



FINANCE BOARD / CITY COUNCIL WORKSHOP
MONDAY, OCTOBER 17, 2011 6:00 PM
CITY HALL COUNCIL CHAMBERS
405 N. PASEO DE OÑATE ESPAÑOLA, NM 87532

A. CALL TO ORDER

The meeting was called to order at approximately 6:01 p.m.

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilor Dennis Tim Salazar.

C. MOMENT OF MEDITATION/ INVOCATION

The Moment of Meditation was led by Councilor Helen Kain-Salazar.

D. ROLL CALL/ DETERMINATION OF QUORUM

The following Governing Body members were in attendance:

Mayor: Alice A. Lucero
Councilors: Robert Seeds
Pedro Valdez
Helen Kain-Salazar
Dennis Tim Salazar
Rosario Garcia
Greg Ortega

E. APPROVAL OF AGENDA

Mayor Lucero presented the agenda for approval.

---Begin---

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. MOMENT OF MEDITATION/ INVOCATION

D. ROLL CALL/ DETERMINATION OF QUORUM

E. APPROVAL OF AGENDA

F. PUBLIC COMMENTS

G. COUNCILOR COMMENTS

H. MATTERS FROM THE MAYOR

I. DISCUSSION/ACTION ITEMS

1. North Central Solid Waste Authority Funding
2. Quarterly Financial Report

J. EXECUTIVE SESSION

Pursuant to New Mexico Open Meetings Act Section 10-15-1 (H) Subsection (7) attorney-client privilege pertaining to threatening or pending litigation in which the public is or may become a participant; (8) discussion of the purchase, acquisition or disposal of real property or water rights by the public body.

K. ANNOUNCEMENTS

L. ADJOURNMENT

At any time during the Open Meeting, the Governing Body, by a majority vote, may close the meeting to the public to discuss matters not subject to the New Mexico Open Meetings Act. The Governing Body, by a majority vote, may revise the order of the agenda items considered at this Open Meeting.

If you are an individual with a disability who is in need of an amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk's Office at 747-6039 at least three days prior to the meeting.

---End---

Motion by Councilor Seeds to approve the agenda; seconded by Councilor Valdez.

Motion carried 6-0.

F. PUBLIC COMMENTS

There were no comments from the public on issues not already placed on the agenda.

G. COUNCILOR COMMENTS

Councilor Valdez asked if the Council was in agreement for him to compose a letter to the Commissioner of the Highway Department regarding the opening of the medians near the Bank of America. He expressed his feeling that the median should be completely removed.

Mayor Lucero instructed City Manager Lujan to request a meeting with the Commissioner.

Mayor Lucero announced that Clean-up Day had taken place the previous Saturday. She thanked Councilor Valdez and Councilor Lewis for attending and stated that North Central Solid Waste Authority had been present, as well as Mr. Marvin Martinez along with several City employees.

H. MATTERS FROM THE MAYOR

There were no Matters from the Mayor discussed.

I. DISCUSSION/ACTION ITEMS

3. North Central Solid Waste Authority (NCSWA) Funding

Mayor Lucero stated that a resolution had already been adopted by Rio Arriba County. She explained that they were requesting the City of Española to provide the entire EGRT revenue in the amount of \$170,000.00. Mayor Lucero stated that only \$166,387 had been received the previous year. She stated that she had met with Administrative Services Director Joyce Sandoval, City Manager Lujan, and Councilor Valdez and they had reviewed the expenditures from that account.

City Manager Lujan stated that they anticipated receiving approximately \$160,000. He explained the breakdown which the Governing Body had before them. He stated that the landfill closure cost was approximately \$45,000.00, the debt service for the transfer station was \$5,700.00 and the other contingencies were estimated to be \$9,232.00. He stated that the remaining amount was \$100,000.00 and current contributions were at \$50,000.00. City Manager Lujan stated that he was proposing the contribution of an additional \$50,000.

City Manager Lujan stated that he had spoken with County Manager Campos who had agreed that the amount sounded like a realistic number. City Manager Lujan stated that this amount was the best offer and was a working number. He explained that there were some items that needed fine-tuning, such as the usage for citizens. Mayor Lucero pointed out that the intercept could be arranged on a monthly basis providing \$12,000 per month to NCSWA. Ms. Sandoval stated that this would be set up with the Department of Finance and Administration (DFA) and was not a problem.

Councilor Garcia asked if price quotes for waste management out of Santa Fe had been obtained. City Manager Lujan stated that he had contacted two (2) different operators who had quoted their services to be around \$1.1 million for residential services. He added that it was not a complete quote because there were several variables involved. City Manager Lujan stated that between residential, commercial, and City of Española contributions, NCSWA currently received around \$1.4 million. Councilor Garcia asked if utilization of these services would be better for the City. City Manager Lujan stated that it was difficult to determine because there was the added variability of bulk collections and green waste. Mayor Lucero asked if the companies from Santa Fe collected yard waste. City Manager Lujan replied that the arrangement of special pick-ups or deliveries would be necessary.

Councilor Seeds stated that the biggest problem that he had encountered in the past was residents cleaning their yards and taking the waste to the transfer station which was already closed. He stated that other businesses could not offer this service and he was glad that the City of Española and the County of Rio Arriba could come together. He added that he was glad that there would be a state-of-the-art facility which he believed would solve most trash problems. Councilor Seeds encouraged the Council to support this Memorandum of Understanding.

Councilor Valdez stated that he had also researched the costs of other services. He explained that bags on the side of a bin would be charged extra whereas now they were not. He added that the customer would incur the additional costs.

Councilor Ortega stated that NCSWA had been in business since 2004 and there had been problems since then. He stated that one (1) of the main issues discussed when he met with citizens was solid waste. He added that for the first few months of his term, he had personally picked up trash at his constituents homes because trash on the sides of the bins had not been collected. Councilor Ortega asserted that NCSWA should have been self sufficient after the initial couple of years. He stated that since the new manager had been hired, services had improved; however, a few weeks prior Mr. Romero had collected the Windstream trash bins. He explained that this was done in response to an ongoing dispute regarding a telephone system that NCSWA had purchased from Windstream. Councilor Ortega stated that he had spoken with Mr.

Quintana at Windstream who indicated that he contacted a company out of Santa Fe and would be receiving services from them. Councilor Ortega stated that he had grown tired of receiving complaint calls regarding NCSWA. He added that there were people who were paying for trash services but had not received poly-carts. He asserted that, in the interest of customer service, the City of Española should begin looking at a private company as he did not foresee any improvement.

Councilor Valdez expressed his belief that there had been a great deal of improvement and the situation which had occurred would be resolved. He added that he had spoken with Mr. Quintana who informed him that Windstream would be returning as a customer after a short time. Councilor Valdez asserted that things had improved and there would be a new order for poly-carts arriving shortly. He stated that Mr. Gino Romero had followed up on that. Councilor Valdez empathized with Councilor Ortega's concerns and stated that it required time for improvement since money had been owed previously and things had been mismanaged.

Councilor Valdez continued that there would be a new Joint Powers Agreement in January and this was a necessary step to care for solid waste. Councilor Valdez requested NCSWA be given a chance to further improve services between the present time and January.

Councilor Kain-Salazar stated that she realized there had been problems in the past and expressed her hope that these issues would resolve themselves. She stated that currently, NCSWA was the only game in town and transferring services would require some transition time. She conceded that Mr. Romero had made a mistake; however, she stated that he had greatly improved things since he begun.

Councilor Seeds sympathized with Councilor Ortega as well. He stated that he did not wish to make excuses; however, NCSWA had begun on shaky ground. Councilor Seeds agreed with Councilor Valdez that it would require time, but services would continue to improve. He added that Councilor Ortega's concerns should be incorporated into the JPA and the City of Española should have more control. Councilor Seeds explained that the approval of this MOU was necessary for NCSWA to obtain loans. He added that this was the first step in a long process, not the last step and a new facility like this could not fail.

Mayor Lucero stated that she would like to insert some language into the Memorandum of Understanding under the line which began "Now therefore." She requested that the phrase "from Environmental Gross Receipts Tax" be inserted for clarification.

Motion by Councilor Valdez to approve the Memorandum of Understanding as amended; seconded by Councilor Seeds.

Councilor Garcia stated that she would need to clarify her vote. She explained that she would be voting in favor of the MOU to keep people from the area employed and money in our community.

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

Mayor Lucero called on Mr. Gino Romero who was in attendance. She expressed her disappointment over the situation with Windstream, but stated that she had confidence that he would bring the Authority forward and improve services. She expressed her belief that the City of Española had shown good faith with not only the money from residents and businesses but with additional financial support. Mayor Lucero stated that the picture had been painted as though the City of Española did not wish to contribute; however, that was not the case.

Mayor Lucero stated that she realized NCSWA did not have new equipment but with a better handle on budget, she believed that would be remedied.

4. Quarterly Financial Report

City Manager Lujan stated that the Governing Body had been presented with a review of the previous three (3) months. City Manager Lujan stated that revenue had gradually increased and expenditures were reviewed closely. He added that water and wastewater funds were in line with projections.

Ms. Sandoval stated that cumulatively, the City of Española had \$165,638 in revenues over expenditures. She cautioned council about that, citing figures from page 2 of her report which compared the actual budget to the annual budget projection in the amount of \$9,728,012. She stated that the City of Española remained about .09% behind schedule because franchise increases had not gone through and were still at the old rates.

Ms. Sandoval stated that year-to-date revenues had increased from the previous year but remained behind. She explained that it was still too soon to project remaining in the positive. She cautioned that if the City of Española was not very diligent, funds would go into the negative and the City was attempting to stay ahead of the lagging revenues. Ms. Sandoval explained that if there was a catastrophic event, the \$165,000 would be gone. She stated that strict spending should continue and losing money through waste or unused items could not be afforded.

Ms. Sandoval reflected on the figures regarding the General Fund on the last page and stated that there had not been a single month in which expenditures exceeded revenues.

Councilor Valdez asked if property taxes had been received from Rio Arriba and Santa Fe counties. Ms. Sandoval stated that they had only come in at four percent (4%). She explained that May, June and July were not big tax months so remittances would be minimal. She stated that property tax would be coming in during the months of November, December and May.

Councilor Valdez asked about the cash balances from FY2010-11. Ms. Sandoval stated that they had received slightly under the amount; however, there had not been as many delinquent taxes as in prior years. Councilor Valdez asked that staff work with the counties as they collect delinquent accounts and stated that he would like to see a report on CDs.

Ms. Sandoval stated there were CDs for our investments and those for utility water and wastewater meter funds and they had not changed. She explained that the interest would come in but the level of the CD would remain intact and the investment was not shown in investment

fund but rather in a fund held by the State Treasurer. Councilor Valdez asked for more detail in the future. Ms. Sandoval asked if he would like to see the level as well as any interest. Councilor Valdez replied in the affirmative. He stated that we had just refinanced our loan and he would like an update on that as well. Councilor Valdez commended Ms. Sandoval on a job well done.

Councilor Ortega asked City Manager Lujan and Ms. Sandoval to keep in mind the possibility of doing away with furloughs for the month of December for employees. He stated that he understood it was expensive. Mayor Lucero stated that she and Ms. Sandoval had a conversation on this subject as she had wished to make a positive announcement that night. However, although that had not been possible, it remained her hope to be able to do away with furloughs in December.

Ms. Sandoval pointed out that some agencies were struggling with their responsibility to the City. She stated that if they were unable to pay what they owe us, we would be unable to pay for our expenditures and that everyone needed to be aware that not only GRT and franchise taxes needed to be monitored, but also property tax, building permits and facility rentals. She stated that the animal shelter was always interested in receiving more funding.

Ms. Sandoval stated that she was happy to be where the City was, but cautioned that it was by no means a time to celebrate. Mayor Lucero commended the management staff for keeping day to day tabs on budget and spending cuts. She stated that sometimes they were not popular because they have to say no. She also expressed her appreciation for employee cooperation.

J. EXECUTIVE SESSION

There was no need for Executive Session.

K. ANNOUNCEMENTS

Mayor Lucero stated that the City of Española had experienced some tremors as there had been a 3.9 earthquake centered in the Chupadero area. She stated that she had felt it and thought it was a sonic boom. Mayor Lucero stated that Lawanda Jones from New Mexico Gas Company had called her to inform her that they had not sustained any infrastructure problems. Mr. Marvin Martinez had also conducted inspections. Mr. Martinez stated that he had instructed all supervisors to carefully inspect facilities and none had reported damage.

L. ADJOURNMENT

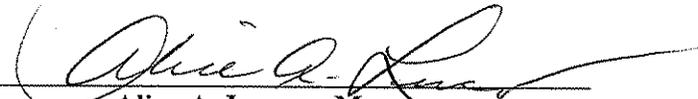
Motion to adjourn by Councilor Garcia; seconded by Councilor Ortega.

Motion carried 6-0.

Meeting adjourned at approximately 7:48 p.m.

Minutes taken and transcribed by Tessa Jo Mascareñas, City Clerk.

APPROVED AND ADOPTED THIS 25th DAY OF November, 2011.



Alice A. Lucero, Mayor





Tessa Jo. Mascareñas, City Clerk