



CITY COUNCIL/FINANCE BOARD MEETING
APRIL 8, 2013, 6PM
CITY HALL COUNCIL CHAMBERS
405 N. PASEO DE OÑATE ESPAÑOLA, NM

A. CALL TO ORDER

Mayor Alice A. Lucero called the meeting to order at 6:05pm.

B. PLEDGE OF ALLEGIANCE/MOMENT OF MEDITATION

Councilor Pedro Valdez led the Pledge of Allegiance/Moment of Meditation.

C. ROLL CALL/ DETERMINATION OF QUORUM

The following Governing Body members were in attendance:

Mayor:	Alice A. Lucero
Mayor Pro-Tem:	Dennis Tim Salazar
Councilors:	Robert Seeds
	Pedro Valdez
	Peggy Sue Martinez
	Cory Lewis
	Eric Radosevich
	Elaine Herrera

D. APPROVAL OF AGENDA

Councilor Radosevich stated that he would like to request a continuation for Item M. He stated that the salary schedule would be changing due to insurance rate changes. He requested that the measure be postponed until the following day.

Councilor Valdez asked if the continuation would take too long as several changes needed to be made.

Motion by Councilor Radosevich to approve the agenda as amended; seconded by Councilor Herrera.

Councilor Seeds asked if the Department Heads would be attending. Mayor Lucero replied in the affirmative. Councilor Seeds asked what would change during the next day. Councilor Radosevich stated that there was a long Council Meeting agenda and the insurance premiums would change on the salary schedule.

ASD Sandoval stated that there would be a significant employee increase that would have a large effect. She stated that the changes would be made the following day and they would issue

revised packets. She continued that Public Employees Retirement Association (PERA) had not yet disclosed how the 1.5% increase was going to be borne- by employee, employer or a split.

Mayor Pro-Tem Salazar asked when the Executive Session would take place. Mayor Lucero stated that the action would be finalized by the following evening. Councilor Seeds asked if it was necessary to discuss personnel in Executive Session after the fact. He asked if they should have some type of input as to what was going to take place.

City Attorney Coppler stated that Mayor Lucero had sent the Council and Manager a memo with regard to the issue and the investigation had not yet been completed. He stated that instead of having a meeting prior to the issuance of the recommendation, it should be done following it.

Councilor Seeds verified that the Council would be informed once the investigation was complete. City Attorney Coppler replied in the affirmative and stated that they would receive a copy of the proposed action.

Motion carried 6-1, with Councilor Martinez voting in the negative.

E. PUBLIC COMMENTS

Ms. Barbara Richie stated that she would like to provide the Council with a status report. She informed everyone that their efforts had been to assist the Downtown Action Team with placing planters on Main Street. She expressed her hope to get annuals for color and perennials for greenery. Ms. Ritchie announced that Transit-Mix would place the planters on April 15th and trees would be planted on April 20th. She stated that the Beautification Committee had sold 9 of 13.

Councilor Valdez asked if there had been a meeting with Downtown Action Team Española (DATE) because he was not invited. He reminded everyone that DATE was in charge of Paseo de Oñate and the Beautification Committee was to be in charge of Fairview Lane. Ms. Richie state that DATE had joined their committee. Councilor Valdez disagreed. Ms. Ritchie stated that the City belonged to all citizens and expressed concern that nothing had been done over the past few decades. She stated that the officers of DATE had been involved with all of their meetings. Councilor Valdez expressed concern over the plans that had been in effect for the past 17 years regarding the appearance of Main Street. Ms. LouAnna Hawke stated that the planters could be moved if necessary. Councilor Valdez stated that the two (2) committees needed to do things together and hold some type of meeting with all members. Ms. Hawke stated that DATE had been invited.

Councilor Martinez stated that it was important to recognize the efforts that had gone into the project. She stated that if there were a question regarding location, it should have been raised prior to the order of the planters. Councilor Martinez stated that she had given several updates and stated that it was important to recognize that DATE had been in place before anyone came around; however, it was also important to work together in the spirit of community. She stated that, at this juncture, it was important to stay positive and embrace the volunteerism from the public.

Ms. Ritchie explained that their goal was to have the planters in place, then dedicate the placards on each planter to the individuals or businesses that purchased them. She stated that they did not want to work against anyone, but as a group. Mayor Lucero asked the date of the dedication ceremony. Ms. Ritchie replied that it would most likely be in May.

Councilor Lewis commended Ms. Ritchie and Ms. Hawke for their hard work. Councilor Seeds echoed the sentiments and asked if there was a design or draft as to where they would place planters.

Mayor Lucero explained that they had formed the committee themselves and expressed her appreciation.

Interim City Manager Duran asked that the Beautification Committee let the City know their plans so that watering could be scheduled.

Councilor Martinez noted that the new planters were the same color as the planters from DATE.

F. COUNCILOR COMMENTS/ANNOUNCEMENTS

Councilor Herrera reminded everyone about the Walk Against Drugs on Saturday, April 13th as well as the Fire/Police “Fire and Ice” rematch game.

Mayor Lucero stated that there would also be a Chili Cook Off at the Santa Claran at 11am and the Shoes for Santo Niño event at the Plaza at 2pm.

Councilor Martinez reminded everyone of the Community Forum on Drug Issues on April 25th. She stated that it was important for people that have been affected by drug use to attend.

Councilor Lewis requested that Interim City Manager Duran respond to emails he had sent. He asked why he had not received a response. Interim City Manager Duran stated that he had been overwhelmed and was behind on emails. He confirmed that he would complete them that night.

G. MATTERS FROM THE MAYOR (ACTION ITEMS)

1. Appointment of City Councilor- District 3

Mayor Lucero stated that the Governing Body had been without a Councilor in District 3 since the resignation of Maria Cecilia Lujan the previous November. She stated that she had spoken with several individuals, none of whom were willing to take the position. Mayor Lucero stated that Mr. Ricardo Quintanilla had been introduced to her and was highly recommended. She stated that did she did not know him personally, but had asked a lot of questions and talked to people that worked with him. She announced that she had gotten nothing but positive remarks and been informed that he was intelligent and team oriented. She stated that he was a professional with deep rooted interests in the community. Mayor Lucero explained that he had a son and had lived in Españoia for 18 years. She mentioned his good organizational skills and his desire to serve the community.

Mayor Lucero appointed Mr. Richard Quinantillo as City Councilor, District 3.

Motion by Councilor Radosevich to ratify the appointment of Mr. Richard Quintanilla as City Councilor, District 3; seconded by Councilor Valdez.

Councilor Seeds stated that there were several items on the agenda and none of them had been placed to address financial problems and the way the City did business. He stated that they had all received emails concerning the mismanagement of monies and felt that was a more important issue. He stated that they needed to begin taking the issue seriously. Councilor Seeds stated that during the previous election, he had voted for a four (4) member Governing Body. He stated that he did not see the need for eight (8) Councilors. He stated that there was 11 months until the next election and he had not seen the position advertised. He stated that he was told that other Councilors had gone around and talked to other people. Councilor Seeds expressed concern that they were focused on things that they could do without.

Mayor Lucero stated that the vote had been to reduce the number of councilors from eight (8) to six (6), but there was still an eight (8) member council. She stated that she was on the radio when she asked that anyone from the community come forward and requested that Councilors bring forth the names of any interested parties. Mayor Lucero stated that she had asked Councilor Radosevich from District 3 to help her. She reported that he had helped and stated that she did not believe that it was fair to District 3 that every other district had two (2) representatives and they only had one (1). She noted that all projects had been done outside of District 3.

Councilor Radosevich stated that it was strange that Councilor Seeds brought up the recruitment of the new councilors. He stated that he had approached 10-15 people and no one wanted to get involved because the Council was not able to come to a decision without arguing. He asked why the Council could not work together.

Councilor Martinez expressed concern. She stated that she did not know Mr. Quintanilla, but she respected him. She stated that she hoped for independent thought and it concerned her that Mr. Quintanilla worked with Councilor Radosevich.

Councilor Seeds stated that he was elected in a district, but had served the city at large for many years. He stated that he considered all constituents whether they helped to elect him or not. He expressed belief that the meetings concerned the City as a whole. He stated that the City was well represented. Councilor Seeds stated that the Pacheco Lane project was moving too slowly and he had been invited to and attended a meeting with the City Manager. He stated that he would hope that all of the Councilors were behaving in the same way.

Roll Call Vote:

Mayor Pro-Tem:	Dennis Tim Salazar	Against
Councilors:	Elaine L. Herrera	In Favor
	Eric Radosevich	In Favor

Cory Lewis	Against
Peggy Sue Martinez	Against
Pedro Valdez	In Favor
Robert Seeds	Against

Motion failed 4-3, with Mayor Pro-Tem Salazar, Councilor Lewis, Councilor Martinez and Councilor Seeds.

Mayor Lucero thanked Mr. Quintanilla for his willingness to serve. She expressed disappointment with the Council. She stated that she felt that the decision was made for other reasons than the best interest of the City.

2. Council Committee Appointments

Mayor Lucero stated that she would like to defer the appointments until the next meeting after the Open Meetings Act was adopted.

3. Co-Sponsorship of YMCA Students to attend the Roborave International Competition

Councilor Radosevich exited at 6:39pm.

Mr. Ben Sandoval explained that many students had worked 3-4 months on their robots and the Espanola YMCA Group would have a week and a half. He stated that he would like to request support. He explained that they were requesting co-sponsorship in the amount of \$50 for registration fees and the cost of lodging. He added that they would be seeking a sponsor for t-shirts. Councilor Martinez asked how many t-shirts would be needed. Mr. Sandoval stated that he expected that they would need 10-15. Councilor Martinez stated that she would sponsor that personally.

Mr. Sandoval stated that they would like to discuss what would take place at the competition. He explained that the goal for their robot would be to follow a line and deliver pin pong balls into a 4x4 box. He stated that, in a nutshell, they would have a starting point and follow a series of turns. Mr. Sandoval reported that Los Alamos National Laboratory would provide materials and guidance for the project.

Councilor Martinez expressed her hope that the group would represent Española proudly and the participants would show a lot of pride.

Mr. Sandoval stated that they were hoping to continue to participate in the competition during the next year.

Councilor Valdez asked if this co-sponsorship would violate the Anti-Donation Clause. Mayor Lucero stated that the YMCA was affiliated with the City and the City was providing funds for programs. She stated that, as a City-Sponsored program, the City could provide the money and it could be taken from the City Manager's or City Clerk's budget. Councilor Valdez stated that

he would pay for the hotel costs personally. Councilor Lewis stated that he would cover the \$50 registration fee personally.

Mr. Ben Sandoval thanked the Council for showing leadership. Councilor Martinez asked that the kids understand that people put faith in them and expected them to represent the City in a positive way.

Mr. Sandoval stated that once it was completed, the robot would belong to the participants. He expressed hope that the following year they would be able to represent the City on a larger scale and unite with other organizations. Mayor Lucero thanked the Councilors for stepping up and communicated how proud they were. She asked for a demonstration of the robot.

The group provided a demonstration. Mr. Sandoval stated that they would program the robot specifically to the space they would compete on and would master the program prior to the competition.

Mayor Lucero thanked LANL for providing the robotics.

Mr. Sandoval noted that proceeds from the "Fire and Ice" game the following Saturday would go to the YMCA and he would attend with a group of students. He added that they would be participating in the Lowrider Supershow with three (3) bikes they had built.

H. CONSENT AGENDA

4. Approval of Minutes
 - a. 2.25.13 City Council Meeting
 - b. 3.11.13 City Council Meeting
 - c. 3.19.13 Finance Board Meeting
 - d. 3.25.13 City Council Meeting

Councilor Lewis exited at 6:57pm.

Motion by Councilor Valdez to approve the Consent Agenda; seconded by Councilor Herrera.

Councilor Martinez requested that City Clerk Mascareñas place the explanations for her vote directly beside the vote in the future.

Motion carried 6-0.

I. ITEMS PROPOSED FOR COUNCIL CONSIDERATION/DISCUSSION ITEMS

5. Review of Recording & Approval of Minutes- 2.11.13 City Council Meeting (tabled during 3.11.13 meeting)

City Clerk Mascareñas requested a short recess so she could set up the recording.

The meeting recessed at 7:05.

The meeting was called back to order at 7:15pm.

Mayor Lucero stated that the motion had originally been tabled by Councilor Seeds.

Motion by Councilors Seeds to remove the Review of Recording & Approval of Minutes-2.11.13 City Council Meeting from the table; seconded by Councilor Valdez.

Motion carried 5-1, with Councilor Lewis voting in the negative.

Recording was played.

Councilor Martinez stated that there had been a discrepancy in that two (2) points of order were never noted. She stated that they had not been recognized by the Mayor at the meeting and formally requested that the two (2) points of order be recorded in the minutes.

Councilor Seeds stated that 2/3rds of the statement he made voicing concerns regarding the change orders was not placed in the minutes and it concerned him. He stated that because of the confusion, it be appropriate if they asked the City Clerk to prepare the minutes verbatim. Mayor Lucero stated that to do minutes verbatim was a tedious task and was not necessary. She stated that only one (1) section had been contested and no one would mind if that section was verbatim. Councilor Seeds stated that he was concerned that there may be comments made from other councilors that were left out.

Motion by Councilor Valdez to approve the minutes of 2.11.13 with the statements made by Councilor Martinez and Councilor Seeds noted for the record; seconded by Councilor Herrera.

Roll Call Vote:

Mayor Pro-Tem:	Dennis Tim Salazar	Against
Councilors:	Elaine Herrera	In Favor
	Cory Lewis	In Favor
	Peggy Sue Martinez	Against
	Pedro Valdez	In Favor
	Roberts Seeds	Against

Mayor Lucero stated that she felt that the motion was in order so she would vote in favor in order to break the tie vote.

Motion carried 4-3, with Mayor Pro-Tem Salazar, Councilor Martinez and Councilor Seeds voting in the negative.

Councilor Seeds requested a copy of the recording.

6. Santa Fe County Adult Detention Facility Inmate Confinement Contract (Chief Garcia)

Chief Eric Garcia cited Section 8, Subsection C and noted that it was annotated that when a need for medical attention arose, Santa Fe County would contact a representative of the City of Española prior to sending someone for an excessive amount of medical attention and/or fly them out by Lifeguard. He stated that this was in the best interest of the City of Española. Chief Garcia reported that he had met with Santa Fe County staff and they concurred with the change and agreed to abide by it.

Mayor Lucero asked if the contract between the City of Española and San Miguel County covered medical. Chief Garcia stated that he was not sure. Mayor Lucero commented that she believed that was one of the pluses of this contract. She stated that it also saved a lot of money.

Councilor Seeds asked Chief Garcia if Taos County had been approached regarding the contract. Chief Garcia stated that feelers had been sent out to a lot of facilities in central New Mexico and he had only received a call back from some of them.

Mayor Lucero asked how this contract compared with what was already in place. He stated that the price was comparable. Mayor Lucero noted that the drive time was reduced making the process easier for officers and families driving to visit their loved ones.

Motion by Councilor Seeds to approve the Santa Fe County Adult Detention Facility Inmate Confinement Contract; seconded by Mayor Pro-Tem Salazar.

Mayor Lucero asked if the Police Department could still transport elsewhere if Santa Fe County did not have a vacancy. Chief Garcia stated that if that happened, he would have detention facility personnel find another location. He stated that the cost savings was due to the cost of fuel. He stated that he had requested that officers start using the Chevy Impala.

Mayor Lucero asked Chief Garcia to assure the public that Police Officers would not be used. He stated that in exigent times, they were used but it was rare.

Councilor Martinez asked if the facility was available at all times. Chief Garcia stated that the Warden or his designee did have the right to refuse housing. He stated that, over the past month, there had been a few facilities that were full. Councilor Martinez asked what had been done. Chief Garcia stated that when instances like that occurred, they sought other detention facilities and may house the prisoners up to 12 hours. He stated that they could also seek the assistance of the Magistrate. Chief Garcia stated that he would transport the inmates, if necessary. Councilor Martinez asked if that had happened in any situation involving a female prisoner. Chief Garcia replied in the affirmative and stated that the prisoner had been incarcerated. He mentioned that he had received a lot of support from judges.

Councilor Seeds thanked Chief Garcia and his staff for seeking a location closer to the City. He expressed his belief that it would help the officers on patrol and make the process more convenient.

Motion carried 6-0.

7. Resolution 2013-05: Open Meetings Act

Mayor Lucero stated that this resolution was enacted every year in the Spring.

Motion by Councilor Valdez to approve Resolution 2013-05; seconded by Councilor Herrera.

Councilor Seeds asked if this was identical to the resolution that the Council had changed and if it said that any member of the Governing Body could call for a meeting. City Attorney Coppler stated that it did not have that type of paragraph. Councilor Martinez commented that the fifth paragraph had similar language. City Attorney Coppler stated that there could be the issue of a rolling quorum so they would have to call for the meeting during the course of another meeting. Councilor Martinez stated that one way to avoid a rolling quorum was to request that the City Clerk poll the Governing Body.

Councilor Seeds stated that he would like to accomplish that if something were important enough for the Councilors, they would have the flexibility to call the City Clerk and request that she call the other Governing Body members and determine their availability to meet. City Attorney Coppler stated that there was nothing wrong with what Councilor Seeds had described; however, the City Clerk could not (nor could anyone else) poll the City Council to decide whether or not they were voting in favor of having a special meeting because that would be a discussion of public business.

City Attorney Coppler clarified that it was permissible for any Councilor to call the City Clerk to find out if a particular date accommodated the personal schedules of the City Council. He stated that there did not have to be express language; however, they could put a sentence in the Open Meetings Act Resolution if they chose to. He stated that they may wish to add a sentence stating that should a Councilor call the Mayor or City Clerk to request the accommodation of dates or request that the Mayor set a meeting. Councilor Seeds requested that the provision be added. City Attorney verified that the correct language would be as follows, "A member of the Governing Body may contact the Municipal Clerk to ask the Municipal Clerk to contact the Governing Body for dates to accommodate a meeting."

Councilor Lewis asked about paragraph 3 and questioned whether it should state that there would be a Finance Committee or Finance Board. Mayor Lucero stated that she would like to reestablish the Finance Committee as some Councilors had approached her on the issue.

Councilor Martinez stated that she would like the provision be added in paragraph 5 that the Governing Body be notified via email. Councilor Martinez verified that this resolution would maintain compliance with new laws.

Councilor Seeds stated that due to the events that had occurred that week, it was important for the Governing Body to take control. He stated that he did not wish to do away with the Finance Board and it was important that they take responsibility for finances. He expressed his belief

that the Governing Body should watch over monies and determine how they were spent. Mayor Lucero noted that the Finance Board was the City Council and the Finance Committee was in addition to the Finance Board. She stated that the Finance Board met to approve a budget and for a midyear review, as well as any other time of the year. She explained that the committee should meet on a monthly basis. Councilor Seeds stated that the Finance Board provided the opportunity for finances to be explained to all so everyone understood where the money was going. He reminded everyone that something horrible had taken place and was only discovered because one (1) person called the City Manager. He expressed worry that this had taken place.

Councilor Martinez stated that she would like to make sure that everyone understood that the council had already done away with the Finance Committee and that was the final action. Mayor Lucero stated that there was nothing wrong with putting the item on the agenda for consideration.

Mayor Pro-Tem Salazar commended Councilor Lewis for bringing the change to light. He stated that their intention was to stick with this. Mayor Lucero stated that she had not tried to hide anything as the terms were there in writing. Mayor Pro-Tem Salazar stated that there were plenty of things to hide by the Mayor.

City Attorney Coppler asked Councilor Martinez if the end of the sentence being added should read that each Councilor be contacted via email. Councilor Martinez stated that she wished to ensure that every Governing Body member, in case they were out of town, received an agenda. She stated that she would not want an agenda delivered to her home and her not be aware. City Attorney Coppler clarified that the only reason he was asking the question was because some people did not like to get emails.

Mayor Lucero reported that another change in the law had been the requirement that the agenda be posted on the website.

Councilor Seeds asked that Section 3, Subsection B be changed to Finance Board or struck completely.

Councilor Valdez stated that it should be left like that and asked what difference it made. He stated that it had been difficult for him to understand why they wanted a board when they already knew everything that was going on. He stated that there needed to be a Finance Committee so they could do things quickly, discuss, argue and make recommendations. He expressed that he had had difficulty dealing with the City's finances through the Finance Board because they argued about little things. He stated that he would like to get the City going to do things and if there were any issue that had to be heard by the Finance Board, they could schedule a meeting for that purpose.

Councilor Martinez stated that she felt Councilor Valdez' frustration. She said that there had been an occasion where the Finance Committee met and voted to place an item on the agenda and he had attempted to override it. She stated that it was important to be as transparent as possible. Councilor Martinez stated that the Council was faced with an unhealthy situation due to a lack of better checks and balances and those policies needed to be reviewed and remade.

Councilor Seeds stated that it was simpler to bring an issue to the full Council when it previously had to be taken to a committee first. He stated that they would only have to discuss a matter once.

Councilor Valdez withdrew his motion; Councilor Herrera withdrew the second of the motion.

Councilor Seeds stated that he would like to incorporate that Item #3- D state that a Finance Board meeting be conducted on the 3rd Tuesday of each month.

Councilor Martinez stated that she wanted to add the possibility of scheduling the two (2) meetings of the Governing Body right away. Mayor Lucero stated that they were already scheduled in Paragraph 2.

Motion by Councilor Seeds to approve Resolution 2013-05 with the provision that item #3 stated that the Finance Committee be conducted on the third Tuesday of the month and include the language "A member of the Governing Body may contact the Municipal Clerk to ask the Municipal Clerk to contact the Governing Body for dates to accommodate a meeting.;" seconded by Councilor Martinez.

Motion carried 5-1, with Councilor Valdez voting in the negative.

8. Resolution 2013-07: Purchases of _____ or more Preapproved by Council

Councilor Seeds stated that it had been the wish of the Governing Body to reduce the amount that a City Manager could spend. Mayor Lucero stated that there had been a comment made but it was never in the form of a motion.

Mayor Lucero noted that the proposed resolution had a blank to fill in. She stated that \$500 would stop City government and would not be efficient for the City. She stated that it would tie the hands of the City Manager and Finance Director.

Councilor Lewis recommended that it be changed to \$550.

City Attorney Coppler stated that the resolution was with respect to professional services or construction. Councilor Seeds clarified that they should not have to have preapproval with respect to bills so he changed it to say construction or professional services.

Councilor Lewis expressed concern and stated that he understood Councilor Seeds' frustration as there was a change order approved by the City Manager. Mayor Pro-Tem Salazar agreed with Councilor Lewis and stated that, in light of the developments from the previous week, it was clear that the City Manager and Finance Director did not have a hold on the finances so the Council needed to be assured that they had a hold on the finances. Councilor Martinez stated that she would like the resolution to include purchase orders (POs) in general. She stated that it was important for the Governing Body to understand where the money was going. She stated that they were not sure what line item things were being pulled from and for right now, given the

situation that happened the previous week, concerning the news of the 15% increase in insurance and the handle on the situation, it was important to think about tightening resources.

Judge Salazar stated that he would respectfully ask for a \$1,000 limit if they did not wish to go department by department. He stated that he regularly made purchases for well over \$550.

Mayor Lucero stated that it would stop the operation of city government. She asked ASD Sandoval to explain the amount of purchase orders. ASD Sandoval stated that, depending on the time of the month, she received 5-25 purchase orders per day. She stated that some were for less than \$500, but the great majority ranged between \$500-\$1,500. She stated that, more than frequently but less than rarely, they received POs of more than \$1,500 up to the purchase of a vehicle plus anything that may occur as a result of projects.

ASD Sandoval stated that, before she received a purchase order, the Department Head issued a Purchase Requisition. She stated that, if a staff person made the recommendation, the Department Head had to sign off. She explained that if it were a grant, the grant monies had to be verified by the Grant Administrator. ASD Sandoval continued that they were then taken to the purchasing office where the budget was verified. Mayor Lucero asked her to elaborate on how they checked for budget. ASD Sandoval stated that they reviewed the line item and verified that the required documented quotes had been provided. She explained that it would go to her for a signature and once she also verified that the appropriate authorizations had occurred, she approved that the PO be cut. She stated that all of those pieces had to come together before they made it to her desk. ASD Sandoval explained that once the PO was created, she was signing as the Procurement Officer as the Procurement Officer was a relatively new employee. Mayor Lucero noted that the Finance Department did a lot of auditing and wanted to make sure that a process was in place that required scrutiny.

Councilor Valdez stated that the way that some Councilors wanted to run the government was mind boggling to him. He stated that he wished to leave it as it was and would like to get moving without micromanagement. Mayor Lucero stated that it was ultra-micromanaging for the Council to have to approve the expenditures. Councilor Seeds stated that he resented the comments as far as micromanaging and was ashamed of the Mayor Lucero and Councilor Valdez. He stated that if this policy would have been in place, the situation would not have happened. He continued that more the \$16,000 was expended because of a policy that encouraged things like that and if a person would not have made a call to the City Manager, it would have gone unnoticed. Mayor Lucero responded that she did care and had directed the City Manager to conduct an investigation and to take appropriate disciplinary action. She stated that they would find that the actions taken by the person were deceiving. She added that they would receive a report the following evening and appropriate disciplinary action would be taken.

Councilor Lewis asked ASD Sandoval why she was laughing. ASD Sandoval replied that it was in reference to Councilor Seeds' comment that this would not have happened if the policy were in place. She stated that the controls could not have anticipated the issue and the Finance Department had instituted additional controls which they felt would assist them. Councilor Lewis stated that he appreciated her efforts regarding additional controls.

Interim City Manager Duran referenced the comments stating that control had been lost and explained that if Councilors examined prior years, they would find that the accounts had been in the negative. He stated that there was control and things were fine. He added that although there was a procurement policy, it was a working document. Interim City Manager Duran conceded that there had been a situation; however, the issue would have been caught during inventory. He suggested that the Council make changes to the policy rather than tie his hands and the hands of the Finance Department as there were several bills that needed to be paid. He cited the tires of vehicles as an example. He stated that he understood that the Council was responsible as the Governing Body. Interim City Manager Duran explained that with the action the Council was taking, they were not only tying his hands, but those of any City Managers or Finance Department employees in the future. He stated that he would not be able to be useful and might as well resign. He curbed his remarks by stating that it was not a threat, as he would continue to work within the confines of the job.

Interim City Manager Duran stated that he did not know if anything he or Administrative Services Director (ASD) Sandoval said would help, but at least the Council was aware of the recommendations. He stated that within the Water Department, a valve or fire hydrant cost over \$1,000 and a traffic light cost upwards of \$500. He stated that this was not like running a household.

Councilor Martinez stated that ASD Sandoval had added controls and commended her. She asked why Interim City Manager Duran stated that no controls could have prevented the situation. Councilor Martinez added that she had discussed the issue with City Attorney Coppler and while she supported ASD Sandoval's change to install a qualifier that said substitutions were not permitted, she felt there needed to be additional controls. Interim City Manager Duran stated that although the statement on Purchase Orders was a good thing, it was actually common sense with vendors that all out substitutions are not allowed, not precluding reasonable substitutions. ASD Sandoval stated that it was something that should not have occurred, but it was not something that would not have been caught as the City was yet to receive the invoice or the authorization of payment and had not yet processed the payment.

Councilor Martinez asked if ASD Sandoval was telling her that she placed a safeguard that would effect no change. She expressed her belief that no one on the Council wanted to thwart business and stated that they were all "freaking out" about what had taken place. She stated that she thought that, in the best interest of City Government, she would call for a compromise. Councilor Martinez explained that, after listening to Judge Salazar, ASD Sandoval and Interim City Manager Duran, she felt it was important to look at a compromise to place a limit that was relatively low but not as low as \$500. She stated that this could be renegotiated in the future and would hope that the Governing Body would look to raise the amount to \$1,200 for purchases. She added that she would like for every change order to be heard by the Governing Body. Councilor Martinez stated that she would hope that the Governing Body could compromise that anything for construction or professional services be limited to \$5,000. She added that she would hope that they could have more transparency where purchase orders were concerned.

Councilor Seeds stated that he had received revenues for the upcoming budget, not expenditures and would like a log of all purchase orders. He stated that the Council was trying to get a hold

on the finances and expressed his belief that it was good to think about compromise. ASD Sandoval stated that, as far as compromise, she had no problem with changing the levels of anything; however, at the point that they changed it, they needed to set down the process. She explained that there was currently a time frame as to how many days the Finance Department had before they paid a vendor or issued a purchase order and those timeframes would become irrelevant. Mayor Lucero stated that, based on ASD Sandoval's comments concerning the time limit, she believed it was in the Council's best interest to table the matter until they had an understanding of what was being affected.

Councilor Seeds disagreed and stated that the Governing Body was obligated to take action that night. He reiterated that the abuse occurred because there was no system in place. Councilor Seeds added that staff had issued the purchase order on the items and if the Governing Body had seen the request, they would have laughed it out of the Chambers. He disagreed with ASD Sandoval's statement that the issue would have been caught.

Councilor Seeds asked Councilor Lewis if he would be amenable to changing the amount to \$1,200. Councilor Lewis replied in the affirmative. Councilor Seeds stated that he disagreed with Interim City Manager Duran when he stated that the City was not a family. He stated that the City needed to treat its money as though it were a home that was struggling. He expressed his belief that City staff needed to become more aware of what the Governing Body was requesting and, as such, may need to change their schedule to meet with the Governing Body. Councilor Seeds stated that there needed to be more accountability because money was being spent as though the City was printing it.

ASD Sandoval commented on the statement that that if the purchase requisition had been taken to the Governing Body, it would have been caught. She explained that it did not say anything about hardballs on the original purchase requisition or purchase order. She asked the Council to remember the process. ASD Sandoval explained that the Department Heads had the authority to request purchase orders. She stated that the Director was expected to get quotes and do the purchase requisition because it was a responsible purchase. She stated that if they put this resolution in place, they must also determine who would receive deliveries, when they would get stamped in, how many days there were to process and review invoices and how many days the Finance Department had to pay an invoice.

Mayor Lucero stated that if the request had gone before the Council for approval, it would not have mattered as the individual had changed the order after the purchase order was issued. She explained that it could have been done after the Council approved. She stated that this was something that one (1) individual had done rather than an overall problem.

Councilor Lewis asked what the original quote was for. ASD Sandoval stated that it was for baseball screens and equipment. Councilor Lewis stated that there was no infrastructure and finance should have caught it. ASD Sandoval began to reply. Councilor Lewis called a point of order and stated that he had the floor. He stated that he would agree with a \$1,200 limit.

ASD Sandoval asked if the motion would include the timeframes for processes. Councilor Martinez asked if the Finance Department followed the Procurement Policy of the State of New

Mexico. ASD Sandoval replied in the affirmative and expressed concern regarding the determination of timeframes.

Councilor Seeds exited at 8:34pm.

Councilor Martinez stated that she knew ASD Sandoval was frustrated. ASD Sandoval replied that she was not frustrated; rather she would like to know what the effects on her department would be as a result. She explained that for tangible items under \$25,000, three (3) quotes were normally obtained.

Councilor Valdez exited at 8:35.

She stated that when it reached her office, it was stamped in and taken to the Procurement Office. She asked how much time she would be allowed to take the request to the Council. Councilor Martinez stated that this should be done at every Governing Body meeting.

Councilor Valdez re-entered at 8:38pm.

Councilor Seeds re-entered at 8:39pm.

Mayor Pro-Tem Salazar exited at 8:39pm.

Councilor Seeds asked ASD Sandoval not to tell the Council that the City paid its bills on time. ASD Sandoval replied that she was not referring to payment. She explained that they processed checks every Thursday. Councilor Seeds called a point of order and stated that he had the floor. He asked ASD Sandoval if they paid all invoices. ASD Sandoval stated that they paid the ones they received.

Mayor Pro-Tem Salazar re-entered at 8:40pm.

Councilor Herrera exited at 8:40pm.

Councilor Seeds expressed his belief that the Council was obligated to do something and urged the Council to try to meet twice per month and direct staff to set up payment. He stated that he only paid personal bills once per month.

ASD Sandoval requested clarification. She explained that when she received an invoice, the purchase had already undergone an approval process. She asked when the Council wanted to process an approval or disapproval. Mayor Lucero asked if the Council wished to evaluate the purchase requisitions or the invoices.

Interim City Manager Duran clarified that the resolution was regarding the amount for professional services. City Attorney Coppler stated that it did not have anything to do with equipment. Councilor Lewis asked who could make the change. City Attorney Coppler replied that the specific language would have to create. Councilor Martinez stated that the resolution should state any expenditure over \$1,200. She stated that she would like to try and create

substantial polices. She added that the first item did state that it was for single purchases and the bottom of the page dealt with construction and professional services.

Councilor Martinez asked Councilor Lewis what his opinion was of the amount for professional services. He stated that he would leave it up to the rest of the Council. Councilor Seeds suggested \$1,200 across the board. Councilor Seeds asked staff to understand that it would be anything after the hour on. He stated that any invoices on ASD Sandoval's desk for \$4,000-\$5,000 must come before the Governing Body.

Councilor Martinez asked if all Department Heads would be present to discuss their budgets. ASD Sandoval stated that they had been instructed that they would be responsible for answering questions.

Mayor Pro-Tem Salazar stated that the resolution should be effective as of 8:46pm on April 8th, 2013.

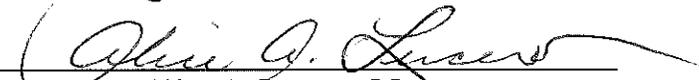
Motion carried 4-1, with Councilor Valdez voting in the negative.

J. ADJOURNMENT

Motion by Councilor Martinez to adjourn; seconded by Councilor Lewis.

Meeting was adjourned at 8:48pm.

APPROVED AND ADOPTED THIS 24th DAY OF June, 2013.



Alice A. Lucero, Mayor

ATTEST:



Tessa Jo Mascareñas, City Clerk