



FINANCE BOARD/CITY COUNCIL WORK SESSION  
JUNE 18, 2012, 6PM  
CITY HALL COUNCIL CHAMBERS  
405 N. PASEO DE OÑATE ESPAÑOLA, NM

**A. CALL TO ORDER**

Mayor Lucero called the meeting to order at 5:04pm.

**B. PLEDGE OF ALLEGIANCE**

Mayor Lucero led the pledge of allegiance.

**C. MOMENT OF MEDITATION/ INVOCATION**

Councilor Pedro Valdez led the Moment of Meditation/Invocation.

**D. ROLL CALL/ DETERMINATION OF QUORUM**

The following Governing Body members were in attendance:

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

**E. APPROVAL OF AGENDA**

Mayor Lucero presented the agenda as follows:

---Begin---

A  
J  
C  
4C



TY COUNCIL WORK SESSION  
IAMBERS  
ESPAÑOLA, NM

- 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**

*Please turn off cell phones or  
set to silent mode*

**I. ITEMS PROPOSED FOR COUNCIL CONSIDERATION/DISCUSSION ITEMS**

1. Lodger's Tax Recommendations
  - a. Mainstreet Showdown Appropriation
2. Request for Day of Music & Art on the Plaza- Brock Salazar
3. Funding Request- Valdez Park Baseball Field Light
4. Española Public Schools Easement

**J. BUDGET WORKSHOP**

5. Overview of City Funds
6. General Fund Revenue Projections for FY 12-13 Budget
7. General Fund Expense Allocation for FY 12-13 Budget

**K. EXECUTIVE SESSION**

Pursuant to New Mexico Open Meetings Act Section 10-15-1 (H) Subsection (2) limited personnel matters; (5) discussion of bargaining strategy preliminary to collective bargaining negotiations; (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.

**L. ANNOUNCEMENTS**

**M. ADJOURNMENT**

The Governing Body 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 at 747-6019 at least three days prior to the meeting.

---End---

**F. PUBLIC COMMENTS**

There were no members of the public wishing to comment.

**G. COUNCILOR COMMENTS**

*Mayor Pro-Tem Salazar entered at 5:07pm.*

Councilor Valdez stated that, although he understands the current fiscal situation he would like to set aside \$100,000 to place pods for buildings on Industrial Park Road in the future. Councilor Valdez added that employees had not received raises for several years. He stated that he would like for the City of Española to take over the bridges in the area. Councilor Valdez continued that the following changes would be necessary: water system replacements, Carter Ranch development, easement negotiations, the construction of a new library, updates to the Wastewater Plant and the removal of certain medians. He explained that he would like to save funds and then match them with State and Federal funds.

Councilor Seeds asked if there was something that could be done to alleviate the odor from the treatment plant. Councilor Valdez replied that a heating belt could be purchased that could dry the waste and reduce the odor. Councilor Seeds stated he would like to direct staff to look into that.

Mayor Lucero stated that they had looked into the removal of the sludge as the problem was the accumulation.

**H. MATTERS FROM THE MAYOR**

There were no Matters from the Mayor discussed.

## I. ITEMS PROPOSED FOR COUNCIL CONSIDERATION/DISCUSSION ITEMS

1. Lodger's Tax Recommendations
  - a. Mainstreet Showdown Appropriation

***Motion by Councilor Lewis to approve the Lodger's Tax recommendation for Mainstreet Showdown; seconded by Councilor Valdez.***

Councilor Valdez asked ASD Sandoval if there was money in that category. ASD Sandoval replied that Lodger's Tax had brought in 50% of the budgeted amount. She explained that \$33,500 had been for the promotional fund. ASD Sandoval stated that some adjustments within the fund could be made to cover the funding.

Councilor Seeds asked again if there was money. ASD Sandoval replied in the affirmative.

***Motion carried 7-0.***

2. Request for Day of Music & Art on the Plaza- Brock Salazar

Councilor Martinez stated that Mr. Brock Salazar was requesting the use of the plaza for a music and art event. She explained that Mr. Salazar had committed to being in charge of the clean up. She stated that it would be a rock concert for which he plans on approximately one thousand (1,000) to attend.

Mayor Lucero asked about Police protection. Councilor Seeds suggested that Mr. Salazar meet with staff and the City Attorney to draft an agreement. Councilor Martinez stated that this event would be taking place instead of the typical music on the plaza.

Mayor Lucero asked that they continue this discussion later as Community Services Director Cata was not yet in attendance.

3. Funding Request- Valdez Park Baseball Field Light

Councilor Seeds stated that staff was supposed to bring something before the council regarding funding changes for the fields.

Mayor Lucero explained that the deeds had been signed; however, the money would remain in escrow pending approval from the DFA Board of Finance. Councilor Seeds stated this was a public safety issue.

Mayor Lucero asked ASD Sandoval if the cost could be covered from another fund as it was a public safety issue. ASD Sandoval replied in the affirmative and explained that it could be taken from the year-end balance.

Councilor Martinez stated that the committee had only agreed to use the money from the land sale because they had been led to believe that the General Fund was exhausted. She stated that they had not wished to touch the money for the fields if there were monies in the general fund.

Councilor Martinez stated that if former City Manager James Lujan's salary had been \$90,000 and he had been gone for two (2) months, then there should be a savings of \$7,000 per month. ASD Sandoval stated that although Mr. Lujan was no longer receiving a paycheck, Interim City

Manager Joe Duran's salary was being paid from that line item. She added that there was really not a savings because certain funds like streets and parks had been overspent. Mayor Lucero added that Mr. James Lujan had been paid the remainder of his annual leave.

Councilor Valdez stated that he noticed the project was estimated at \$11,700; however, the polls and cross arms were not provided. Councilor Seeds replied that they would use polls left over from softball fields.

***Motion by Councilor Valdez to approve the purchase of lights for Valdez park from the year-end balance; seconded by Councilor Seeds.***

***Motion carried 7-0.***

#### 4. Española Public Schools Easement

Mayor Lucero stated that this request was in addition to the recent sale of the property. She thanked Mr. Mark Chavez from the Española Valley Schools for being in attendance. He stated that he was hoping to get the easement approved so they could begin construction. Mayor Lucero stated that they had received a request from the School Board, but no description of the property had been provided. Interim City Manager Duran stated that the plat should be generated by the schools due to the cost. Mr. Chavez reiterated that they were hoping to begin construction as soon as possible. He added that they would be opening bids the following day so the work would be done by winter.

Councilor Martinez stated that she had been informed by Community Services Director Cata that this request was for a 15-20 ft. section of road. Mayor Lucero stated that she believed a legal description would be needed for approval; however, the council could possibly approve the concept. Councilor Valdez stated that an easement could be granted temporarily while they built.

Councilor Seeds agreed with Councilor Valdez regarding a temporary easement. He stated the Española School District should pay for any surveying.

***Motion by Councilor Seeds to approve temporary easement.***

Mr. Chavez stated that for the six (6) acre parcel, they would need about 20 ft. from the existing gate. Councilor Lewis yielded the floor to Public Works Director Marvin Martinez who stated that he had worked with Mr. Chavez on the easement. He stated that the easement was actually approximately 60 ft. He stated that there would not be full-time traffic and no parking for events.

Councilor Martinez added that it was her understanding that the easement was for maintenance purposes.

Streets Supervisor Anthony "Hawk" Trujillo stated that they could request access for construction or a work permit. He stated that may be something easier for the schools.

***Motion by Councilor Martinez to approve temporary easement; seconded by Councilor Lewis and Councilor Seeds.***

*Motion carried 7-0.*

Interim City Manager Duran stated that they wanted to have a concert on the plaza. He stated there would be an art show inside of the Mision.

Mayor Lucero asked whether they would provide security. Interim City Manager Duran stated that Mr. Brock Salazar told the Community Services Committee they would have their own security.

*Motion by Councilor Lewis to table the item until Mr. Brock Salazar could be in attendance.*

**J. BUDGET WORKSHOP**

8. Overview of City Funds

ASD Sandoval stated that her presentation would be very informal and asked the councilors to feel free to interject with any questions. Mayor Lucero asked ASD Sandoval to be thorough.

ASD Sandoval stated that General Fund accounts were for anything that was not accounted for in any other fund.

*Councilor Radosevich entered at 5:41pm.*

ASD Sandoval stated that the debt service funds were for the administration of loans and bond payments. She explained that enterprise funds were water and wastewater funds which were supposed to be self-sustaining, meaning tax revenues should not be used to support them. She stated that agency funds were any monies held on behalf of another party.

9. General Fund Revenue Projections for FY 12-13 Budget

ASD Sandoval stated that they would focus on the General fund as it was public money. She explained that shared taxes were the largest portion of revenues. She stated that of taxes, local efforts were 39% and made up of franchise taxes and local municipal gross receipts.

Councilor Radosevich asked why there was nothing being received from the cigarette tax. ASD Sandoval explained that in 2010, it was determined that municipalities would no longer receive that money. She added that the City of Española may still receive a few cents coming from anyone who had filed an amended return from prior years when the city was entitled.

ASD Sandoval reported that the revenues for the General Fund were intended to fund municipality's entire function and cover all costs. She stated that it had turned out that costs had to be augmented by issuing franchise taxes and animal licenses. She stated that the City still relied heavily on GRT and these were the driving force for expansion.

ASD Sandoval stated that the other portion of the budget was the expenditures. She stated that the largest expense was Public Safety, approximately 40% of the budget. She stated that the remainder of the budget was used for administration including the City Manager, Governing Body, Finance, Planning and Zoning, Information Technology (IT), and Human Resources. She explained that a portion of Public Works and Community Services was not included and the judicial portion was only for Municipal Court.

Councilor Lewis asked which line item the escort fees were placed into. ASD Sandoval replied that they were listed as special-use permits.

Councilor Seeds asked if anything had been put into place regarding those fees. Interim City Manager Duran stated that this item would be placed on the agenda for the Public Safety meeting.

ASD Sandoval stated that she wanted to focus on the entire revenue structure. She explained that we project revenues first; however, we were limited. She added that an increase in franchise fees had been budgeted and that, to date, the agreement had not been accepted by Jemez Electric Cooperative. ASD Sandoval continued that the Gas, Telephone and Cable franchises were for less because the City had been unable to negotiate a difference in fees. She stated that they did not comprise a large portion of franchise taxes and the driving force was Jemez. Mayor Lucero stated that Jemez Co-op had informed the City that they would not approve the increase. She stated that she had asked the City Attorney to find out what recourse the City would have.

Councilor Valdez stated that he had not seen the contract with Jemez, but he expressed his belief that they should not have the power to tell the City what they pay. Mayor Lucero stated that the acceptance was state law and explained that Jemez did not approve it because they were already planning on the new increase and reimbursement to Ohkay Owingeh. She stated that the franchise fee would be only for City residents.

Councilor Valdez stated that he would be going to the PRC meeting.

Planning and Zoning Director Russell Naranjo stated that the PRC hearing was scheduled to begin the following day and continue into Wednesday and Thursday. He stated that any appeal would go to State Supreme Court and he would be serving as an expert witness.

Councilor Seeds asked why the \$300,000 was budgeted when the agreements had not been signed. ASD Sandoval replied that the changes had been made during the previous year's budget session. She stated it did not get done as timely as they had wanted to. Councilor Seeds asked when it would expire. Mayor Lucero stated that it had expired several years prior. Councilor Martinez asked if the City was without a franchise agreement. Mayor Lucero stated that the old one would remain in place.

Councilor Martinez asked Planning and Zoning Director Naranjo to relay the opinion to the City Attorney that for Jemez Co-op to want to tax the community and not play ball was unfair.

Councilor Radosevich asked if Jemez could continue to not approve it. Mayor Lucero replied in the affirmative; however, stated that she had asked the attorney to look into taking them to court over the issue.

Councilor Seeds asked ASD Sandoval if the budgeted amount needed to be dropped by 50%.

ASD Sandoval stated that we did not have any control over Gross Receipt Taxes (GRTs) other than to encourage people to spend locally. She stated that Motor Vehicle money came from the purchase of motor vehicles and the registration of vehicles. She said property taxes were a figure received from DFA. She stated that they projected how much would come in from Santa Fe and Rio Arriba.

## 10. General Fund Expense Allocation for FY 12-13 Budget

ASD Sandoval explained that personnel costs were 70% of the General Fund budget and the remainder paid for supplies, utilities and debt.

Councilor Martinez asked about the expenditures from the Fire Funds. ASD Sandoval stated that those were reflected as special revenue funds. She stated that they were spent on the Medical Director.

Councilor Valdez asked if holding off on open positions could be an option. Within the next 3 months, they would have actual revenue numbers. Mayor Lucero stated there were currently positions in public safety being filled.

Councilor Seeds mentioned that staff was looking into letting go of some properties. Mayor Lucero stated that this had been discussed; however, the problem was that there was no money for appraisers. Interim City Manager Duran stated that only the old jail area had been appraised.

Councilor Seeds asked what committee would follow up on that. Mayor Lucero replied that it would fall under the Finance committee.

Councilor Seeds cited Carter Ranch as an example. He added that the residents around the property would fight the City on development. He stated that millions of dollars had been wasted on that property.

Mayor Lucero expressed the need for a workshop for a Strategic Planning session. She suggested planning it after the summer months. Councilor Radosevich asked where the searches for City Manager and Police Chief were at. City Clerk Mascareñas stated that they were conducting background checks.

Mayor Lucero pointed out page 3 and stated that the City of Española was no longer eligible for Small City Assistance.

ASD Sandoval stated that the Governing Body budget was salary and insurance along with a small amount budgeted for mileage and per diem. She stated that the Municipal Court was within budget. She noted that all departments would display workers compensation fees as over budget because the new assessment percentages had come in after budget submission.

ASD Sandoval stated that the City Attorney budget paid for the contracts of Frank Coppler and AJ Salazar. She stated we also pay our insurances premiums from the fund.

Councilor Seeds asked about the municipal court line item for attorney fees. ASD Sandoval stated that it was for attorney fees for Judge Salazar himself.

ASD Sandoval continued with the Community Services budget. She explained that the Recreation Director salary had been taken out of that budget for a period of time. She stated that they had originally budgeted for only Len Cata. ASD Sandoval stated that Community Services would be over budgeted by year's end.

ASD Sandoval stated that the Recreation Youth Tech Center budget covered the contract with the Española YMCA. She explained that the City had fallen behind on payments from 2001; however, they had been paid during FY 12.

Councilor Herrera asked why there had not been funds accrued for those costs in FY 11. ASD Sandoval stated that it would be adjusted.

Councilor Lujan asked why the City Manager's budget went over the amount budgeted on the animal shelter. ASD Sandoval stated that the animal shelter had submitted a contract approved by a prior administration which included a graduated increase. ASD Sandoval stated that Ms. Bridget Lindquist had refused to take payment following the dispute citing no valid contract being in place. ASD Sandoval reported that they had met and negotiated a middle point. She stated that the contract had ended in April; therefore, we had not paid since then because of the need to negotiate a new contract.

Councilor Seeds stated that when the City handled the animal shelter business, it had become costly. He added that the City was blessed to have people from the Humane Society assist. He stated that if the City did not work with them, there would be a devastating incident, perhaps a pit bull attack. He continued that they were not requesting a lot of money and it was money well spent.

Mayor Lucero stated that the contract for the animal shelter was just their operating budget. She stated that the City still paid for the building and utility costs.

Councilor Martinez agreed with Councilor Seeds that the animal shelter provided a valuable service. Councilor Valdez stated that he felt that \$50,000 was a sufficient amount as we provided the building, maintenance and utilities. He stated that Santa Fe County and Rio Arriba County should provide more money. Mayor Lucero cautioned that if the amount for the animal shelter were increased, the amount would have to be cut from somewhere else.

Mayor Pro-Tem Salazar asked what contractual services and professional services covered. City Clerk Mascareñas stated that some of the contracts were for General Code, Verizon Wireless, etc.

Councilor Martinez stated that she had examined full time positions and asked why there was a \$9,000 difference. ASD Sandoval stated that the amount budgeted for 2011-2012 included twelve (12) furlough days. Mayor Lucero added that the actual salary costs would be higher in every budget.

Mayor Pro-Tem Salazar asked if Interim City Manager Duran was being paid from the Planning & Zoning budget with a supplement from the City Manager budget. ASD Sandoval stated that his full salary was being paid from the City Manager budget. She noted that there had been a retirement from Planning and the employee had been paid the leave she was entitled to.

Councilor Radosevich asked if there was something that could be done to get more money from the counties. ASD Sandoval replied that the Humane Society would have to request it. Mayor Lucero stated that Rio Arriba County provided \$20,000.

***Mayor Pro-Tem Salazar exited at 6:38pm.***

ASD Sandoval stated that Ms. Lindquist had approached the legislature for capital improvements to the building.

***Mayor Pro-Tem Salazar re-entered at 6:39pm.***

Councilor Radosevich stated that the City does a lot of animal control for Santa Fe County.

Councilor Seeds asked how leave payouts were tracked. ASD Sandoval said payroll maintained the accrual and usage amounts. Councilor Seeds asked for an accounting of what had been paid out to employees leaving during the previous three (3) months.

Mayor Pro-Tem Salazar asked if anyone had received severance pay. ASD Sandoval stated that severance was typically an issue dealt with by the insurance. Councilor Martinez stated that ASD Sandoval was the Finance Director so she should know. Mayor Lucero stated that the City only paid out annual leave. ASD Sandoval repeated that any other payouts would have been covered under insurance claims.

***Councilor Martinez exited at 6:42pm.***

Councilor Radosevich stated that he would like to stop beating around the bush. He asked if Former City Manager James Lujan had received severance pay. Mayor Lucero replied that he had not.

***Councilor Martinez re-entered at 6:43pm.***

ASD Sandoval replied to Councilor Martinez' previous question stating that any time a person left employment and it was contested, it would go through an insurance/risk management settlement. Therefore, the City would not issue an additional paycheck.

Councilor Radosevich questioned how much the previous City Manager had been paid for his leave. ASD Sandoval stated that she did not know off the top of her head.

ASD Sandoval moved on to the City Clerk's budget. She reminded everyone that the budgeted personnel costs were based on furlough days and stated that there would be a large difference between current year budget and FY2013 because of the election. She stated that the remainder of the budget would remain flat.

ASD Sandoval stated that there had been unspent fund due to vacancies; however, hires were anticipated.

Councilor Lujan asked if there was a need to fill those positions. Councilor Radosevich asked if student workers could be used. City Clerk Mascareñas stated that for most departments, that would be an option; however, the City Clerk's department handled a large amount of sensitive and confidential information.

Councilor Lujan asked if the Legal/Records Clerk would assist in organizing the records for audit purposes.

Councilor Seeds stated that the City Clerk handled Human Resources. Mayor Lucero stated that prior to City Clerk Mascareñas' appointment; Human Resources had been misplaced under

finance. Mayor Lucero added that she had hired City Clerk Mascareñas because she not only had a vast amount of work experience, but a Master's degree in Public Administration. She continued that it was unethical to have payroll and human resources under Finance as there needed to be checks and balances.

Mayor Lucero stated that when she had been City Clerk, Human Resources had a staff of two (2). She added that maintaining employee records, the interview process and litigation were sensitive and time-consuming. Mayor Lucero stated that normally a Deputy Clerk would handle administrative functions. Councilor Seeds stated that when he supported City Clerk Mascareñas as City Clerk, he had not been aware that she would oversee Human Resources.

ASD Sandoval continued that the Community Services budget covered the costs for activities. Mayor Lucero noted that much of the activity would take place in June.

With regard to the Senior Center, ASD Sandoval stated that they were still waiting to get actual figures for the cost of food supplies. She stated that they had a vacant position so they would be within budget. Councilor Martinez asked if the space had been rented out yet. Senior Center Coordinator Velasquez replied in the negative.

Councilor Seeds asked where the rentals would be deposited. ASD Sandoval replied that it would be placed in the General Fund.

ASD Sandoval stated that the HR budget was for personnel. She stated that drug testing was paid from contractual services. Councilor Seeds suggested conducting random drug tests to prevent problems.

ASD Sandoval moved on to the Finance budget. She stated that as of May, the audit contract was encumbered and the entire \$65,000 was unspent. She stated that it would be paid in the next year.

She explained that the Employee Professional Development was used for the continuing education of the Administrative Services Director.

Councilor Seeds asked about the vacant Financial Analyst position. ASD Sandoval stated that there was a temporary employee occupying the space. ASD Sandoval stated that she knew the temporary employee prior as she had done bank reconciliations for Northern New Mexico College. ASD Sandoval called her and asked if she was willing to work for the City for a short period of time. ASD Sandoval stated that the employee had an exquisite talent for financial analysis.

Councilor Seeds asked how much the temporary employee was being paid on an hourly basis. ASD Sandoval stated that she was being paid \$25 per hour. Councilor Seeds stated that it paid to know ASD Sandoval. She stated that Councilor Seeds was incorrect, rather it paid to have talent and skill.

ASD Sandoval stated that she felt as though she had to defend her position. She stated that this person had been able to do what the previous employee had been unable to. She stated that the knowledge and attention to detail was necessary because of the prior embezzlement. She stated that variances were down to \$22 from approximately \$100,000.

Mayor Lucero added that because the employee in the position had been terminated and was contesting the termination, the position needed to remain vacant until the matter was resolved. Councilor Lewis asked if the person terminated had been making \$25.00 per hour. ASD Sandoval stated that the employee had made \$25.50. Councilor Radosevich clarified that the job was getting done and some money was being saved. Councilor Martinez stated that the temporary employee was very sharp and capable; however, the Council's frustration stemmed from a lack of communication.

ASD Sandoval stated that she was hired to do a job and had found herself in the position that she was unable to do everything. She stated that she tried to address her needs with the City Manager and Mayor Lucero and suggested a temporary employee. Councilor Martinez stated that she was not questioning ASD Sandoval's judgment. She stated that she was only requesting that this be communicated.

Councilor Lujan stated that she, Councilor Lewis and Mayor Pro-Tem Salazar had been aware of the situation. She stated that her concern was that ASD Sandoval was working herself to death. She stated that ASD Sandoval had mentioned this fact to them at times.

Mayor Lucero stated that temporary hires were allowed administratively. Mayor Lucero expressed her belief that involving others in the process politicized the hiring process. Councilor Martinez agreed.

Councilor Seeds stated that he was frustrated because there was a line item yellowed out. Mayor Lucero stated that the attorney fees had been cut in half and vacant positions saved over \$500,000 during the current fiscal year. Councilor Seeds expressed his belief that the Council was hearing what the Mayor wanted them to hear.

Councilor Lujan stated that in years past, there was no oversight on grants. Mayor Lucero clarified that grant money had been spent, but the amounts had not been drawn down.

Mayor Lucero stated that hiring was an administrative function and the Council only had the authority to hire a City Manager, City Clerk, Chief of Police, and City Attorney.

Mayor Pro-Tem Salazar asked about contractual services in the IT budget. ASD Sandoval stated that part of it was for other support provided by a contract with Efinity Networks. Mayor Pro-Tem Salazar stated that the amount provided was equal to a full time position. ASD Sandoval stated that other contractual services were paid from that line item. Mayor Lucero asked if Avaya was paid from contractual services. ASD Sandoval replied that Avaya was paid from the telephone and communication cost line item.

ASD Sandoval stated that there is a full-time employee in IT; however others needed to be hired to fulfill some duties. She explained that because there is only one staff member who had to take sick days and vacation, they provided for back up.

Councilor Seeds stated that the library budget did not allow Librarian Teddie Riehl to purchase the tools she needed, such as computers. ASD Sandoval replied that during the current year, four (4) computers had been purchased. Interim City Manager Joe Duran stated that although two (2) computers were down, IS Manager Joaquin Maestas would be repairing them the following day.

With regard to Planning & Zoning, ASD Sandoval reiterated that that there had been a payout of leave following the retirement of a 26-year employee. She explained that because of that, the full time position costs were over budget at the end of May.

Interim City Manager Duran stated that Planning & Zoning Director Russell Naranjo had worked out reorganization within his department to do more with less. He explained that they would not renew two (2) positions and add responsibilities to other employees.

ASD Sandoval cited the Streets budget. She explained that the General Fund covered the employees and the Street Fund covered the maintenance. Councilor Seeds asked Street Supervisor Anthony "Hawk" Trujillo about the street sweeper. Street Supervisor Trujillo reported that the current sweeper had been serviced and they were looking into the possibility of a lease purchase. Mayor Lucero asked if they would be able to purchase the arm for sweeping sidewalks.

Councilor Radosevich asked about the hanging street sign near Fairview. Street Supervisor Trujillo stated that the New Mexico Department of Transportation had not been able to find the specifications for the sign. He added that local vendors did not have the ability to produce such a sign.

ASD Sandoval began her review of the General Services Department by commending the staff members. She stated that they would be fully within their budget by the end of year. Councilor Lujan also commended the staff. She stated that when constituents contacted her, Public Works Director Martinez assigned staff to work with them immediately.

Mayor Pro-Tem Salazar commented that he had been unable to get in touch with Public Works Director Martinez. He questioned why there had been nothing budgeted under maintenance contracts and they were overspent. ASD Sandoval replied that historically, copiers were paid for by General Services. She explained that she would be transferring those costs to the Central Administration budget and the correction would be reflected on the June 30<sup>th</sup> report.

Councilor Seeds thanked the General Services employees. He stated that they were some of the longest serving employees.

Mayor Lucero reported that they had done a lot of work at the Veteran's Memorial Wall. She announced that they had fixed the eternal flame.

Mayor Pro-Tem Salazar thanked the employees for their work.

ASD Sandoval stated that personnel were the largest cost for the Parks Department. She explained that the City covered equipment and uniforms. She added that another part of costs were taken from 134 municipal improvement fund.

Councilor Seeds asked Mayor Lucero about staffing for the Parks Department. ASD Sandoval stated that they had taken one full time position with benefits and split it into two (2) part-time positions which were currently vacant.

Mayor Lucero announced that Workforce Solutions had provided some employees for the summer free of charge. Community Services Director Cata stated that there were three (3)

employees with terms expiring at the end of the month. He stated that he would like to do an extension because the City had been invited to host some softball tournaments.

ASD Sandoval explained that the General Fund incurred the entire cost of personnel for Fleet. She mentioned that the City has an aging fleet that they need to keep running. She added that there was a new, highly-qualified person working in that department who brought about good service.

Councilor Seeds asked Interim City Manager Duran about the positions in that department. Interim City Manager Duran replied that there were three (3) mechanics. He explained that an individual had resigned and his position had been filled with two (2) temporary employees.

Councilor Martinez commended Community Services Director Cata. She stated that he was working twelve (12) hour days and she appreciated his hard work.

Mayor Pro-Tem Salazar asked ASD Sandoval if the finance department had the capability to run a list of expenditures by line item. ASD Sandoval replied in the affirmative. Mayor Pro-Tem Salazar requested a breakdown of the expenditures for contractual services for IT and City Manager budgets. Councilor Martinez asked for the pending amounts on grants.

ASD Sandoval stated that the Public Safety department had maintained several vacancies for some time and as a result, there were higher personnel costs. She specified that they would end up within budget.

Mayor Pro-Tem Salazar asked about uniforms. ASD Sandoval stated that a complete set of uniforms had to be provided for new employees. Mayor Pro-Tem asked what happened to uniforms that were left behind. Chief Branch stated that the uniforms were kept for when there were damages in the line of duty. He explained that every employee cost \$1,000 because the City was required purchase leather per the union contract. In addition, they were provided an additional \$500 for handcuffs and materials for their vehicles.

Councilor Seeds asked how the situation was working without a holding area. Chief Branch reported that their arrest rate was higher in burglary categories. He stated that DWI arrests were down. He attributed the increase in burglary arrests to the new taskforce.

Chief Branch stated that he and Interim City Manager Duran had gone to Santa Fe to negotiate using their jail system. He reported that they would be provided the services at the same rate as San Miguel County. Mayor Lucero questioned whether they would pay for medical costs. Chief Branch replied in the affirmative. He added that it would be a two (2) hour savings per transport. Chief Branch expressed his feeling that he did not want his officers broken down with a prisoner or with a medical situation. He reported that Santa Fe County would be providing an MOU for council approval. Mayor Lucero congratulated Chief Branch on his accomplishment. Chief Branch replied that he would be looking into the facility in Grants for long-term incarcerations as they would oversee them for \$35 per day.

Mayor Pro-Tem Salazar pointed out the fact that many citations were being sent to Santa Fe and Rio Arriba County Magistrate Court. Chief Branch stated that he and Interim City Manager Lujan had addressed the issue with staff. Mayor Lucero thanked Mayor Pro-Tem Salazar for bringing the subject up. Councilor Radosevich asked about tribal citations.

***Councilor Martinez exited at 7:55pm.***

Chief Branch stated that Corporal Maez and Officer Esparza had originally been dedicated to traffic enforcement.

Councilor Seeds asked if tribal officers had authority within City limits. Chief Branch stated that they did on their land grant. Councilor Radosevich stated that officers should be placed on SR 76 so that the City could collect the funds from citations.

Councilor Radosevich asked how many positions were open. Interim City Manager Duran stated that only the Lieutenant, Sergeant and Detective were vacant. Chief Branch stated that Northern New Mexico College would be conducting the testing at a cost savings.

***Councilor Martinez re-entered at 7:58pm.***

Chief Branch explained that he had been functioning working twelve (12) hour days. Therefore, he posted the Lieutenant position. Councilor Seeds asked if there had been problems with testing in the past. Chief Branch replied in the affirmative and explained that the national test would reflect a 500 officer department in the Bronx, rather than a department like that of the City of Española.

***Councilor Radosevich exited at 8:03pm.***

Mayor Lucero stated that the National test was geared for the East Coast.

Councilor Seeds asked if the new testing compared to the tests used in Santa Fe County. Chief replied that it did. Councilor Seeds requested that research be done of other areas. Chief Branch reported that he had spoken with Santa Fe County, New Mexico State Police, and Los Alamos County.

***Councilor Lewis exited at 8:05pm***

ASD Sandoval Joyce said the money was for the care of prisoners and that because the budget had been based on a contract and average amount of prisoners, they would end up within budget. Councilor Lujan commented that the Governing Body's dream would be to have the counties and tribes share the cost for prisoners.

***Councilor Radosevich re-entered at 8:07pm.***

Councilor Lujan asked Interim City Manager Duran to work with the other entities during his tenure as Interim City Manager.

Mayor Lucero stated that Mayor Pro-Tem Salazar had expressed the fact that a large priority was the creation of a Regional Detention Center and Councilor Martinez has expressed the same interest. Mayor Lucero stated a lot of the groundwork had been completed, the City would just have to revisit with the company willing to build it. Chief Branch stated that he had been in contact with them.

***Councilor Lewis re-entered at 8:09pm.***

Councilor Seeds asked if this effort could be taken a step further by creating a taskforce. He stated that he believed that City should circumvent all of the red tape. Councilor Seeds asked Mayor Lucero to appoint a taskforce. Mayor Lucero replied that she saw the Public Safety Committee as that taskforce.

Councilor Salazar stated that he, Councilor Lujan and Mayor Lucero had been the longest serving members on the Governing Body. He expressed his belief that other governmental entities need to buy into the project.

Councilor Martinez stated that Mayor Lucero providing the Public Safety Committee with the opportunity to begin the process was a good thing. She stated that they had received a lot of miscommunication. Chief Branch stated that it had been his fault. Councilor Martinez stated that the only people who should cancel a committee meeting should be the Chairperson or a lack of a quorum. She added that she believed the Open Meetings Act should be followed. Chief Branch replied in the affirmative and stated that the Governing Body could contact him at any time. He stated that he had made a mistake with respect to the last committee meeting; however, he was always open to reporting on the activities of his department.

***Councilor Seeds exited at 8:16pm.***

Mayor Lucero stated that they needed to follow the resolution that had been passed defining the meeting schedule.

***Councilor Seeds re-entered at 8:17.***

Interim City Manager Duran stated that the issue had already been resolved and all committee meeting materials would be completed within 3-5 days prior to the meetings.

ASD Sandoval stated that the General Fund covered Fire Department personnel and the Professional Services contract with the Medical Director.

Councilor Seeds commented that he felt it was an insult to have Firefighters working for \$10 per hour.

ASD Sandoval advanced to the Central Administration budget. She stated that this budget paid for City-wide activities including office supplies, liability insurance, workmen's compensation, auto insurance, telephone costs and utility.

Councilor Lujan asked why the contractual services line item expenditures were so high. ASD Sandoval stated that it was high because there had been a contract with Telecom Communications to review electrical costs and explained that it would not recur. She added that telephone costs had increased because of usage. Councilor Martinez asked what company was used for cell phone service. ASD Sandoval stated that it was Verizon Wireless. ASD Sandoval pointed out that insurance premiums had been paid directly and an encumbered amount of \$179,000 would not be utilized.

Interim City Manager Duran stated that Redi-Net would eliminate a lot of costs associated with telephones.

ASD Sandoval stated that the Transfers budget was used primarily for debt.

Mayor Lucero suggested recessing the meeting for a few minutes and asked if the Council would like to commit the July Finance Board meeting for the proposed budget.

*The Governing Body began a short break at 8:30pm.*

*Mayor Lucero called the meeting back to order at 8:39pm.*

*Councilor Valdez and Councilor Lewis did not return immediately after the break.*

*Councilor Lujan exited at 8:39pm.*

ASD Sandoval stated that final numbers would be in by the July Finance Board meeting.

*Councilor Valdez and Councilor Lewis re-entered at 8:41pm.*

City Clerk Mascareñas asked if the Governing Body would like to hold the next meeting at 5:30pm as she projected it may run long.

The Governing Body replied in the affirmative.

#### **K. EXECUTIVE SESSION**

Pursuant to New Mexico Open Meetings Act Section 10-15-1 (H) Subsection (2) limited personnel matters; (5) discussion of bargaining strategy preliminary to collective bargaining negotiations; (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.

Mayor Lucero stated that she would explain the situation in open session and give the Council an opportunity to decide whether it would be discussed in Executive Session. She explained that on January 10<sup>th</sup>, Judge Salazar had requested that legal fees be paid for some issues being brought before the Judicial Standards Commission. She stated that the Council had denied the request at that time as Councilor Ortega had made a motion to approve the legal services and it had failed due to a lack of a second. She stated that the week prior, Judge Salazar had requested that the City pay an invoice and she had advised him that since the City Council had not approved the legal services, the invoice could not be paid. She stated that Judge Salazar requested to go before the council once again.

Judge Salazar stated that he would like to go into Executive Session as the subject dealt with personnel issues.

*Motion by Councilor Martinez to enter into Executive Session; seconded by Mayor Pro-Tem Salazar.*

#### **Roll Call Vote:**

<b>Mayor Pro-Tem:</b>	Dennis Tim Salazar	In Favor
<b>Councilors:</b>	Robert Seeds	In Favor
	Pedro Valdez	In Favor
	Peggy Sue Martinez	In Favor

Cory Lewis	In Favor
Eric Radosevich	In Favor
Elaine Herrera	In Favor

The Governing Body entered into Executive Session at 8:45pm.

*Motion by Councilor Martinez to exit Executive Session; seconded by Mayor Pro-Tem Salazar.*

**Roll Call Vote:**

<b>Mayor Pro-Tem:</b>	Dennis Tim Salazar	In Favor
<b>Councilors:</b>	Robert Seeds	In Favor
	Pedro Valdez	In Favor
	Peggy Sue Martinez	In Favor
	Cory Lewis	In Favor
	Eric Radosevich	In Favor
	Elaine Herrera	In Favor

*The Governing Body exited Executive Session at 9:20pm.*

*Motion by Councilor Radseovich to table the item until the following Tuesday at which time they would get legal advice from City Attorney Coppler; seconded by Councilor Lewis.*

**L. ANNOUNCEMENTS**

**M. ADJOURNMENT**

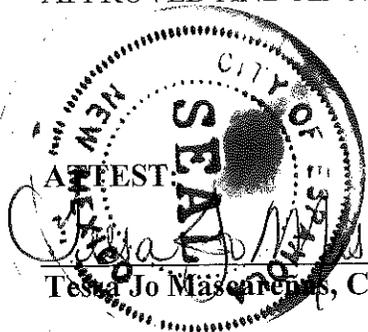
*Motion by Councilor Lewis to adjourn; seconded by Councilor Martinez.*

*Motion carried 7-0.*

*The meeting was adjourned at 9:22pm.*

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

APPROVED AND ADOPTED THIS 26<sup>th</sup> DAY OF July, 2012.



*Tessa Jo Mascareñas*  
 Tessa Jo Mascareñas, City Clerk

*Alicé A. Lucero*  
 Alicé A. Lucero, Mayor