
Thank you for the opportunity

From SCOTT, MARK A. <mscott@santafenm.gov>

Date Thu 12/11/2025 10:19 AM

To SCOTT, MARK A. <mscott@santafenm.gov>

BCC — Governing Body

I obviously extinguished my usefulness to the organization last night. I have a few things I need to attend to, but will end my employment this week and head back to Fresno to be with my family. I have very much enjoyed this year. I appreciate that Mayor Webber, with an assist from Rod Gould, gave me this chance. I value the experience of working with Mayor Webber. I gave the City and organization my very best.

What happened at the meeting last night was very painful to me. No part of that makes me feel anything but sick to my stomach. Right or wrong, probably both, I spoke my truth.

I don't mean to belabor the point, but attached is a copy of the email I sent last weekend. In it, I already answered the question of when I became aware of the AHTF issues. The fact the City got along without a discreet AHTF was not shocking to me in the context of so many other things I found when I came here. But it eventually hit my radar screen because it was so hard to know the fund balance. So we set out to fix that.

Once we did, then the other issues became very obvious. We saw a problem, figured it out, and brought it forward immediately. We corrected a problem.

When you walk in the door of this organization, there are a thousand things you learn. You pick them off, almost as triage, on an everyday basis. Something shocking to you might not be shocking to a new person who still can't figure out why the City has 3 Councilor standing committees, the Mayor is both Executive and Legislative branch, and why the City Manager can't initiate legislative agenda items. (I could go on.). You figure it out but it is a steep learning curve.

During 32 hours of budget hearings, I was MUCH more concerned about why Transfer In and Transfers Out were such huge numbers compared to any other budget I had seen. Or how it was that so many positions are vacant. Until the end of that process, AHTF was just an acronym to me.

I figured out that there was an AHTF problem during the budget process last year not because it was an accounting "error," because I just assumed it was another thing you do differently. It was legal, but it was a "a management information problem" because I could not figure out the fund balance. Emily was working on it. Why would I think that was new to all of you? You have been looking at it that way for more than a decade.

About this same time, I took over the MRA job as a side job. For free. [REDACTED]
[REDACTED] All the while, Emily and her team were fixing the problem that had been raised during budget reviews.

I absolutely have tried to keep the GB informed of things that I found troubling. Our budget accounting is very difficult. You all know that. Emily and her staff are trying to fix that, too. I shared my Questica frustration with you all in an update email not long ago and noticeably upset some of you because I seemed to be doubting the direction we were moving. I ended up producing a long list of things we are working on and said, yes, we are doing so much, we are bound to make some mistakes. And we do. But we deserve respect for the effort.

Emily Oster is a superstar. The first thing she deserved at her last meeting was that respect. No one lost a dollar from the awkward AHTF accounting that predated her. We had a management information problem and she fixed it.

As for myself, I am satisfied that I gave my best for the short time I was here. Shamefully, perhaps, I put my work ahead of my family to do this, so I am glad to be going home. After 49 years of doing this work, maybe it's my turn. I am truly grateful for my Santa Fe chapter. What a great community!

I don't leave any wisdoms, just thanks. Wish I had been more effective, but I did my best. I am sure that if you took all the City Managers in the country and judged them on "keeping their Councilors informed," I'd be very close to the front of the line. Truly, I believe I would be the best on that factor. Others would be smarter or more effective, but I don't believe any CM works harder at sharing information and context with their Governing Body. The idea that I would have any incentive to withhold important information is just wrong.

I truly wish the Michael Garcia Administration all the success in the world. Since the election, I have spent many long hours trying to help get critical job vacancies posted and to address other transition needs. I am sorry to bail out on that effort. There aren't many senior staff available to help. I know Andrea Phillips will pick this up because she is a born-leader. She is also going to be addressing need for Interim Finance, Community Development, Police and MRA Director positions for at least the next 2+ weeks. To go along with supporting Interim Directors in IT, Public Works, Public Utilities, Airport, Community Services, Recreation and Complete Streets. Andrea is also the Acting PIO.

Sorry to be leaving, glad I was here, and wishing you all much success and happiness.

Mark

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From: SCOTT, MARK A.

Sent: Saturday, December 6, 2025 6:13:37 PM

To: SCOTT, MARK A. <msscott@santafenm.gov>

Cc: MCSHERRY, ERIN K. <ekmcsherry@santafenm.gov>; OSTER, EMILY K. <ekoster@santafenm.gov>; PHILLIPS, ANDREA K. <akphillips@santafenm.gov>

Subject: Affordable Housing Trust Agenda Item

BCC – Governing Body

This is my day for writing long explanations.

On the Dec. 10 Governing Body agenda, there is an item that proposes to a BAR to move funding from the General Fund Reserve to the Affordable Housing Trust Fund. I want to explain the reason for this proposed transfer. There are actually two issues that need some unraveling here:

Overdue Creation of the Affordable Housing Trust Fund (AHTF) – For whatever reason, we did not actually create a discreet AHTF until just recently. For several years, revenues and expenditures have been faithfully coded and accounted for in the Community Development Fund, but for several good reasons it would have been proper to actually create a distinct AHTF – especially since we have used narratives for several years referring to it. Let me stress that funds and transactions have always been recorded, but intermixed in the larger CD fund. This became obvious during the Budget process this last spring. Assistant Finance Director Matt Bonifer has gone thru the painstaking process of creating the new fund and getting the transactions separated. No question that it should have been done years ago. The auditors are completely informed of this and the new AHTF will be shown as its own fund in the upcoming audit. I suspect the auditors will also have something to say about this. No harm, except that it has caused an ongoing mystery of exactly what the fund balance is. That is how I became aware of this

problem because it seemed odd that we could not recite the answer to that questions during this last year's budget reviews and meetings of the Community Development Committee. Now we know.

Annual \$3 Million General Fund Transfers – Proving how important it is to have good accounting, as soon as the new AHTF accounting was completed, a past mistake/misunderstanding was discovered. After Matt Bonifer presented his good work, we had an internal meeting to brief Councilor Romero-Wirth in prep for a Community Development Committee meeting. The new multi-year fund accounting immediately raised an issue for her. There was only one year in 4 where an exact \$3 million revenue transfer showed up. There were other big numbers, but only once was there a round \$3 million transfer. Again.....no money misplaced.....but we found that the Budget Office had misunderstood the direction. They would budget \$3 million, but at end of year close-out, they only recorded the portion of the \$3 million that was actually spent. The agenda report gives a full accounting of how much was recorded each year. In most years it was very close to the \$3 million number. In one year, it was substantially lower. The result is that the AHTF (the one that had not yet been created) was not carrying over unused funds. The extra money was simply staying in the General Fund Reserve.

So....staff has discussed what the proper remedy is for this accounting mismatch. Given that the original direction from the Governing Body was to transfer \$3 million, the proposed BAR on Dec. 10 would "make the fund whole." The Governing Body can choose to do that transfer, or you could choose to leave the funds in the General Fund Reserve. I could argue either way. It is important only that the transaction be properly reported and recorded. We are doing that. The AHTF balance is encouraging and with the excise tax will get even better.

I applaud the Finance team for acknowledging these mistakes, doing the hard work to rectify them, and to being fully transparent in sharing the solutions. I think it would be lovely if we could recognize them for their work in bringing us to a proper position. Clearly there were past mistakes/misunderstandings and it took a while to discover them. A LOT of things have been improved in Finance. There is still much work left to do. It is going to be critical to retain very qualified staff to replace and continue Emily Oster's leadership.

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