Then if you add that with item D, I believe, parking, 140 spaces. So together, those would be the total spaces below-grade parking.

COMMISSIONER MONTOYA: 180 below grade.

MR. GUTIERREZ: Approximately 180. They'll have more of an idea after they finish the schematic designs.

COMMISSIONER MONTOYA: Where does the 210 come from, that you mentioned?

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, I think I mentioned 190. If I mentioned 210 I was wrong. We've been using 190 spaces of below grade parking.

COMMISSIONER MONTOYA: Okay. So how many – because it's not identified on the schematic here. So there would be no ground parking.

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, Concept B, phase 1, there would be no or minimal above-grade parking.

COMMISSIONER MONTOYA: Okay.

MR. GUTIERREZ: But Concept A shows above-grade parking, which is an option if we run into budget considerations, because it's cheaper to do above-grade parking than it is to do below-grade parking, so that may be an option. But the fact on above-grade parking is there's limitations in terms of the size of the lot. So there would probably be less parking if you had above-grade parking.

COMMISSIONER MONTOYA: So I guess my question then would be, could you have both under Concept B, phase 1, below grade and at-grade or ground parking?

MR. GUTIERREZ: Madam Chair, I'm going to have our architect answer that question.

COMMISSIONER MONTOYA: What I'm getting at would increase the number of parking spaces.

JOHN LEHMAN: Right, Madam Chair, Commissioner Montoya. We're going to have a better idea at the end of schematics where we're at budget-wise and see if we can get some surface parking that would add to the parking if need-be or wanted. What we were trying to do is maintain a plaza which is what our original design created with the connections to different state buildings in downtown Santa Fe. So we really want to try to maintain that plaza, which also falls into the Santa Fe type of architecture. If budget restricts us to have two levels below ground, we may have one below and one above. We'll just have a better idea at the end of our schematic design phase. Does that answer your question?

COMMISSIONER MONTOYA: Yes. So it has to do with the money available.

MR. LEHMAN: Right.

COMMISSIONER MONTOYA: And then on the permits and City fees, there's no way that that's going to be negotiated with the City to ask them to relieve us of that burden? We can't get around that, or what's the deal with that?

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, we have not asked the City for an exemption to their fees. We are working with the City in terms of exemption to the Historic Ordinance, but not on fees. Again, this budget is a rough budget at this point, but again, it's not that far off at this point either, in terms of the dollars that we have identified. It's something that we could definitely look into.

COMMISSIONER MONTOYA: And then regarding the action requested, it's $665,000 now. So that's what was amended on the caption.

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, that is correct. The architectural agreement will have two numbers and it has the MACC that currently reflects $30 million. We're asking to raise that to $38 million. When we open the construction bid we're opening it at $30 million. But the fee associated, we're raising it from $30 to $38 million is raising the architectural fee, because their fee is based on the maximum allowable construction cost.

COMMISSIONER MONTOYA: But here is says $618,200, and then it was published at something else and now it's at $665,000. So that's the correct figure. Is the $665,000 inclusive of the GRT?

MR. GUTIERREZ: Yes, it is.

COMMISSIONER MONTOYA: That's all I have for now, Madam Chair.

CHAIR VIGIL: Thank you, Commissioner Montoya. Commissioner Campos, did you have anything else?

COMMISSIONER CAMPOS: I've asked a question. I'd like another question.

COMMISSIONER ANAYA: Go ahead.

COMMISSIONER CAMPOS: Mr. Gutierrez, Concept B, phase 2, you have the expansion B on the north side. It seems to me that the building should front as much streetscape as possible. For example Montezuma Avenue would be a better place to have that and have whatever else behind it. I'm just thinking about what your thoughts are in the plaza, but I've also seen schematics of the plaza where it's actually fronting Sandoval Street. Now it's a straight structure, a straight line from one end of the lot to the other, as opposed to breaking it up with a plaza up front.

So the first issue would be the location of the expansion to the B area, the rectangle. Is that the ideal place? Is that pretty fixed right now?

MR. GUTIERREZ: Madam Chair, Commissioner Campos, I'm going to let our architect answer that. But again, in terms of this building and the model that you all viewed, this is the same as the model, pretty much. The plaza area, the courthouse, how it borders Sandoval, and the expansion that they proposed at that point. But, I'll let the architect speak to that.

COMMISSIONER CAMPOS: Thank you.

CHAIR VIGIL: Those little green dots are trees, right?

MR. LEHMAN: That's correct. Madam Chair, Commissioner Campos, The concept of the design, which is what we built our model on and presented on when you all were having your selection was an imaginary line of sight that connected the courthouse with the state buildings downtown. And with that that then created this plaza area out in front to the east, I guess, or the east side of the building. With the future phase, item number B, located where it is, we pretty much have to locate it there because that's going to be additional courtroom space and you don't want to have a courtroom area over non-secure parking area. So that's again, with all these different things that came together, the line of sight and how the parking works and the under-building security parking, this was how we developed this master plan.

That's not saying that we can't relook at this but I think it was important how this building will connect it to other state buildings in Santa Fe.

COMMISSIONER CAMPOS: Addition B, you're saying, cannot sit over unsecured parking? That's the issue?

MR. LEHMAN: Right. Right.

COMMISSIONER CAMPOS: And the plaza, at some point I saw some drawings that showed the plaza on Sandoval Street, as opposed to just a large structure from end to end. That's the recollection from maybe years ago.

MR. LEHMAN: I don't know if that was from us or a different firm.

COMMISSIONER CAMPOS: It could be a different firm. That's what I remember. Now you're enclosing it to the east of the main structure. Okay. Thank you.

CHAIR VIGIL: Currently, how many parkings are there in our current courthouse? Do we have that number, Joseph?

MR. LEHMAN: I can't remember. Maybe Joseph remembers. Somewhere around 70 to 100.

MR. GUTIERREZ: Madam Chair, it's approximately 100. We have – at the DA, we've been monitoring the parking at the DA space and on peak times it's closer to about 70, 65 to 70. For instance, a Friday afternoon, there's probably 40 to 45 cars. So if you take that number of 60 plus 100 at the existing courthouse, that's approximately about 160 parking spaces right there.

CHAIR VIGIL: Okay. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, while we're on the subject of courthouses, this is for Roman. I received some phone calls in regards to our current courthouse and how dirty it is. And I know we're all excited about getting this one built and moved over but I think we need to send Frankie over there clean that up.

I'd like to make a motion to approve.

CHAIR VIGIL: There's a motion to approve the amendment to the contract 27-0701. Is there a second?

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Motion and second. Further discussion?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Related to this increase, are we now going to see an increase coming back on the construction manager also?

MR. GUTIERREZ: Madam Chair, Commissioner Montoya, no.

COMMISSIONER MONTOYA: Oh, good. Okay.

CHAIR VIGIL: I have a question. Joseph, on the Concept B, phase 1, it's seeming like there's more recommendation from coming from the committee. It looks to me that the current district attorney's office, Building B as identified there, would somehow be enclosed to this proposal. Or would Building B be done away with and the expansion would be – and B would be the full expansion under phase 1, Concept B?

MR. GUTIERREZ: Madam Chair, the long-range plan for this site would be before we make an expansion to B, before we do an official expansion to the new courthouse, we would look for another site for the district attorney.

CHAIR VIGIL: Okay.

MR. GUTIERREZ: To allow us the flexibility to expand that new courthouse.

CHAIR VIGIL: Okay. So B, as you said earlier, would be a second phase or a later phase.

MR. GUTIERREZ: Madam Chair, that would be correct. The biggest obstacle and challenge that we face is parking and we're constantly looking for other options for parking, not only for the courthouse but for the County as a whole.

CHAIR VIGIL: Where would the entrance for public parking be? Would that be on the Montezuma side? Under Concept B, phase 1 – where those arrows are?

MR. GUTIERREZ: Yes, it would be, Madam Chair.

CHAIR VIGIL: Okay. And that would lead to underground parking.

MR. GUTIERREZ: Correct.

CHAIR VIGIL: And this is the two-story underground. And it seems to be that we have 190 parking spaces and that's really just about the same amount of parking that might be available now for the district attorney's office. But the judicial complex, which this will be designed for specifically, how many parkings are in the judicial complex?

MR. GUTIERREZ: Madam Chair, currently, there's approximately 100 spaces. They're not full all the time, but there's 100 spaces. Even under the scenario with 190 spaces, at best, there is probably going to only be, depending on the time, somewhere between 30, maybe a maximum of 50 or more, for public spaces at that point.

CHAIR VIGIL: Right. Right. I'm looking forward to the public hearings. I uphold Commissioner Campos's request that we be informed about them. I think, as you have seen, public parking being a challenge, parking in general for employees and all, that probably could be a huge issue in the public hearings. Any further questions?

The motion passed by unanimous [4-0] voice vote.

CHAIR VIGIL: Thank you, gentlemen. Thank you, Mr. Gutierrez.

MR. GUTIERREZ: Thank you, Madam Chair. Thank you, members of the Commission.

XII. E. <u>Matters from the County Manager</u>

1. Request Approval of Classification and Compensation Plan (Human Resources)

MR. ABEYTA: Thank you, Madam Chair. Bernadette Salazar will be making the presentation.

MS. SALAZAR: Madam Chair, members of the Commission, the Human Resources Department went out for a request for proposal process about – late last spring in order to retain a contract to provide a thorough classification and compensation study. The intent of the study was to look at our existing classification and compensation plan and to determine what should be changed to help make Santa Fe County a competitive employer and also to provide recommendations for achieving external and internal equity.

The contract was awarded to Public Sector Personnel Consultants, and we've been working with Mr. Robert Miles for the last few months and he will be making a brief presentation on his findings and recommendations.

CHAIR VIGIL: Thank you. It's Mr. Miles?

ROBERT MILES: Robert Miles, which Public Sector Personnel Consultants.

CHAIR VIGIL: Thank you. Welcome, Mr. Miles. Please proceed.

MR. MILES: I believe each of you has a presentation in front of you, and since Bernadette gave her overview, why don't we go on and begin at page 3. There were several parts of the project. One of the first things that we did is we came in and we met with all the County employees and asked them to complete a comprehensive questionnaire describing their job. We followed that up by interviewing 30 senior management people to find out more about the jobs' organizational structure. We took that information and then classified the jobs.

There were several things that happened. The most common was that nothing changed. Current job title appropriately described. In some cases we did change titles or we merged jobs together. We then drilled that down to the position to show what happened to each individual employee and reviewed all our work with management. So over on page 4 is an example, a schematic of occupational job classes where we group the jobs by job families then show the progression within each job family.

Page 5 shows what happened to some of the current positions. You'll see the current job class title on the left side, our recommended job title on the right side and a transaction code with a T, meaning a title change. N is no change. MD, merged and deleted and so on.

All the information you see on page 5, which actually goes on for about six pages is summarized on page 6. Over 60 percent of the jobs there was no change whatsoever. Another 29 percent of the jobs we recommended a change of title.

Moving on to page 7, when these results were applied to each and every employee, 98 percent of the County employees were assigned to the proper job class or only required a minor title modification. The other two we said, no, they actually should be in a different job, so we recommended those be reclassified.

The next part of the process was a salary survey, and one of the things we do, we suggest to the County what the relevant market stream – where you would hire people from, as well as where you lose employees to. Those comparators are really different by job class. We look at first your executive or your size-sensitive jobs. The reason we say those are size-sensitive, we compared those against the five Class A counties in New Mexico as well as the largest communities within the state.

The next group are County specific occupations. These are jobs that you'd only find with another city or county. And the last group are non-county specific: office and clerical, labor and trades kinds of jobs, where you would be looking at both public as well as private employers. So there's several things to keep in mind when you look at the results of the salary survey. First, we're looking at occupations; we're not looking at the employees. And then what we did is a structural comparison, where we took your current salary structure, computed the midpoint, and compared that against the midpoint of the comparator employers. The last thing we want you do keep in mind when reviewing the salary survey is that the survey results do not suggest that employees themselves are over or underpaid. The manner in which employees are paid are a function of how long they've been with the County and what their starting salary was.

So moving back to page 9 is a list of the comparator employers. The only exception on that list is Los Alamos County, although it's smaller it was included due to its proximity to Santa Fe. Over on page 10 we've got a sample page from the salary survey. The way to read this is just going from left to right, we've got the County's job title, which is equipment operator. We've got the corresponding job title of each of the participant organizations. We show what the County's current midpoint is. Then we've got the next column is what we're called the external aged midpoint. And without getting real complicated what we did is we took all the survey data, applied an annual aging factor of 3.5 percent to it to project it forward to a common date of July 1 of this year. So if we are using salary data that went into effect last July 1, they've got a full 3.5 percent. If the salary data went into effect July 1 of this year, would have got 1.75 percent. We didn't project anything beyond July 1.

We showed the difference, just take the simple average of those comparator employers, which is the prevailing rate, and then we showed the difference in dollars, 2001 dollars below or 6.36 percent below the external rate. Any questions?

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Yes, Robert, you're saying that Santa Fe County pays its equipment operator $29,000 and we should be paying him $31,000?

MR. MILES: That's correct.

COMMISSIONER ANAYA: Okay. Thank you.

MR. MILES: But again, that's midpoint of salary range of midpoint of salary range.

COMMISSIONER ANAYA: Okay. Is $31,000 midpoint?

MR. MILES: Yes.

COMMISSIONER ANAYA: Okay.

MR. MILES: See, that $31,000, where you look at, say, City of Santa Fe, their $38,577 is the midpoint of their salary range for a streets equipment operator.

COMMISSIONER ANAYA: Thank you.

MR. MILES: You're welcome.

CHAIR VIGIL: And that midpoint was actually calculated by the average of these other counties.

MR. MILES: That's correct.

CHAIR VIGIL: Now is that calculated by these other counties' midpoint or their actuals?

MR. MILES: Their midpoint. The midpoint of their salary range. And let me explain why we do that. If you start looking at actual salaries there's a few too many variables. We don't know how long their employees have been there. We don't know the relative qualifications, etc. so we like to go with this structural comparison, which we feel is a much more objective comparison, where we're just looking at structure to structure. And then we recommend a structure for Santa Fe County related to the results we find in the salary survey.

CHAIR VIGIL: Okay. Thank you.

MR. MILES: You're welcome. Let's go back to page 11.

COMMISSIONER MONTOYA: On that, Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Regarding the – so all of those different titles are the same as far as we're concerned.

MR. MILES: Yes. One of the things that we do for salary survey which we think is very different from our competitors, we actually request copies of these counties' and cities' salary plans, org charts, job descriptions. We do the job matching based on job content. We're not doing title matching.

CHAIR VIGIL: Please proceed. Page 11?

MR. MILES: Page 11 is a portion of the summary of the salary survey and what we've got here, you've got some dividing lines, like right below public information officers, what we like to say is that anything that's within plus or minus five percent of the prevailing rate is at market. So the jobs that are above that line from public information officer up are jobs that are below market. That next group are jobs that are at market, and then the jobs that are below the next set of double lines are some jobs that are slightly above market.

CHAIR VIGIL: Again, are these actuals?

MR. MILES: No, it midpoint again.

CHAIR VIGIL: It will always be midpoint.

MR. MILES: No, let me clarify that though, because within the County's current salary structure, when you get to the management level, typically those are actual salaries, because there weren't any salary ranges.

CHAIR VIGIL: Okay.

COMMISSIONER MONTOYA: So, Madam Chair, according to this then we have eight job classifications that we're competitive in.

MR. MILES: Well, let's go to the next page.

COMMISSIONER MONTOYA: And the other ones we're not.

MR. MILES: Let's get to the next page. This is a snapshot of two full pages of data. Back on page 12, we actually surveyed 107 job classes. Sixty percent of those were below market, averaging roughly 13 percent below market, ranging anywhere from 27, almost 28 percent below to a hair under five percent below. Twenty-three percent of that sample was within that plus or minus five percent, and the other 17 percent of the sample was above market. So if you look at it in total, 60 percent were below, 40 percent were at or above market.

COMMISSIONER MONTOYA: And those that were above market, what were those positions? What did they tend to be?

MR. MILES: They're all over the map.

COMMISSIONER MONTOYA: Oh, they are?

MR. MILES: Yes, they really are. I'll explain why here in a minute.

COMMISSIONER MONTOYA: So they're equipment operators, they're clerical assistants.

MR. MILES: Clerical, some management positions, but they're really all over the map. But going back to page 13, here is I guess one of the most significant findings that we had. The County's current salary plan, when you go from minimum to maximum ranged from 81 to 90 percent range width. And the reason for that is each year when the County awarded across the board salary increases, the maximum in the salary range was increased but the minimum stayed fixed. The industry range for a salary range is 35 to 50 percent. These are incredibly wide ranges.

Another thing we looked at when we were designing the salary plan was the Santa Fe Living Wage Ordinance, because although the County itself is not directly subject to that ordinance it is competing with employers that are. So in effect you really are subject to the ordinance. So what we're recommending is an open range salary structure with a 50 percent range from minimum to max, instead of that 81 to 90 that you have now, and a uniform 2.5

percent between salary range midpoints. We started the salary structure at $9.60 an hour, ten cents above the current minimum wage, and a sample of that salary structure is shown on page 14. Again, what you've got, each one of those salary ranges is 50 percent wide, minimum to max and it's 2.5 percent from midpoint to midpoint.

Moving on to page 15, the next thing that we did, we took all the County's jobs, all the jobs that were surveyed and we placed them as close as possible to the prevailing rates by linking the recommended midpoint of a new salary range to the midpoint of the survey results. Then we took the jobs that weren't surveyed, those non-benchmark jobs, and linked them to those that were surveyed. So over on page 16 we've got an example. Admin support, where we're showing a department administrator, salary range 27, and the prescribed salary range for that position, and a portion of the clerical support group below it.

Now I'd like to move forward to our findings and recommendations, beginning on page 17. First is to bring all salaries to minimum. Now, for fiscal year 2008 the current salary of 125 employees is below the minimum of the recommended salary range for their position. This costs $253,744, or .84 percent, a hair under one percent of payroll, base salaries only. We'd like you to note that salary adjustments that you've already approved this year in corrections reduced this first number by almost $200,000. When we first came back this number was roughly $455,000.

We're recommending that you approve the recommended position classification of fiscal year 2008 salary plan effective July 1, authorize County staff to discuss and implement the plan with effected bargaining units, freeze the salaries of employees above the maximum of the salary range for their position, and give them a lump sum payment equivalent to the salary increases that similarly situated employees would receive and move the base salary adjustment.

There are more recommendations on page 18. The following across the board salary adjustments have been approved in January 2008 for AFSCME bargaining unit and non-union employees, and it's a sliding scale. Employees who earn less than $25,000 a year would receive five percent. Those who earn between $25,000 and $40,000, four percent, and those who earn more than $40,000, three percent. Now, what we're recommending is that these salary increases be given to these employees, first put them in their appropriate salary range, then you give them the appropriate salary increase based on their salary, within the prescribed salary range, and you don't apply these percentages to our recommended salary ranges.

COMMISSIONER MONTOYA: You don't what?

MR. MILES: Apply these across the board increases to our recommended salary ranges, or you're going to end up right back where you were before we got here.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Robert, I don't understand that. You say bring them up to what they're supposed to make.

MR. MILES: Yes.

COMMISSIONER ANAYA: But then, let's say somebody makes between $25,000 and $40,000, you don't want to give them four percent.

MR. MILES: Yes, you do. But within the prescribed salary range for their position.

COMMISSIONER ANAYA: Oh, right. Okay. You want to go with this.

MR. MILES: Yes. Absolutely.

COMMISSIONER ANAYA: Thanks, Robert. Thank you, Madam Chair.

MR. MILES: In the past what has happened is the County has applied, if you gave a three, four and a five, that was applied to the maximum of the salary range and not to the minimum. So what we recommend to maintain our plan is to survey every couple of years or so and then actually move jobs within the plan. That way you maintain internal equity. It is also competitive, bringing new people in.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Madam Chair, regarding your non-benchmark and benchmark jobs examples on 15 and I guess 16, are non-benchmark the administrative support group and the benchmark the clerical support group?

MR. MILES: No, the benchmark would be the jobs that have an asterisk. Those are the jobs that were actually surveyed.

COMMISSIONER MONTOYA: And what's your definition of a benchmark versus a non-benchmark job?

MR. MILES: Benchmark is a job that you would find in most other organizations, non-benchmark are kind of carved out or unique that you may only find in the County. The other thing that happens to is when we start surveying we may start with a sample of 150 to 175 jobs. If we don't get enough market data those jobs fall off the table. So then they started off as benchmarks and end up being non-benchmarks. But benchmarks are just common.

COMMISSIONER MONTOYA: Madam Chair, on 17 we're talking about implementing this. What in terms of staff input or feedback, other than the union, has been received regarding this proposal?

MR. MILES: Considerable from the County Manager and Finance Director. We've been working together to come up with these numbers.

COMMISSIONER MONTOYA: What about other employees?

MR. MILES: Not yet.

COMMISSIONER MONTOYA: Is that forthcoming?

MR. MILES: Yes.

COMMISSIONER MONTOYA: In addition to the union?

MR. MILES: Yes.

COMMISSIONER MONTOYA: Okay. I guess the question that I have in regards to that then is we want to adopt this for implementation today yet we haven't received that feedback yet. So we're putting the cart before the horse is my concern.

MR. MILES: From our perspective, not at all.

CHAIR VIGIL: Mr. Abeyta, did you want to respond to that question?

MR. ABEYTA: Madam Chair, I guess the question I would have for our Human Resources director, it's my understanding you did talk to some department, or most of the departments in doing this study, but maybe you can clarify that.

MS. SALAZAR: Madam Chair, members of the Commission, on the onset of this project, when we did the position analysis questionnaires we had input from the employees, and then once they received all that information, we then met with the supervisors, first line supervisors and some managers to discuss the changes of the jobs. So we did have communication with all employees, not just union employees regarding this study.

COMMISSIONER MONTOYA: And what about the recommendations? Have you reported those back to the ones that were initially –

MS. SALAZAR: Madam Chair, Commissioner Montoya, the recommendations and the financial impact have not been brought to the employees at this point. We have not had any meetings on the financial impact. We have not received the final report. We've worked with them ongoing but we haven't received a final, final report from the consultant yet.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Question on page 17. On the fifth bullet point it says freeze the salaries of employees above maximum. Give them a lump sum payment equivalent to salary increases for similarly situated employees. What does that mean? Could you give me an example?

MS. SALAZAR: Madam Chair, Commissioner Campos, what that means, and as Robert explained earlier, the way we've been doing our class & comp plan is every time a cost of living is approved we move the maximum of the range of whatever the percentage is. So that's why we have such a big spread of our ranges. What this means, and I'll give you an example. If somebody is already at the max of the range, the percentage isn't going to go up any more, according to this recommendation. They would just get – if it was a four percent or a three percent – it would be a lump sum payment to that employee but their hourly rate wouldn't move up, because they're at the max of the range. So say for example you have somebody making $10 an hour and that was the maximum of the range, and they were eligible to receive a four percent increase. We're not going to move that range up so they would get a lump sum of four percent to main that $10 an hour not to exceed the maximum of their range.

COMMISSIONER CAMPOS: Okay. Thank you.

COMMISSIONER MONTOYA: Madam Chair, on that point.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Would they receive that on their anniversary date or the beginning of the fiscal year?

MS. SALAZAR: Madam Chair, whenever the cost of living would be effective and for 2008 it's the first full pay period of January, so it would be at the same time everybody else would receive their regular cost of living.

CHAIR VIGIL: On that point, Bernadette, it would seem to me the option we would have is to reclassify a range for someone who's maximized their particular range so that when this proposal comes before us where we have sufficient options, in particular areas of job descriptions where those options for reclassification could actually occur.

MS. SALAZAR: Madam Chair, currently we do that anyway when we have somebody who's at the maximum of their range. We kind of look at their years of experience and what they're doing at their job and if they need to be reclassified we move them up to the next level.

CHAIR VIGIL: Okay. I have some other questions. I'm going to defer to Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, on the $253,000, you're saying that if we were to bring up those 125 employees to their range, that's what it's going to cost the County.

MS. SALAZAR: Madam Chair, Commissioner Anaya, yes, that's correct. The recommended new minimums would cost us $253,000.

COMMISSIONER ANAYA: Now, the question that Commissioner Vigil just talked about, let's say somebody's at their maximum. Is she saying that we re-evaluate them and move that up. Wouldn't you think that if somebody was at their maximum and they wanted to move up they need to go into another position? That's the way I think it should be. Instead of messing with that, then you're going to keep messing with – then it messes up the whole thing. So I would think that if somebody wanted to move to another high salary then they need to move their position.

MS. SALAZAR: Madam Chair, Commissioner Anaya, we would be moving them into another position. Right.

COMMISSIONER ANAYA: Okay.

CHAIR VIGIL: The state classification is very well focused on this minimum-maximum-median type range. Would this be sort of modeled after that? Do you have any sense, Bernadette, from your experience in HR?

MS. SALAZAR: Madam Chair, I've worked with the classification and compensation director at the state and I know that theirs is much more complex than this. I know they use market value for jobs, but like I say, I know theirs is much more complex. And maybe Robert has more information on how the state structures their actual plan.

CHAIR VIGIL: Robert, did you look at our state plan when you undertook this study?

MR. MILES: Yes, I did. Actually the state was one of the comparator employers. And it's a similar structure. Theirs is more complex because they have more employees than you do. But it's a job classes, defined minimum-maximum rates things.

CHAIR VIGIL: Okay. So how many employees – I'm going to ask some specific questions. How many employees do we need to lift up to minimum?

MR. MILES: 125.

CHAIR VIGIL: 125. And could you identify in what areas those employees are employed or what job responsibilities?

MR. MILES: I need to go back to my seat to be able to do that. It's in all areas throughout the County.

CHAIR VIGIL: It's in all areas. There's no specific area that has –

MR. MILES: There's in management. Some in IT. Some in rank and file. There's still some in corrections.

CHAIR VIGIL: It would seem to me that that would be a specific focus.

MR. ABEYTA: Madam Chair, on page 19 is a breakdown.

CHAIR VIGIL: You know, I don't have page 19.

MR. ABEYTA: You don't have it? It's on the screen.

MR. MILES: Yes, here we show by department where they are.

CHAIR VIGIL: Oh, I do. It was stuck.

MR. MILES: That's where they are.

CHAIR VIGIL: Okay.

MR. MILES: They're throughout the County. The thing to keep in mind is 60 percent of the jobs that we surveyed were below market. And those jobs were across the board.

CHAIR VIGIL: Are any of these employees below the City's minimum wage ordinance?

MR. MILES: Yes. Quite a few are.

CHAIR VIGIL: Okay. Do you have that figure how many are.

MR. MILES: Give me one minute.

CHAIR VIGIL: That's okay.

MR. MILES: I actually have the figure.

COMMISSIONER MONTOYA: Madam Chair, while he gets that information, I want to ask Bernadette a question. When are we going to get a final copy of everything that's being recommended in terms of this is the new Santa Fe County employee compensation manual?

MS. SALAZAR: Madam Chair, Commissioner Montoya, I believe Robert has that with him today to provide to us today.

MR. MILES: When we look at where the employees fell by salary range, and we look at just the bottom ten salary ranges, it was 25 percent of your employees, 28 of them were below minimum in that lowest group. We go up one more group, there's 37 percent of your employees. Bottom line, when we looked at most of the people who are below minimum are in the lowest paying jobs in the County. There's 28 in the very lowest group, 58 in the next group, 23 in the group above that.

CHAIR VIGIL: Okay. So Bernadette, what would be the next step here. Actually, we have noticed this specifically to request approval of classification and compensation plan, but I also heard, and I think Commissioner Montoya made reference to the fact that – and I believe the consultant did, that's there's going to be further consultation with employees. What is the next step?

MR. ABEYTA: Madam Chair, what I would suggest is that we go back to the department directors and talk about the results of the class & comp study, get into the specifics with each department as to which employees and why, answer questions that they may have. Like for example, a department may feel like they have more employees that should have been under the minimum rather than less, and so we can talk about the findings with the department directors and elected officials. Then if there isn't any major objections, or objections from the Commission today, then I would come back – probably put approval of the class & comp study on like the Consent Calendar at the end of the month. Again, unless there is more discussion that we need to have. I would recommend that. So we table this so that I can go back, talk to all the department directors, elected officials, get input. If there is anything glaring, I'll put it back in front for discussion with the BCC. If not, I can put it on the Consent Calendar at the end of the month for a formal approval by the Commission.

CHAIR VIGIL: You're recommending a tabling?

MR. ABEYTA: Yes.

CHAIR VIGIL: I have a – before I hear a table motion and then am told not to make any comments. It seems to me that one of the issues that glares at me is that we do need to elevate some of these minimum employees, but also knowing personnel issues and employment law and how that affects, I think if the committee considers actually doing that as is recommended by the consultant, we need to implement some specific verification, some specific paper trail that that is why that increase actually occurred. Because currently, we actually work with a lot of performance related increases. And those performance related increases we get documented. But if we're going this route I'd like there to be some specific paper trail with regard to this being a policy decision, that after a compensation study plan that these employees actually did receive an increase to the minimum range. That it was not specifically performance related or anything of that nature. It would make sense to me that we would need to move in that direction if in fact I certainly think is an area we need to focus on. We need to bring our employees up in their salaries. Is there a motion?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Regarding the amount, it was recommended at $253,000, yet on the recommendation that we have before us it's $341,000. Is there something –

MS. SALAZAR: Madam Chair, Commissioner Montoya, one of the recommendations was to ask for an FTE to help implement the classification and compensation plan and to help maintain it as the years go on and to provide us with statistical data that could help us in the budget process to see which departments are in need of new FTEs and kind of just do the whole picture on FTEs and where our needs are and what the market value is on different ones and things like that, instead of doing it the way we do it now. When there's kind of a crisis we manage it that way. But to have a long-term vision on our classification and compensation plan and maintain it in that manner. So with that, there was the annual salary for that position that was requested. I believe it was $60,000 and the remainder was for benefits and equipment, a computer and a desk.

MR. ABEYTA: And Madam Chair, Commissioner Montoya, we set aside the larger amount in this year's budget for FY08.

COMMISSIONER MONTOYA: The larger amount?

MR. ABEYTA: The $341,000. That was set aside in this budget. As a matter of fact, if you remember our study session the other day we reduced the recurring amount by like $110,000 and that was to make the $341,000, whatever it is that we need.

COMMISSIONER MONTOYA: I recall that we did have this in there. But I didn't know – so the other one would be for that FTE.

CHAIR VIGIL: So Bern, you're not asking that we take action on the FTE today, are you? I didn't see it noticed that way. The notice just says request approval of classification and compensation plan. Does the FTE have to be identified in the notice, Mr. Ross?

MR. ROSS: Madam Chair, you mean the subsequent meeting? The subsequent discussion on this?

CHAIR VIGIL: Yes.

MR. ROSS: Does it need to be noticed?

CHAIR VIGIL: Yes. What I'm understanding what's being proposed is that we take action on an FTE to assist in implementing this and my specific question was the notice just asks that we take approval of a classification and compensation plan.

MR. ROSS: Madam Chair, I understand what you're asking now. I'm going to recommend, and I actually thought of it during the discussion when all the complexities of this issue became apparent. I'm going to recommend that when we bring this back we have a resolution so the additional position would be created within that resolution formally, as well as all these other details nailed down.

COMMISSIONER MONTOYA: So Madam Chair, along with that, I would prefer that it be a regular agenda as opposed to a Consent item.

CHAIR VIGIL: It is under Matters from the County Manager.

MR. ABEYTA: We'll do that. I think we'd have enough time between now and next month, the administrative meeting at the end of next month to do that.

CHAIR VIGIL: Very well. Thank you for that direction. Do I have a motion to table?

COMMISSIONER MONTOYA: So moved.
COMMISSIONER CAMPOS: Second.

The motion to table passed by unanimous [4-0] voice vote.

CHAIR VIGIL: We're going to take a recess for lunch, actually. We'll continue this and come back. What is the pleasure of the Commission? Two o'clock? I'm seeing 12:30 to 2:00. Is there consensus on that? We will reconvene this meeting at 2:00. Thank you.

[The Commission recessed from 12:35 to 2:20.]

CHAIR VIGIL: This meeting will reconvene.

XII. E. 2. Resolution No. 2007-103. A Resolution Amending Resolution No. 2001-17 Creating a Corrections Advisory Committee

CHAIR VIGIL: Who will be taking charge of this?

MR. ABEYTA: Madam Chair, I will be. The Corrections Advisory Committee has been meeting on a regular basis. On of the items that the committee has started to work on is a work plan for the committee for the next 12 to 18 months. The first item on their work plan was the defining of or the amending of the Corrections Advisory Committee Resolution to add four more members. The existing resolution calls for a member representing the following segments of the community: mental health, health community, substance abuse provider, retired law enforcement officer, an at-large member, Santa Fe City representative, judicial sector representative and medical doctor. The revised resolution calls for the Corrections Advisory Committee to be comprised of 11 members and adds the following representation to the committee: a member from the public defender's office, the district attorney's office, the district court administrator's office and the homeless shelters.

The original resolution stated that one of the duties of the Corrections Advisory Committee is to serve as the main conduit for tours of the County jail for any interested community group. This duty has been omitted from the revised resolution. The revised resolution adds the following duties: As needed, make recommendations to the Board of County Commissioners on matters referred by the Corrections Department Director or issues that come to the committee's attention, and within three months of the creation of a vacancy on the committee, recommend to the Board of County Commissioners a candidate to fill the vacancy.

Madam Chair, the resolution is attached in the packet to the memorandum, and again, this is a result and a recommendation from the existing Corrections Advisory Committee. I stand for any questions.

CHAIR VIGIL: Are there any questions for Mr. Abeyta? Seeing none, what's the pleasure of the Commission? I move to adopt Resolution 2007-103, a resolution amending and creating a Corrections Advisory Committee.

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Motion and seconded. Any further discussion?

The motion to approve Resolution 2007-103 passed by unanimous [4-0] voice vote.

XII. E. 3. Resolution No. 2007-104. A Resolution Authorizing the County to Submit a Bid in the Amount of $1,820,000 to the State Land Office to Purchase 65.58 Acres of State Lands which the County is Currently Leasing for the County Business Park

MR. ABEYTA: Thank you, Madam Chair. The County has completed an appraisal of this property which identifies the market value at $2,300,000, and the value of the improvements to the business park at $480,000. The request before you today is authorization to submit a bid in the amount of $1,820,000 to the State Land Office to purchase the County Business Park. The bid is based on the appraisal of the property, minus the value of the improvements with documentation for improvements identified through the Santa Fe County Finance records. In the event that the Commissioner of Public Lands selects the County's bid as a successful bid we are requesting authorization to complete the purchase of the 65.58 acres from the State Land Office for the business park. And this money has been set aside in the fiscal year 2008/2009 budget and Robert Griego with the Growth Management Department can provide the Commission with an update in regards to the business park if the Commission desires one at this time.

CHAIR VIGIL: Thank you, Roman. Any questions?

COMMISSIONER MONTOYA: Madam Chair.

CHAIR VIGIL: Commissioner Montoya.

COMMISSIONER MONTOYA: Where did we appropriate this? In the general fund?

MR. ABEYTA: Madam Chair, Commissioner Montoya, we were going to use some of the excess savings that we've accumulated over the years. That's one of the things we're going to use with that savings is the purchase of this park.

COMMISSIONER MONTOYA: Oh, so that full $1.8 million will come out of there?

MR. ABEYTA: Will come out of there, yes.

COMMISSIONER MONTOYA: Okay. Then the last that I had heard regarding our business park was that there was still potentially a movie company or production company that was potentially going to move in there. Are those negotiations still going on?

MR. ABEYTA: Madam Chair, Commissioner Montoya, yes, they are, and Robert Griego can provide an update with regards to that if the Commission wants. But we are in the middle of those negotiations right now.

COMMISSIONER MONTOYA: I guess the only question I would have is is there a time line, by when we need to let them know, and how will that work in conjunction with the purchase of this?

ROBERT GRIEGO (Senior Planner): Madam Chair, Commissioner Montoya, in regard to the time line for the purchase of the business park and the potential for the film production studios to be located in there, we had been discussing that as the County Manager indicated. They are aware of what our time line is. Basically, the bid process is going on right now with the State Land Office and the time line for that, the bid closes on July 19th. The State Land Office could then select the successful bidder at that time. That would fit the time line as we've discussed.

COMMISSIONER MONTOYA: Madam Chair, are we going to have then other potential bidders for this property?

MR. GRIEGO: Madam Chair, Commissioner Montoya, it's an open bid process right now as per the State Land Office regulations that they have to go through. So it's an open bid process; it's a ten-week bid process which culminates on July 19th.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIR VIGIL: Further questions?

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: I'm sorry that I had to step out, but the infrastructure that we built goes towards this amount?

MR. ABEYTA: Madam Chair, Commissioner Anaya, yes. They will deduct what we put into it from the purchase price, so we'll be credited for that.

COMMISSIONER ANAYA: Okay. I think this is good for Santa Fe County. I move for approval.

COMMISSIONER CAMPOS: Second.

CHAIR VIGIL: Motion and second. I just want to underscore – I was speaking to a staff member who worked at the County just yesterday about eight years ago, and this business park has been an economic development project for the County since at least that time. So ultimately, if this happens and comes to fruition, it isn't something that has been recently worked out. I think there are companies that have talked to the County since 1998, maybe even 1997 with regard to this and the barrier that we've had has been with the Board of Finance and the State Land Office, so the actual clean purchase of this would allow the County itself to move forward with an economic development project in a much needed area and with a potential tenant for there. So with that, are there any other questions or comments?

MR. ROSS: Madam Chair, we do have some technical amendments to the resolution. They're technical, almost typographical errors that we'd like to correct.

CHAIR VIGIL: Do you want to state them on the record?

MR. ROSS: I can tell you what they are. In the title – you're required in the title to of course summarize all the action you're taking in there. One important aspect that's not in the title is the fact that we've delegated the County Manager the authority to sign the closing documents. That's pursuant to our normal practice. The doing things right, every time the acreage is mentioned, making sure that it's 65.58. At one point there was a reference to 65 acres. And then in the last whereas, we didn't state what we were actually doing, so we added the terms to the end of the last whereas we added the following: "and wishes to submit a bid to purchase the property from the State Land Office." We never said that so we thought that was important. And then changing "will" to "shall", the word "will" to "shall" throughout.

CHAIR VIGIL: Okay. Anything further?

MR. ROSS: No.

CHAIR VIGIL: Does the maker of the motion consider the corrections and amendments as stated by Mr. Ross a part of his motion?

COMMISSIONER ANAYA: Yes. I amend the motion to include his suggestions.

CHAIR VIGIL: Seconder?

COMMISSIONER CAMPOS: Fine with me, the changes.

CHAIR VIGIL: Okay. No further discussion?

The motion to approve Resolution 2007-104 as amended passed by unanimous [4-0] voice vote.

XII. E. 4. Update on Various Issues

MR. ABEYTA: Madam Chair, two brief updates for the Commission. The first is we will be polling the Commission for a study session now in July regarding water and the County utility and prioritizing projects, and also pulling together what it is our intentions are in regards to water in Santa Fe County and our utility. That will be in July.

The other thing I have, Madam Chair, is we seem to be making some pretty significant progress with Pojoaque Pueblo with regards to the wastewater treatment facility, so I would expect to be bringing forward either some kind of resolution or MOA for the Commission to consider at some point in July also. It looks like we may be able to get some – in the first phase the Pueblo is building, we may be able to get some capacity for Santa Fe County residents, so we're trying to work out those details between us and the Pueblo at this time. We did set aside a million dollars for this project and it looks like we could see some movement on that in the coming month or two.

CHAIR VIGIL: Any questions for Mr. Abeyta on those updates?

XII. F. <u>Matters from the County Attorney</u>

1. <u>Executive Session</u>

a. Discussion of Pending or Threatened Litigation

i. Settlement and Release Agreement Between the County and Management & Training Corporation

c. Discussion of the Purchase, Acquisition or Disposal of Real Property or Water Rights

MR. ROSS: Madam Chair, we need to go into closed executive session to discuss primarily pending or threatened litigation but we might get into discussion of the purchase, acquisition or disposal of real property or water rights.

COMMISSIONER MONTOYA: So moved.

COMMISSIONER CAMPOS: Second.

The motion to go into executive session pursuant to NMSA Section 10-15-1-H (7 and 8) passed by unanimous 4-0 roll call vote with Commissioners Anaya, Campos, Montoya and Vigil all voting in the affirmative.

CHAIR VIGIL: Steve, will we be discussing items 2 and 3 also?

MR. ROSS: Madam Chair, those are items that we'll deal with after we come out of executive session.

CHAIR VIGIL: Okay. And how long will we be?

[The Commission met in executive session from 2:32 to 4:19.]

COMMISSIONER CAMPOS: I move we come out of executive session where we discussed pending or threatened litigation and the acquisition, or disposal of real property or water rights.

CHAIR VIGIL: Is there a second?

COMMISSIONER MONTOYA: Second.

The motion to approve passed by unanimous [4-0] voice vote.

XII. F. 2. Request Approval of a Settlement and Release Agreement Between the County and Management Training Corporation

MR. ROSS: Madam Chair, as we discussed a little bit in executive session, the County staff has reached a tentative agreement with Management & Training Corporation. As you recall, Management and Training Corporation operated the County jail for several years. I think three years, and left that facility in October of 2005. Since then we've been discussing the matter of adjustment of the final payments. The County owed money to Management & Training Corporation but also was claiming that Management & Training Corporation owed the County money, principally for medical bills that were incurred by MTC while it operated the jail.

We discussed the settlement in executive session a little bit and we're prepared to at this time recommend that we enter into that agreement. I think at this time I'll ask Carolyn to just give the details of that agreement.

CHAIR VIGIL: Thank you. Carolyn.

CAROLYN GLICK (Assistant County Attorney): Madam Chair and Commissioners, the basics of the settlement agreement are that the County will pay Management & Training Corporation approximately $75,000 in money that the County owes Management & Training Corporation, arising from our contract with MTC. Additionally, MTC agrees as part of the agreement to waive any right it has to outstanding receivables owed by other entities to MTC for the cost of housing their inmates.

CHAIR VIGIL: Questions?

COMMISSIONER ANAYA: Move for approval.

COMMISSIONER MONTOYA: Second.

CHAIR VIGIL: There's a motion and a second.

The motion to approve the settlement with MTC passed by unanimous [4-0] voice vote.

XII. F. 3. Resolution No. 2007-105. A Resolution Requesting an Increase to the Jail Operations Fund (518) Adult Facility to Budget Prior Fiscal Year 2006 Cash Balance for a Settlement Agreement with Management & Training Corp (MTC) (Corrections Department)

MS. MARTINEZ: Madam Chair, Commissioners, this is in line with the previous approval for the settlement. This is the mechanics to budget the authority to pay for the settlement agreement amount.

CHAIR VIGIL: Questions?

COMMISSIONER MONTOYA: Move for approval.

COMMISSIONER ANAYA: Second.

CHAIR VIGIL: Motion and second.

The motion to approve Resolution 2007-105 passed by unanimous [4-0] voice vote.

XII. G. <u>Public Hearings</u>

1. Resolution No. 2007-__. A Resolution Approving the Petition of Turquoise Trail, LLC for Formation of Turquoise Trail Public Improvement District Pursuant to the Public Improvement District Act, Section 5-11-1 Through 5-11-27, NMSA 1978 (the "ACT"), Santa Fe County Resolution No. 2006-40 and the Santa Fe County, New Mexico Public Improvements District Policy and Application Procedures; Making Findings in Connection with the Petition and Supporting Documentation Requesting Approval of the Formation of the District; Determining the Real Property to be Included within the District and the Purposes for which the District is Being Formed; Approving the General Plan and the Rate and Method of Apportionment and the Manner of Collection of a Special Levy to be Imposed Upon Real Property within the District; Approving a Development Agreement for Implementation of the District; Approving Parameters for the Issuance of District Bonds; Providing for Governance of the District; Providing the Bonds and other Obligation of the District Shall Not be Obligations of Santa Fe County; Repealing all Actions Inconsistent with this Resolution Other than Santa Fe County Resolution 2006-40

[Commissioner Montoya left the meeting and Commissioner Sullivan joined telephonically.]

KARL SOMMER: Madam Chair, we are here. I note that the County staff related to this application isn't here and that's Mr. Franklin and the like, but I don't know if that matters to the Board.

CHAIR VIGIL: I think they are accessible to us, and I believe Commissioner Sullivan also will be participating by telephonic conference and so will Mr. Franklin.

MR. SOMMER: Okay. Great. I didn't know that. I'm here tonight on behalf of Turquoise Trail, LLC, and the underlying developer of that property, which you all are familiar with is Longford Homes, and basically that is a wholly owned company by Mr. John Murtagh and his family. You all have known him from the study sessions you've had over this issue.

What I'd like to do tonight, tonight I have with me Mr. Tom Robinson who is in-house counsel, who you met, Tracy Murphy who has been managing this project for Longford Homes. I have the representatives from Piper Jaffray who are handling the bond end of this. Did I leave anybody out? I have Jean Miller, she is with Sutin Thayer and Browne from Albuquerque and they put the application together from a technical standpoint and they're here to answer any questions you might have.

The purpose of today's meeting is to address specifically whether or not this Commission under its policy should adopt a resolution allowing a formation of a district for a public improvement district that would issue bonds to pay for certain public improvements. What I'd like to do tonight is go over a little bit of the history of this this afternoon, hopefully not here into the night, the history of this application as well as how we find ourselves at this point in the development asking for a PID, and what the current application represents, and what the benefits are to the County, and the benefits are to the community regarding this. At any time if you have any questions you can – if you have any questions I'd be glad to answer them so feel free to interrupt me.

As you all know the Public Improvement Statute allows this Board to adopt a resolution that forms a district the purpose of which is to finance certain public improvements that benefit the community. The County after some time adopted a policy last March related to this. This application has been pending since before that time and has been under discussion with the County staff since before its filing in late 2005. That's important to this application because it speaks to its evolution and how we got to where we are.

The current application asks for a total amount of $8.87 million to be financed for public improvements that are essentially being put in at the current cost and expense of the developer. The application was under consideration for a higher amount and as this Board knows it came before you on two or three study sessions. It has been in staff consideration in at least six meetings involving Land Use staff, Legal Department, the County Manager's office and the Finance Department at the very least, including as well Public Works and the Affordable Housing Department. Every staff department having any interest in this has looked at this application over and over and over.

The main difference between this application and the original application filed are these: First of all, this Board asked that there be a significant reduction in the amount financed so that the levy that was initially proposed would be reduced by at least 20 percent. That has been done here. The other aspect that the Board of County Commissioners asked that this application consider is the removal of the maintenance portion of the levy. As you all recall, the maintenance portion of the levy was an ongoing function that the district would do to maintain the improvements, and they would levy homeowners just like a homeowners association would do and reduce that amount. That was $540 a year, take that out of the annual levy. Reduce the annual levy, which we did by 20 percent.

And the last thing that this Board of County Commissioners asked us to consider was whether or not there was sufficient public benefit in the application, and if there was any way to enhance that. The evolution of that came from this Board with the first indication that maybe a community center, maybe some contributions or additions to the school. We're not certain exactly what the Board of County Commissioners was looking at but what evolved was from that discussion about benefit was the applicant has put on the table the million dollars that could go to the public benefit as this Board deemed appropriate, either for a community center or some other benefit that the County believed was important to this district, that served the County in a broader sense.

That is the basic difference, those are the basic differences between this application and the application that you had been consideration prior to the filing of this revised application. If you have any questions about the differences, those are essentially what they are.

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Sommer, could you explain point 2, the removal of the maintenance portion of the levy?

MR. SOMMER: Yes. The statute allows a public improvement district to undertake the ownership, operation and maintenance of the assets. It doesn't have to, but it can. It can be a financing vehicle as well as an ownership and maintenance vehicle. The application originally included the maintenance portion, and the reason being is that we included that there in the first place was that there has been a history in the county of homeowners associations that take on parks, roads, drainage facilities and the like, and utilities, and then the homeowners associations, after a time, fall apart and the County begins to get calls from frustrated homeowners saying, Get out here and maintain these roads. Or why aren't you maintaining this park? Or our sewer lines have a problem with them. And the answer is, and I think rightly so, well, the County isn't responsible; that's the homeowners association. Well, we don't have a homeowners association out here.

To avoid that problem of having citizens who are living in subdivisions where the homeowners associations fall apart, become dysfunctional, we came up with the idea of including the maintenance in the district, because there would be a quasi-governmental agency that had the expertise, the obligation and the ongoing enforcement power to maintain these amenities, and they would be able to levy, and those would be paid as part of the taxes, and that's how that came about.

What we did was because that figure was in the levy and there was an objection to the amount of the levy in response to the Board of County Commissioners, we took that maintenance portion out. And so the district would no longer be responsible for maintaining the roads, the sewer, the parks and the like that it will be financing. And that reduced the special levy to zero from over $500 a year.

The question arises, well, how will that stuff be maintained? Well, the only other mechanism available in New Mexico and in this subdivision is a homeowners association. And one of the ideas that came up with respect to the money that has been offered was to fund that homeowners association so that it had startup capital for the benefit – obviously the homeowners association is solely for the benefit of its members which are the owners of property in there, to fund that organization so that it would have substantial capital to begin the maintenance operations. That was one idea that we had, but that's up to you, whether or not you wanted to do it.

So the reduction of the special levy for maintenance is down to zero because the PID district will no longer maintain the facilities that it's financing. Did that answer the question, Commissioner?

The Board of County Commissioners first adopted a policy in March of last year and really, it adopted that policy in response to the filing of our application because there was nothing at the County as to how to consider an application by the Board of County Commissioners. So you adopted standards as to what the application should include, what should it address, what are the limits within which an application will be considered, etc. And I think that Mr. Franklin and all of County staff had indicated to you just absolutely clearly our application is complete. There is nothing missing from our application –

CHAIR VIGIL: I have a question. When you say we adopted a policy, was that by resolution or as part of the process or clarify [inaudible] Do we have anything of documentation for that?

MR. SOMMER: You do. You have a resolution that was adopted and I have a copy of the policy as published by the County here that sets the standards within which an application can be made. This application, and your staff can tell you, meets all of the criteria of your requirements. It asks for an amount not less than is allowed by the Code. It asks for – it complies with every percentage requirement found in your policy. There's nothing missing and in addition, we added something to our application that this Board asked for some time at the beginning of this year, which was a reserve study to analyze whether – an independent reserve study to analyze whether the numbers we were using with respect to our application were realistic out there in the world. We did that reserve study and that was submitted to County staff and analyzed and then revised again in response to some comments by County staff.

I could go through each one of your components of the policy and your policy is 14 pages long. I won't do that. But with respect, all the requirements of that policy, all the limitations in that policy, we complied. And there is no statement from anybody that I'm aware of that says we are not in compliance with the policy. What it boiled down to in consideration is whether or not there was sufficient benefit related to this PID in order for this Board of County Commissioners to adopt this application. And let me just say pointblank, this application gives you one question to really answer. Is the Board of County Commissioners in Santa Fe, New Mexico going to implement a financing tool that maintains longer term affordability in housing developments?

Here's what I mean by that. Without this PID I can guarantee you that prices in this development for the purchase of homes will of necessity go up. And the reason that is is because money is being spent on infrastructure that gets paid for when people buy homes. This application for the development came to you touting its affordability because it wanted to use the PID option for financing. You didn't have a policy in place at the time we filed our application. Now you do, so we've complied with it. But we priced the homes in this subdivision to meet the affordability requirements of the 15 percent in the Community College District, as well as the cap of the City which is $310,000.

Now, we're bound by that cap and we're bound by your 15 percent, and everything in between there was priced in accordance with the idea that we would be able to obtain the financing allowed here. And we ended up having to sell homes in the interim because the County didn't have a policy. But we priced these homes, and they have been priced and they have been sold at a rate that assumes that this public financing would be available, this method of financing would be available. Without it being available, that increment in the housing market in this development between the 15 percent and the $310,00 is going to go up in order for the developer to recover its costs, its increased costs.

This is simply about affordability and it is a mechanism of financing that makes the development of the infrastructure more affordable, which allows people like Longford Homes to build affordable housing and housing that is affordable to the middle income range. That's what this application really is about. And you have heard a lot over the course of the last several months and I understand from talking to your liaison, Ms. Jaramillo, that there are lots of calls from homeowners and the like that are living there now. There are people who bought, every one of them, at the pricing assuming that there would be a PID. The prices were not and have not been raised. Those people bought in and they bought in with the disclosures, very specific, very clear, that we would be introducing this PID.

We would have loved to do this before we sold any homes but we couldn't because you didn't have a policy in place. We had to sell homes, but we sold homes with disclosures and we disclosed an amount higher and these people took advantage of and have the benefit of the lower pricing of the homes in this development.

CHAIR VIGIL: Mr. Sommer, you could have held back and not sold the homes until the policy was in place. That was an option, was it not?

MR. SOMMER: Not financially, because by that time we were already into the ground with our development and we had already done our construction lending, and the development was underway. We had taken reservations as well as purchase agreements with people, and we held them off as long as we possibly could. And it got to the point where we could not have closed. We could not sustain any longer delaying the application. Even if we had waited until March when you adopted your application, it would have put us in a terribly financially difficult position. We would have had our infrastructure in the ground. Many, many homes completed. Many, many homes finished with no income source to pay off all the lending. So it was not possible to delay it any longer.

We could have made the choice but it would have been a choice of saying, well, are we going to be in default on our lending, or are we going to proceed with –

CHAIR VIGIL: My concern is you were placing a high reliance on this PID being enacted and our policy developed. However, you still – the fact of the matter remains that you still chose. Perhaps it was a financial consideration to move forward without that policy, before action was taken on that. I want to make sure that the argument doesn't go towards the burden of the County being responsible here for that.

MR. SOMMER: Well, what I'm indicating is that normally, the application for the development approval would have included a PID in it. And that's normally when you would see an application for a public improvement district, when the application for the development approval was coming through.

CHAIR VIGIL: [inaudible] already being established.

MR. SOMMER: No. If one comes in for a development approval, for a subdivision approval, that's when you as a County would normally see the application for the public improvement district, simultaneously, so that you had this whole package to consider. And that would be the development application, what are the components, what is it going to cost, what are the amenities, all of that sort of thing, as well as the PID. Well, the County didn't have a policy in place till almost a year after the subdivision approvals were made. So it was not possible for us to do it simultaneously, but we priced it knowing that that was available because it has been done in other parts of New Mexico successfully, most notably in Albuquerque.

CHAIR VIGIL: Right.

MR. SOMMER: So what I'm pointing out to you is that this really is about affordability and you have a lot of, 60-some homes that are purchased in. They signed off that the developer had the authority to do this. We made the disclosures. We've lowered the amount of the assessment. What you don't have in front of you tonight is the 412 or 420 other families in this town that are going to live in this development. They're not here speaking to you because they don't have a voice; we are their voice. What's going to happen is if the PID isn't approved, then the prices for those homes are going to, of necessity, go up, and the costs of recovery are going to have to come out of there, out of the sales of those homes.

And so what you have is the people who have bought in at lower prices objecting to the spreading of the costs over all 512 homes on the basis that they don't want to pay their portion or increment of the infrastructure. They would rather have the remaining family members who are trying to buy into homes pay that. We think that's fundamentally unfair, to take advantage of lower pricing and push off the burden of paying the costs of the development on the remaining members of families in the development, that will be in the development. And what it means factually is that a home that goes up by $20,000 in an interest environment like we have right now is rising interest rates. $20,000 in an increase in price and the rising interest rate means that there are going to be fewer people who can qualify for the purchase of homes in this development in a community where our biggest issue is keeping people here.

The people buying into this community aren't people moving here from somewhere else. They're people who want to live here and stay here, whose children want to live here and stay here. The demographics of our buyers are people who are here already. The remaining 412 are going to get squeezed out. An increment of them will get squeezed out. Prices will go up. Interest rates are going up. And you're going to have people falling out of the ability to buy into what was touted by this Commission as the most affordable overall development in the entire county.

It's clearly more affordable than Rancho Viejo. It's got a cap on it that Rancho Viejo does not have of $310,000. So that mid-section between the 15 percent affordability and the $310,000 is going to get squeezed. And that just means that fewer people in Santa Fe will be able to live in this development. That's not what any of us in this room wanted. And I still don't think it's what we want.

CHAIR VIGIL: Mr. Sommer, aren't you required by your agreement with the City to have that cap?

MR. SOMMER: It is. It is required to have the $310,000, but below that, the way we have priced our homes in reliance on the idea that we would have available to us the PID financing was tiered pricing, and that would mean that from the 15 percent affordability up to the $310,000, you would have these tiers of pricing. That would mean that the larger segments of the lower or more moderate incomes in Santa Fe would be able to afford in that tiered pricing. What's going to happen is those tiers are going to all go towards $310,000. And the market, I can tell you, will bear it. There will be people who will buy homes at $310,000 and they'll get less of a home for more money as a result of not having this kind of financing available.

I don't think that's what this County Commission wanted. I don't think that's why we started out down this road 2 ½ years ago. What we wanted to do was to produce what was the most affordable overall development in the county and I think thus far we've been successful and the market shows that people want to live there. I don't know if you all have been out there but the amenities are going in. I drove by there a couple weekends ago. There were people in the parks, walking on the trails, and it's just starting. It's just starting. And it would be a shame to see fewer people in this community that could afford it as a result of not having the ability to have this financing.

I've talked to you about the differences in the application, and I could answer any questions you might have. And I've also talked to you about the owners that are already there that are objecting, saying they don't want their taxes to go up. I have Mr. Matt Challis here who can tell you specifically. The big scare I think for this Board is to say, well, you're raising people's taxes and we don't like you to raise our taxes. The facts are different than I think the complaint. And Mr. Challis will tell you essentially what the differences are in the current application and how they compare as a tax rate for taxpayers in New Mexico. So I'm going to turn it over for a moment to him.

CHAIR VIGIL: Are there any questions at this time for Mr. Sommer?

MATT CHALLIS: Hi, I'm Matt Challis with Piper Jaffray. We typically work as bond underwriter. I'm not as great an orator as him so bear with me. I was supposed to have a couple of slides so I'm going to give you some handouts that we'll go through in just a minute. My group in California works with communities that are basically facing the same types of pressures as Santa Fe and Albuquerque, the pressure for affordable housing. We do CFD or PID, basically land-secured financings in Arizona, Nevada and California. What I wanted to do was walk you through how we got to our number, the one percent levy, which you're going to hear me say. I wanted to then walk you through how it relates to the other levies that have been approved in New Mexico for PIDs.

I then wanted to give you a little bit of background or really comparison for other states, so that you can get a sense for is this high? Is this low? Is it reasonable? I've got a couple of handouts here. We selected the 600-series. I know that doesn't mean anything to you, but it's basically about a $304,000 home. We then calculated basically the full value, which is kind of how Santa Fe assesses the home, at about 85 percent of the property sale price or value. We gave the homeowner's exemption, which we assume everybody would file, and we got down to a taxable valuation of about $85,000. We then took the no-levy at 16.657 and I think that's the number that applies, subject to potential change, and calculated what does that mean in terms of annual tax rate? It's about $1400. To give you a comparison to Bernalillo County or Albuquerque, they have a 35 mill rate, or 36 depending on where you live. That mill rate is on a home price which is half the price of the homes that you would see here. So the net effect is that your annual ad valorum for this type of home, versus a place like Albuquerque, is about the same.

We then factored in the special levy for this specific home, which is about $1692 a year, estimated. It gives you a total tax of about $3100 per year. The way the market compares this tax is not on a mill levy, and not comparisons of mill levy. It takes the overall effective tax burden and compares it to the home price. And what you can see here is that the overall tax burden is about 1.02 percent of that $304,000. This is a fairly standard way to do it and I can show you 50 official statements from California and Arizona that do this type of thing.

But what I did instead was I took the levies that have been approved and the data that was presented in official statements for Ventana, Cabezon, Mariposa, and graphed it versus

Turquoise Trail. And this is again the same comparison. Overall tax rate as it compares to the value of the home. As you can see, Turquoise Trail will be the lowest PID in the state. Now, the caveat is Ventana was done two years ago. Cabezon, I believe was done a year ago, and Mariposa, maybe six or eight months ago. Those numbers will move around just a little bit. But the bottom line here is Turquoise Trail is the lowest percentage levy in general tax rate as compared to all the other PIDs in the state.

Why this one percent number is very important to me and why I look at it and am here talking to you today is I compare it to other places we work. Southern Pinal County in Arizona, where we're hired by about ten different cities. Murrieta, California, another growing community in the desert. And I know you guys aren't California and I know you're not Arizona but it bears comparison of what the tax rates are versus what you're doing here. What you find in California is one percent is the minimum tax rate. Most tax rates with these PID financing or levies are in the 1.5 to 1.99 percent range. We regularly see them at 1.76 percent. Again, that's 1.76 percent of the total home value per year in taxes and PID levy.

The thing I'm would compare it to is in Arizona we are seeing massive development agreements coming forward for 10,000, 15,000, 25,000 units at a time where the tax rates that people are looking at, both cities and the developers, are going to be in the 1.5 to 1.6 range. Pretty significant tax rates in comparison to 1 percent at Turquoise Trail. And what I think that tells you is that tax, while it is higher than having no tax, is still very reasonable and very affordable. And in communities where you are facing this pressure of affordable housing, this is the tool that developers have. Typically, the developer as I mentioned will come forward with their application and the PID financing at the same time so that the entire product can be evaluated. We didn't have that opportunity, but had it happened we would have had these discussions must further in advance of today.

I think the only other two statistics I kind of want to throw out to you, just to give you a sense of California and really in this case Nevada and Arizona, affordability clearly in California is more out of control even than Santa Fe. We did $6 billion of PID financings over the last five years. And why do we do that? To maintain affordability. Otherwise, houses would be 20 to 30 percent more expensive, which just excludes that many more people. In Arizona, there have been in the last ten years about a billion dollars of land-secured PID financings. I think you need to consider those things when we look at an $8.7 million financing and say, are we doing the right thing? And Karl, that was really about all I had to say. Do you have any questions for me on any of the numbers or anything that I can tell you about my experience in California, Arizona, Nevada?

CHAIR VIGIL: Could you tell me, where is the Mariposa PID?

MR. CHALLIS: Mariposa –

CHAIR VIGIL: Are all of those in New Mexico or are they all out of state?

MR. CHALLIS: All these are New Mexico.

CHAIR VIGIL: Okay.

MR. CHALLIS: The Mariposa East one, and I've got at least a cover page for the official statement, was actually a general obligation bond levy, so that number is actually going to probably increase if development slows down. In other words, they'll continue to tax at a higher rate to the existing homeowners. It's not as cut and dried as a levy that you would normally approve with what I call a land-secured financing, a PID financing. But I think it's a pretty powerful and compelling argument, that we're very low in comparison to all of New Mexico and we're very low in comparison to the western United States.

CHAIR VIGIL: Thank you. Are there any questions for Mr. Challis. Commissioner Sullivan, are you with us?

COMMISSIONER SULLIVAN: I'm here.

COMMISSIONER CAMPOS: Do you have any questions?

COMMISSIONER SULLIVAN: No, no questions. Thank you.

CHAIR VIGIL: We have a quorum. One by telephone. Mr. Sommer.

MR. SOMMER: I think that Mr. Challis' analysis shows that the relative tax burden that would be proposed here for homeowners in this development is not the nightmare that I think has been described to you. In fact it is lower relatively than any other PID in New Mexico. The reality as Mr. Challis has indicated is that in order for communities to maintain long-term affordability they are going to have to move to the financing of infrastructure in this fashion. California, which is out of control, Arizona which is out of control, they are all using these as a method to control their development and to make their developments more affordable. I think that this community has to embrace the same use of similar tools or we're going to run into the problems without the tools to address them if PIDs are off the table in Santa Fe, New Mexico.

I think that this analysis boils down to what are the benefits of the PID? We all right now read daily the issues of rising interest rates on 30-year fixed mortgage rates, conventional or otherwise. And I was just checking with our vice president and interest rates are at about 6.75. They've taken a huge jump in the last several months. Financing of that additional increment to pay the infrastructure costs at higher rates than you can get when you borrow on a PID is a significant benefit to the homeowner, because those people who buy into this community at higher prices are going to finance those higher prices at higher interest rates. PIDs provide a lower interest rate financing, and that interest rate is fixed for the life of the bond.

It isn't like the variable mortgage rates that you see when you refinance, or when rates go up. So it's constant, it's stable and it's lower. That is a benefit to people in this development as well as a benefit to people who are buying in this community. As we talked about before, a portion of this levy is tax deductible, and I think that the two remaining issues related to benefit deal with the maintenance of long-term affordability in this community, and finally the $1 million that could be used in a way that this Board found appropriate for a benefit either for not just this community, Turquoise Trail, but the wider community. The reason we put it in cash terms was because we came to the Board with the idea of a facility. There isn't consensus and we could not see a consensus and proposing a community center, the imposes operating costs on the County that may or may not be available, as well as the amount that was being proposed didn't seem very – in fact it was a very expressed point of view by this Commission that it was not sufficient in amount.

So we've put in front of you the idea that there is a million dollars available for the County's use to benefit this district as well as the community generally. You all are familiar with the million dollar donation that was offered to the City by the Maloof family and then suddenly withdrawn. There isn't a million dollars falling out of a tree in any community. It fell out of a tree and somebody picked it back up in the City of Santa Fe. This is an opportunity for this Board of County Commissioners to really delegate or provide a benefit that isn't going to be otherwise available to this community. There are various ideas that have been floated around.

One of the things that I found ironic is is that I heard through the grapevine that somehow this was inappropriate. That the developer was proposing something inappropriate in terms of this benefit. Well, this wasn't our idea. This was in response to a question by this Board of County Commissioners about what was the benefit available to the community. Was it a facility? Was it additions to the schools? There was no consensus on the Board so we put a price on it, and I think that is meaningful. It isn't appropriate. It wasn't inappropriate either for this Board to raise the question or for Turquoise Trail to respond to it.

In summary, this application complies with your policy 100 percent. There is nothing in front of you related to this application that says it is out of compliance, either with state law or with your policy. I think that's significant because it sends the signal to the development community related to the use of PIDs in Santa Fe. If you comply with the policy, what can you expect at the Board? I think that what people should expect is that if they comply with the County's direction and their policy is that their application will be approved. I'm not saying it should be guaranteed; there might be other factors. The other factor in this case came to benefit and I've addressed that.

I believe that we've addressed all of the items that this Board has raised in the past and we certainly can address any questions you might have. I would also note that we were told that the meeting would be at 6:00 and that we should be here at 6:00. We were called at about ten to four to come on down here. It was my understanding that many members of the community were told that it would be at 6:00, and I'd like it on the record that we came at 4:00 and we came when the Board asked us to come. We didn't ask that it be moved up so that people couldn't attend. And I don't want there to be any impression out there in the public that the applicant here somehow asked to be moved up on the agenda so that people couldn't express their opinions.

CHAIR VIGIL: That's accurate, Mr. Sommer. [inaudible]

MR. SOMMER: Right. I understand you got through your agenda a lot more quickly than you might otherwise thought you were going to.

CHAIR VIGIL: For the record the meeting was noticed for 10:00 am.

MR. SOMMER: Right. And I just didn't want there to be the impression out there in the public that somehow we had moved it up so that people couldn't come and speak. If I may have just one moment to consult with my client and make sure that I haven't missed anything they would like me to say. We would stand for any questions you might have.

CHAIR VIGIL: Questions for Mr. Sommer?

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Mr. Sommer, I guess what we're dealing with is a question of sufficient benefit to the community or to the people who actually purchase here. One of the key elements here is affordability. It seems to me someone will be paying a mortgage, they'll be paying the ad valorum, and they'll be paying maintenance. Right?

MR. SOMMER: They'll be paying maintenance through a homeowners association.

COMMISSIONER CAMPOS: A homeowners association but still it's still a cost of homeownership.

MR. SOMMER: That's correct.

COMMISSIONER CAMPOS: So if you start adding all these three things, perhaps others, it seems like it's less and less affordable. Could you address that concern?

MR. SOMMER: Yes. I think that the question of affordability in a development like this is the relative affordability for families of a particular income versus what's available in the community. Anywhere they go they're going to have to pay the mill levy and the taxes on their homes. So that's a constant throughout the community. That's not something that changes, adds or reduces from affordability. The variables in affordability are the price that they pay, the total amount that they pay, and how they finance it. Those are the variables of affordability.

With respect to the maintenance, they're going to have to pay that maintenance because this Board of County Commissioners has required that the homeowners association or some entity other than the County maintain the amenities. So that is not a factor of affordability. It's a factor of homeownership. The two factors that vary in affordability is the price that they pay for their home and how they finance it. Let's take the price in this case. The price of a home is what the developer paid for the land, what the developer paid for the infrastructure and the approvals, and what the developer paid to build the home, and then the developer's profit on that.

Part of the cost of the infrastructure to the developer is its financing costs. So if the financing costs for the developer go up, the price of the home goes up to recover that cost. As you know from the testimony by Mr. Murtagh earlier, his margins on this development and this investment as a developer is somewhere between eight and 13 percent, depending upon whether or not you do the PID or not do the PID. We're not talking returns of huge profits. At eight percent you can't bank this deal. There is no bank that will say we'll finance more of your developments at eight percent. Most banks are looking at margins of 10 to 25 percent. Mr. Robinson, who's in the business can tell you more specifically.

So the variable of affordability is if the costs to the developer of financing the infrastructure goes up, the price goes up. That means it's less affordable. The other thing that is a product of affordability is the interest rate they pay. If the cost that they pay for their home, to recover all the developer's costs and the like is financed at a rate of seven percent, versus eight percent, then their costs go up. Which means they can either afford more or less, depending upon the interest rate. And in this case, what you're talking about is the increment for the infrastructure. What they're going to pay for when they buy their home, when that figure goes up, their costs go up, the buyers' costs go up. Which means affordability comes down.

So the two factors that relate to affordability that this PID addresses and any PID addresses is how much is paid and how is it financed? Those two factors without a PID mean that homeowners in this development pay more because the infrastructure costs are financed at a higher rate and then they turn around and borrow at a higher rate. And they do so for a long period of time.

So the factors of affordability that we're trying to address here is it allows us to keep our pricing as low as possible and spread the costs of the financing over the entire development at lower rates. And that's why it maintains affordability. Without the PID in place, the infrastructure costs have to be recovered at a faster rate in home purchase price. That's just the simple fact. And it means that prices will go up, because a developer can't go out of business, or can go out of business but prefers not to go out of business by not being able to recover its costs. I hope that addressed the question about the variables of affordability and how we're addressing them here.

COMMISSIONER CAMPOS: Thank you.

CHAIR VIGIL: Any further questions? Thank you, Mr. Sommer. This a public hearing. Is there anyone out there who would like to address the Commission on this item? Please come forward and state your name and address for the record.

PAUL YARRON: Good afternoon. My name is Paul Yarron. I'm a homeowners at 5 Sunset Canyon Lane, and I basically just want to touch upon a few things that Mr. Sommer talked to you about. Basically, the disagreement that we, the homeowners that currently live in the community and what Mr. Sommer claims to be are two different stories. We feel like we weren't disclosed properly what this PID would entail, what it even meant. And to be honest with you, I work for a sub-prime mortgage company and this is a very technical term, this PID. It's something that's very new and there's a lot of first-time homebuyers here.

You see a lot in the news about home sales and home prices and foreclosures around the country. If you want to see foreclosures rise in Santa Fe then pass this PID. If not because – we need some more straightforward disclosures for first-time homebuyers for affordable housing. People that are looking to live in this community are people that are truly looking for affordable housing. This PID was very deceiving for people. It was very hard to understand. He talks about interest rates rising. That's true and they are. And a lot of people had to get adjustable rate mortgages just to get into these properties. And what do you think is going to happen in three years when they go to refinance when interests rates are higher and the have a PID special improvement tax on it. It's going to be even harder for people to make their mortgage payments. We're going to see people out on the streets and that's not what we want in our community.

And for the other 400 and something people that are looking to purchase a home, we don't want the same thing to happen to them because we felt duped. We don't want the same thing to happen to these people. There's just a huge gap we feel. Another thing that concerns us is the million dollars that is to be given to the County. It would be great if we had a say in how that would be spent but a million dollars is a lot of money. Maybe that could have been reduced in the price of the homes too truly make the homes more affordable. Or just lower the special improvement itself. That would have been great.

But if the argument here is affordable housing we simply disagree. We hope that you see that there is a much better way to do this, if the price is more straightforward for homeowners. And then the other thing it makes selling your home that much more harder. Commissioner Campos, you talked about not only having to pay principal, interest, ad valorum, then a special improvement, homeowners association. These are all things that scare people away. When we go to sell our homes and we're up front and tell people, look, there's a PID, homeowners association, all these things, people are going to look at it and say, wow, that's a pretty steep price to pay. And that's how we feel.

So we just hope that you understand where we're coming from and that you take consideration in this matter.

CHAIR VIGIL: Thank you. Is there anyone else? Please raise your hand.

KAREN FRANCISCO: My name is Karen Francisco and I'm a resident at 1 Sunset Canyon Lane. And to sum it up, I think Paul did a good job as to what he feels as well as a lot of other homeowners. Unfortunately they are not here as well because they were notified about a 6:00 public hearing, understanding that it was moved up because things moved faster on the agenda. However, they're not here.

Just a couple of things I wanted to question was the million dollars that Longford Homes is proposing to give to the County, that sounds like the public benefit out of this home thing is a possible community center or possible money to improve the school districts out there, which is – is the County willing to take the lead on that money? Is it something they're going to want to do, and what kind of – how are we assured that it's going to be a public benefit to us?

Also, as far as affordability and stuff, I'm wanting to let the Commissioners know that we were told when we purchased that they are not selling these homes for investment, that we could not purchase them for investment. However, several people have already purchased these homes for investment. They are for rent or for lease, as well as there are at least one homeowner that I know of who resides in California. So these monies are not even staying here. People who are already purchasing these homes for investment purposes as far as renting or leasing the property. Some out of state homeowners are also – have already purchased these homes.

And so again, you've heard from me prior. I know you've received letter of opposition from other homeowners, and it's certainly not our intention to say, oh, we want to benefit from having purchased when the houses were priced lower. Well, it just so happened that's the way it happened. And it's certainly not my intention to say while the next so-many houses are being built are going to have to pay for my portion of it. This is what is it. At the end of the day, here we are. This is what it is.

As Paul, Mr. Yarron, said, when we go to sell our houses, if we choose to sell our homes, we're going to have to be up front. In Santa Fe, I don't know of any other PIDs that are recovering monies such as what Longford is proposing to recover. I don't know if there are any other PIDs in Santa Fe at the price of what they're trying to recover from each homeowner. Even in Albuquerque. I don't have facts to rebut what they said. So just here we are once again, asking the Commissioners to just take in everything that is said and hope for the best. Thank you.

CHAIR VIGIL: Thank you. There's one more person who would like to address – there are some additional people that have come in. We're taking any comments from the public at this point in time for the public hearing. If any of you would like to address the Commission on this public improvement district. Please come forward.

DEBBIE SPARKS: Good evening. My name is Debbie Sparks and my husband and I reside at 8 Sunset Canyon Lane. First of all, please excuse me. I'm a little flustered because I ran from my office once I called the office to make sure this was still on the agenda and was told you were hearing now.

My husband and I have been residents of Santa Fe County for over 25 years. I am a native of Santa Fe County and I have chosen to make this county my home. We've struggled. My husband is a retire State Police officer and I work for a financial institution, and we've struggled over the years just to try and build a home for ourselves. We were extremely excited when we were presented with the opportunity to purchase a house, rather than living in a mobile home as we had done for several years. We visited several occasions with Longford sales representatives and when we signed the agreement we were told there is a PID and we said, what is the PID? Well, it's like a homeowners association. Okay, great. That will be wonderful. We agree that we have to pay our fair share to upkeep our area.

We were told that the monthly fee would vary based on the size of the house that you purchased. It wasn't real clear. We weren't understood and we are not attorneys. In hindsight, maybe we should have asked more questions, but we were extremely excited and anxious and wanted a home. So we signed the paperwork. And we went through several months of being told, yes, you'll close. Yes, you'll close. We didn't close. We sold our home. We rented for a while and finally our landlord said, you need to be out February 1.

I received a call mid-January saying your home isn't going to be ready until maybe March or April. It was supposed to be ready in November. So we're panicking. Called Longford Homes. We ended up having to do a different deal, purchase a different house. So it worked out for us.

At closing, we sit down with the closing agent and our real estate agent and we are presented with a power of attorney. Two power of attorneys, excuse me. One signing for the PID, one for the homeowners association, allowing Longford Homes to act on our behalf. That's what we were told. I said, I'm not signing a power of attorney for anybody. They said, well, if you don't sign, you can't close. You can't purchase this home. We had no place to live. We had to be out in two days.

So my husband and I both told the closing agent, we are signing under protest. So we signed, we closed, we are now living in our house. We love our home. It's a very well built home. We love the area. We are struggling to make it, but that was something we decided to do. Now, if this PID is approved and this additional money is added on it's going to make that struggle even more. We'll make it work because we want our home. My concern is for our fellow homeowners and those that come after us. This is going to set a precedent for not only the County but for the City. And I would just ask that you cautiously think about this and the ramifications that it will have.

As our fellow homeowners have said, the PID was – it's a very detailed item and we didn't fully understand it. Some people will say, well, it's your fault. You shouldn't have signed. They may be right. We wanted a home in Santa Fe. We didn't want to have to move to Rio Rancho and commute. As I've said, we felt pressured to sign the power of attorney at closing. We were never told about this. Our real estate agent was never told about this prior to closing. So we're just very concerned about, okay, if this is approved, what's going to happen next? What's coming up next? I thank you for taking the time and the several months to review this project, and I just strongly encourage you, please do not approve this, not only for our sakes but for those to follow. Thank you.

CHAIR VIGIL: Thank you, Ms. Sparks. Is there anyone else who would like to address the Commission from the public? Please come forward, and Mr. Sommer, I'll give you an opportunity to speak afterward.

GABRIEL WADE: Good evening. Gabriel Wade, and 80 Carson Valley Way, Santa Fe, New Mexico. I think – I thought this was going to be later so I missed a couple of people speaking, but from what I hear, I have the same complaints. I don't think I need to reiterate those, but the issue, the problem here was disclosure. In my case, I bought the house through the Santa Fe low-income program, which is a great program, the Santa Fe County program. Pursuant to the program, I had to take six hours of classes. The instructors there with the Community Housing Trust. The instructors there knew something about a PID existed or the possibility of a PID, but they didn't know what the amount would be and they certainly didn't disclose any more information than they had which was essentially nothing.

I think the Commission should be concerned regarding that program. There will be a lot of low-income buyers entering into the program now knowing what they're getting into, like me. And like the woman who came before me said, we were excited to buy a house and here was an amazing opportunity. So like herself, they said sign this power of attorney or no deal. Leaves you in a tough position. I just think that because this is going to set precedents, this Commission should make sure that there is more information in place up front, instead of after the fact, because in my situation, it will make the purpose of the low-income program – well, it will defeat the purpose. This will tack on more monthly payments than I will be able to afford and we'll have to re-evaluate, see what we can do, but if you were to ask the people at the Community Housing Trust how their system works and how this new PID will affect that, I think that had to be done before a PID is passed, not after, because it will affect anybody who enters that program. Thank you.

CHAIR VIGIL: Thank you, Mr. Wade. Anyone else? Seeing none, Mr. Sommer. I've been requested that your rebuttal be short.

MR. SOMMER: It will be. It will be very short. I think it's telling that what you have is here people who signed documents, not just one, not just two, three, four documents, got booklets on the proposed PID in advance of closing, telling you, when they took advantage of the pricing, we didn't understand. We felt pressured. The people who didn't want to sign walked away, and there were some. There was a woman who came here last time and said when I found out what I was getting in to, I decided not to do it. She didn't buy.

The people who bought, and there are over 50 families living there, signed documents with full disclosure as to the full amount of the possible PID, and it was 20 percent more, plus the increment of maintenance, that each one of them signed. It is convenient to have people stand after they've received the benefits of a bargain that we made with them to say they didn't understand, that they felt pressured, when they received the benefits of that bargain. That's not fair to the developer or the applicant when they made the bargain available. And what they are telling you specifically is we got ours – which means they got the equity and the pricing, and the 412 that are coming shouldn't get theirs, that you should make those people pay for the benefits we received. I submit to you that's fundamentally unfair and I think it is wrong for this community, and it will be wrong in this development to pursue it in that fashion.

With respect to the affordable housing, we addressed that specifically because Duncan in your affordable housing came to us and said well, how is this going to affect those in the affordable housing category, the 15 percent? All of the numbers have been adjusted downward for the affordable housing homes in the 15 percent category that the County required, they have a reduced possible levy. The highest possible levy is about $100 a month, on the largest home. So $1049 on the largest home, and it's based on size and it goes down from there. I hardly think that that is pushing people out of the affordable housing range.

What will push people out, and when they tell people, when they tell you, well, we're going to have to disclose this PID, what they're not telling you and they're asking you to ignore is, the next person in the door is going to be told, the house that you were looking at is now $20,000 more expensive. I submit to you that that is not good for this community.

The million dollars that was addressed is really at your discretion and I think you are best suited to address its benefit to this community because we haven't been able, after hours and hours of discussion with you all to come to some consensus about it. Anyway, we would stand for any questions you might have.

CHAIR VIGIL: Any questions? Seeing, hearing none, this public hearing is closed. Any comments from any staff member? Is there any information that any staff would like to add to this hearing thus far? Okay. Then what is the pleasure of the Commission?

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: From the testimony that I've heard, not only today from the applicant but with the people that live there and the people that don't live there, it all sounds good but if you can't convince the people that live there, I don't see how you can convince us. It seems like a lot of the times I wanted to say turn around and talk to the audience because those are the people that live there. I was thinking of a game show, Deal or No Deal, when somebody said you sign all the papers and then you come down to one last one and then you kind of wave it at them and say Deal or No Deal? Do you want sign this or not. And I don't think that's right when you do that to people.

And maybe I don't understand it fully, but from what I do understand, to me it doesn't make sense. I know this is the first time that we're dealing with a PID and maybe we ought to be real cautious with this. But with that, I move to deny.

CHAIR VIGIL: Motion to deny the request from the applicant. Is there a second?

COMMISSIONER SULLIVAN: Second.

CHAIR VIGIL: There's a second from Commissioner Sullivan. We have a motion to take action on. The motion is to deny. Is there any further discussion?

COMMISSIONER CAMPOS: Madam Chair.

CHAIR VIGIL: Commissioner Campos.

COMMISSIONER CAMPOS: Question for Commissioner Sullivan. Commissioner Sullivan, can you hear me?

COMMISSIONER SULLIVAN: I can hear you.

COMMISSIONER CAMPOS: Mr. Sommer made an argument that by using the PID you get lower interest so you can finance certain costs which make it possible for certain people to buy a home. You've raised the question about affordability. Could you address that issue for us?

COMMISSIONER SULLIVAN: Could you repeat the question?

COMMISSIONER CAMPOS: It's a question about affordability. Mr. Sommer argued that by using the PID you can use long term financing and reduce the costs of the homes by getting lower interest rates and that is a significant factor in making them affordable. I think you've questioned this argument in the past and I'd like to hear your thoughts.

COMMISSIONER SULLIVAN: My thoughts are that certainly you can't contest the fact that by lowering – by getting public financing you're going to get somewhat lower interest rates. The applicant hasn't in my judgment proved public benefit. They haven't shown us that they in fact have reduced the price of the homes. We know that they're selling the homes for what the market will purchase them for. We know also that they've made a deal some years ago, the prior landowner did, in order to get City water they had to agree to be a part of the City's HOP affordable housing ordinance that capped the price of homes. That was a financial decision that they made and they knew about long before the PID application was ever submitted. So I can't see anything that the applicant has shown that these savings are in fact lower priced homes. I think they're selling homes at the same rate as other developers are selling them and they're making the most profit that they can and we have no evidence that I've seen in he testimony that's been presented that shows conclusively that this $20,000 is in fact a savings.

COMMISSIONER CAMPOS: So basically, Commissioner, you find that there is not sufficient benefit in order to support this?

COMMISSIONER SULLIVAN: Your question is about benefit. I think it's clear that this has a limited benefit and it's difficult to judge what that benefit is. It seems to accrue primarily to the developer. Certainly in terms of overall public benefit, I don't think it meets that criteria and I think that the Commission is probably clear on the fact that we do have a resolution about PIDs and that resolution basically outlines how the developer will apply and what's the criteria for applying for a PID. This applicant has met that criteria. That doesn't guarantee them an approval of their PID. The public benefit is a factor that the Commission needs to judge and in all of the hearings and the work sessions, I think we have bent over backwards to learn everything that we could about this application and I'm not hearing anything more that's convincing to me personally that there is that public benefit.

COMMISSIONER CAMPOS: Thank you, Commissioner.

CHAIR VIGIL: Thank you. Any further questions? Seeing, hearing none, I would just like to comment that we have had a huge learning curve. For those of you who live out there, for those of you who've worked very hard on this, this has been a learning curve for everyone. It seems to me that probably the strongest learning curve is that we have to work towards resolving these issues and address infrastructure and development. In particular I guess, where I'll take this is to ask, and I'll ask Mr. Franklin and Mr. Ross to respond to this question: A public improvement district can be identified or assessment districts, and incidentally, we do have a precedent with Rancho Viejo. That's specifically an assessment district. A public improvement district actually became enabling language just within a couple of years ago. So for those of you who feel a little uneducated about it, I think this has been an educational process for all of us. But Mr. Franklin, can a public improvement district, an assessment district, something that would create some kind of a partnership with the Community College District, let's say. And we could exempt at this time Rancho Viejo, since they already have an assessment district. Can we work through the County providing a leadership role in how we can resolve this problem with trying to create a pool of dollars other than an increase in property taxes for infrastructure.

So can, rather than coming forth to us from a developer's perspective, can the County actually take a leadership role here and create one?

PETER FRANKLIN (Bond Counsel): Madam Chair, Commissioners, I think the answer your question is yes and no. The County can take a leadership role in establishing criteria for evaluating requests for PIDs and for evaluating whether there is sufficient benefit to the property owners who would be paying for the infrastructure to justify forming the district. The County's current policy addresses that but not in terms of sort of broader regional infrastructure needs like the Community College District has. That would probably be the next step for the County is to try to look at how PIDs and other types of infrastructure financing can be used to address those needs. That's the yes part of my answer.

But there's no free lunch and there's no free infrastructure. All these financing districts are premised on the notion that property served by infrastructure – well, let me step back for half a step. The basic concept of special infrastructure financing districts is that specific development should pay for the infrastructure needed to serve it. If that infrastructure is public in nature – in other words it's for everybody, it helps tie together a regional system, things like that, then there's justification for the County, for government assisting and providing a method of doing that infrastructure tax-exempt. But the alternative to having the specific property served by the infrastructure to be financed, to have that property pay for it is to have all the citizens of the county pay for it through general obligation bonds or gross receipts tax bonds, or in limited cases, utility revenue bonds.

But those are basically the choices.

CHAIR VIGIL: Let me frame it this way and perhaps it might clarify it for me. My concern with this particular issue, this particular point, not only in the Community College district but we have proposals coming forth in the northwest quadrant. We have proposals coming forth out in Eldorado. There are proposals that we've actually voted down in the La Cienega area. There are so many proposals before us, it's more than likely we'll be looking at public improvement districts as part of developments. My concern for the county as a whole, Mr. Franklin is we'll be assessing one particular development, this Turquoise Trail development, with assessment criteria for that particular development and then a different assessment criteria for another development.

When I look at the Community College District and I see that the growth issues are really visible there, is it fair to take action in favor of a PID for one particular development or is it more appropriate to look at this as a growth area and establish policies for public improvement districts for the entire area?

MR. FRANKLIN: Madam Chair, Commissioners, that's a challenging question to answer. I think in an ideal world you would have a policy that addresses both in general terms – that creates a level playing field in general for all the possible applicants for PIDs. I actually think the policy that you have right now does that. The problem is it doesn't really address specific issues that are I think coming up in the Community College District. So I don't have a very simple answer to that question, other than to say I think the County can take a leadership role in saying here are the types of facilities that we think developers need to provide when they come to the County for development approvals, for subdivision approvals and mixed-use approvals and so on, and here are the tools that the County will assist applicants with in providing that infrastructure and we're going to set parameters on how much individual property owners are going to have to pay. We're going to have very explicit procedures to make sure that disclosure is as clear as it possibly can be. That has been an issue in other PIDs. I would say in Turquoise Trail's case it's a lot easier to do disclosure when the PID has already been formed because it shows up in a title report and it ought to be disclosed in a real estate purchase and sale – in offer form. Probably normally is disclosed. I think the power of attorney approach is a legal approach but creates some of the difficulties that you've been hearing about.

I wish I had a more straightforward way to address your question, but I think the County will be faced with these kinds of applications. I think these are tools that developers are going to want to use to pay for costs that have to be paid for somehow, and I think these tools do allow the government, in this case the County to say we're not going to charge all our citizens for this infrastructure. We're going to have the people benefiting from the development, the property owners, pay a reasonable share of it, and then you come back to the question: What's reasonable?

Ultimately you can look at what other PIDs have done, you can look at other markets and so on, but ultimately, as the elected officials you have to feel comfortable that what is being proposed and what property owners who are now there and who would be there in the future are going to have to pay is fair.

CHAIR VIGIL: Thank you, Mr. Franklin. I think we have a motion, if there's no further questions or comments. The motion is to deny the applicant's request for a public improvement district.

The motion to deny passed by unanimous [4-0] voice vote with the following Commissioners voting: Anaya, Campos, Sullivan and Vigil.

CHAIR VIGIL: What is the applicant's alternative here, Mr. Ross? Do you know? Could you answer that question real quick, Mr. Ross, what are the applicant's alternatives?

MR. ROSS: Well, Madam Chair, Mr. Franklin can probably address that.

MR. FRANKLIN: Madam Chair, there's nothing to preclude the applicant from trying to reach common ground with the County as far as level of public benefit that in the Board of County Commissioners' view justifies the levy amount, so they could reapply or what have you.

CHAIR VIGIL: And I would suggest that if the applicant is considering doing that that they would meet with the current homeowners and the perspective buyers and get the County involved. Thank you, Mr. Franklin.

XIII. ADJOURNMENT

Chair Vigil declared this meeting adjourned at approximately 5:45.

Approved by:

Board of County Commissioners
Virginia Vigil, Chair

ATTEST TO:

VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:

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