



AGENDA

FINANCE BOARD MEETING

Tuesday, March 19, 2013 at 6:00pm
City Hall Council Chambers
405 N. Paseo de Oñate, Española, NM

I. Call to Order

Mayor Lucero called the meeting to order at 6:01pm.

II. Approval of Agenda

Mayor Lucero asked if the review of the Softball Field Lighting Proposal could be discussed first as there were people in attendance for that purpose.

Motion by Councilor Valdez to approve the agenda as amended; seconded by Councilor Lewis.

Motion carried 7-0.

III. Committee Member Comments

There were no announcements by committee members.

IV. Discussion/Action Items

1. Softball Field Lighting Proposal

Interim City Manager Duran stated that there had been three (3) proposals that he had been asked to compare. He stated that he would present the Council with the information and let them make a decision. He explained that DRB had a lot of exclusions and were under the subcontract portion of state contract. He noted that they had disclosed exclusions which could cost a lot of money. Interim City Manager Duran stated that DTS had provided a quote stating that they would provide a 15 year warranty; however, Community Services Director Cata had presented him with an updated quote on March 15th which listed a 30 year warranty. Interim City Manager Duran stated that he was unsure whether this should be taken into consideration. He noted that DTS had excluded the cost of engineering fees; however, he had been verbally informed that they were included.

Interim City Manager Duran stated that he believed that DTS and Prime Electric were very close. He stated that he had received a document the previous day from Prime Electric stating that the cost would be reduced by \$5,000 due to a reduction provided to them by their factory. Interim City Manager Duran stated that this decrease made Prime Electric the lowest bid.

Interim City Manager Duran stated that Prime Electric did have exclusions of bonding premium; however, it was 9/10th of a percentage and NM GRT was excluded. He stated that DTS had not indicated anything with regard to bonding. He stated that he would assume that some type of bonding would be required in the event that the project was not finished. Interim City Manager Duran commented that the companies had indicated a similar timeframe. He stated that Prime Electric would also provide a remote control for the lights.

Councilor Lewis verified with City Attorney Coppler that the Governing body could legally choose one (1) of the companies. City Attorney Coppler replied in the affirmative and stated that the

Governing Body had a few options. He explained that they may reject all the proposals and proceed to bid under the procurement code provisions for bidding construction contracts. He continued that, alternatively, after hearing the City Manager's report with regard to his "apples to apples" comparison, the Governing Body may award the proposal to the company making the overall best proposal to the City. City Attorney Coppler stated that if the Governing Body chose to do this, then the three (3) companies making a proposal and all the companies on the state list for this type of service must be notified of the Governing Body's award. He explained that anyone notified had 15 calendar days from receipt of the notice of award within which to protest.

Motion by Councilor Lewis to accept the proposal of Prime Electric; seconded by Councilor Valdez.

Councilor Martinez asked how the companies had submitted proposals when there was no scope of work. Interim City Manager Duran replied that after the fields were leveled, they knew they needed lighting and Community Services Director Cata had placed calls locally. He stated that locals were unable to supply equipment or do the work themselves. Interim City Manager Duran informed her that they then reviewed the state contract. He stated that one (1) of the companies had been recommended by the engineer and a City Councilor had discovered the other two (2) through state contracts. He stated that he had not met with any of them.

Councilor Martinez stated that one (1) proposal indicated that it had been given to an Andy Romero and asked if there was an Andy Romero on staff. She stated that the others were provided to Councilor Radosevich. Councilor Martinez stated that in committee, it had been requested that the item be sent out for RFP. She asked why there was a jump to get it through. She stated that, in her view, no one was bidding on the same job without providing them with a scope of work. Councilor Martinez continued that there was some confusion as to what would be necessary. She stated that DRB was not on state contract to begin with so whoever had done the work did not understand the process. She expressed that she had a problem with awarding this to anyone and it would lead the City into a predicament for liabilities. Councilor Martinez stated that she, as much as anyone else, would like to see the lights up but not at the cost of skirting the procurement code.

Councilor Seeds stated that he had requested an opinion from the City Attorney the day before. Interim City Manager Duran stated that the City could select anyone on the State Contract listing without going out for bids. Councilor Seeds asked City Manager Duran if the criteria had to be consistent and added that everyone should bid on the same type of project. Councilor Seeds asked how the City could expect to get the best price and give everyone an equal opportunity. Councilor Seeds questioned whether this was the way business was done.

Interim City Manager Duran stated that there was not a problem and provided the example that when purchasing a vehicle, state contract was reviewed. Councilor Seeds stated that identical options are provided on each vehicle. Interim City Manager replied in the negative and explained that all cars did not have equal options. He stated that through state contract, the bidding has already been done item by item. Councilor Seeds stated that he wanted to move the project forward but also wanted to ensure it was done right as they were discussing a lot of money in liability.

Councilor Radosevich clarified that the companies provided material from two (2) different manufacturers which was why the quotes were not identical. He likened the differences to a Ford and a Chevy. He explained that the cost to go out to bid would be in excess of \$50,000 because engineer specifications would be needed. Councilor Radosevich stated that he had researched the companies in the area and he had been referred to three (3) locations in Albuquerque. He explained that DRB had indicated that they were on the state contract list and it had been discovered that they were

actually listed as subcontractors. Councilor Radosevich stated that Interim City Manager Duran had been instructed to form a committee to review the proposals and he had been asked to sit on it.

Councilor Valdez stated that there were so many different ways of procurement. He stated that he would choose to utilize the state contract to get things going. He stated that the job would never get done if the Council picked on little things.

Councilor Lewis commended Councilor Radosevich for his work. He stated that he recalled a few years prior when he and Mayor Pro-Tem Salazar were contacted by Councilor Radosevich about softball fields and the loss of money as a result. Councilor Lewis stated that, by stalling it, nothing would get done. He explained that he had made the motion for Prime Electric based on their bid.

Councilor Martinez asked City Attorney Coppler for his opinion regarding a member of the Governing Body going out to solicit the procurement process. City Attorney Attorney Coppler explained that liability occurred when a Councilor went out and supervised or controlled employees of the City. He stated that this was often where boundaries were overstepped. City Attorney Coppler stated that he did not think Councilor Radosevich had instructed any City employees and did not seem like he was operating outside of the scope of his legislative body. He stated that he did not see this as being completely out of his authority and it would be if a Councilor was giving direction to City employees. Mayor Lucero pointed out that at the last council meeting, Interim City Manager Duran had been asked to form a committee.

Mayor Pro-Tem Salazar stated that he felt that Councilor Radosevich was frustrated about the issue since before he was a Councilor and was eager to get the project completed. He stated that Councilor Radosevich was looking out for the best interests of the City.

Councilor Martinez stated that she remembered that when Interim City Manager had been issued a directive to take care of the issue, it was not a committee that he was asked to create. She stated that Councilor Seeds had asked him to ensure that staff took care of the issue. Councilor Martinez stated that she had never heard anything about the committee. Councilor Martinez stated, "this leads one to wonder about pay to play." Councilor Martinez stated that she commended Councilor Radosevich for his efforts, but she would never do that. Councilor Radosevich stated that someone had to do it. Councilor Martinez stated that that was what staff was for. She stated that she did not like the way it happened and that there was no scope of work. She stated that she did not like that the contractors were on the CES list and she had concerns. Councilor Martinez commended Councilor Radosevich for his passion. She cautioned the Governing Body about leaving themselves vulnerable.

Councilor Seeds stated that he had wanted to keep the elected officials from being in harm's way and cited this as the reason for requesting that staff do the comparison. He stated that staff was not willing to provide recommendation. Councilor Seeds commented that he felt that Councilor Radosevich had stepped up and did not think Councilor Radosevich realized how slow City governments ran. Councilor Seeds stated that the process had to be done correctly.

Roll Call Vote:

Mayor Pro-Tem:	Dennis Tim Salazar	In Favor
Councilors:	Robert Seeds	Against
	Pedro Valdez	In Favor
	Peggy Sue Martinez	Against
	Cory Lewis	In Favor
	Eric Radosevich	Abstention

Elaine Herrera

In Favor

Councilor Seeds noted that he did not agree with the process and was concerned about the way it was done.

Councilor Martinez stated that she believed the Council was skirting procurement laws.

City Attorney Coppler noted that because there was no personal interest, Councilor Radosevich's abstention would count as a vote in favor. Councilor Radosevich explained that he understood; however, he wished it to be noted that he had attempted to abstain because people felt he had overstepped his authority.

Motion carried 5-2, with Councilor Seeds and Councilor Martinez voting in the negative and Councilor Radosevich's abstention counting in favor of the majority vote.

2. Monthly Finance Report –February 2013

ASD Sandoval stated that year to date, the City was \$928,171 in the positive. She reminded everyone that the GRT that had come in at an average of 8% over the prior year. She stated that the Water Fund was \$55,654 net revenues over expenditures. She stated that the Wastewater Fund was still catching up with revenues under expenditures by \$86,547. She noted that a large one-time payment had been made and it would go against the cash balance, but by the end of the year the fund would go back in the black.

Councilor Valdez asked if there had been issues with collection for Wastewater. ASD Sandoval replied in negative and explained that the charges for services were not as high as anticipated.

Councilor Herrera asked why there was a big change in the net assets of Water Fund for the month. ASD Sandoval replied that one of the larger contractors had been paid and the same had been done in December for Wastewater.

ASD Sandoval stated that the property taxes for both December and January had been remitted in February.

ASD Sandoval continued that expenditures were under budget by approximately 8% in the General Fund. She stated that expenditures were under budget by 7% in the Water Fund and Wastewater was still a little over-expended. She stated that she expected to see that Wastewater expenditures normalize during the remainder of the year.

ASD Sandoval noted that GRT was trending at 9% above the previous year. She stated that state shared and local taxes were by far the great majority of revenue. She explained that public safety and administration made up the largest share of expenditures.

ASD Sandoval noted that there was a state shared tax that, during the legislative budget process, was voted to be kept at the state level and not remitted to cities. She stated that, in response to this, cities would have to raise their local tax rates. ASD Sandoval stated that she did not know how large the change would be. Mayor Lucero noted that this was legislation that went in before the session ended. She stated that it was the hold harmless portion.

Councilor Valdez commented that the budget had been shorted \$32,000 in permits and asked everyone to keep in mind during the budget process that they may have to tax the people. He expressed hope that the Governor would veto the bill.

Councilor Seeds requested an expenditure report for the last six (6) months for all department heads. ASD Sandoval stated that she had already provided one through the end of January. Councilor Seeds requested that she provide one for the month of February.

3. Request approval for purchase of flag poles for the Judicial Complex (Judge Stephen Salazar)

Judge Salazar reported that they had provided a one (1) page quote. He announced that they were settled in at the new location and wanted to make the building more presentable, but they still had a ways to go with signage. Judge Salazar stated that he would like to order some flagpoles and was before them to ask for their approval. He stated that the company did have an account with the City and believed that they were on state contract. He explained that there were several types of flagpoles and standard etiquette was a 30ft flagpole. He stated that he did not wish to offend any veterans by going smaller. Judge Salazar stated that he had taken the initiative to get his own quote.

Councilor Lewis verified with City Attorney Coppler that it was permissible to choose this company. City Attorney verified that they were on the state list. Councilor Martinez replied in the affirmative. City Attorney stated that it was permissible as was the previous issue regarding the softball fields.

Motion by Councilor Lewis to approve the purchase of flag poles for the Judicial Complex; seconded by Mayor Pro-Tem Salazar.

Interim City Manager Duran stated that the funds for this could be taken from the Police Department budget, the Municipal Court budget or from the General Services Department. Councilor Seeds commented that he hoped it would not come from the police Department budget.

Motion carried 7-0.

Councilor Radosevich stated that he felt as though he was discriminated against as the Judge had followed the same process, yet was not criticized.

4. Fire Department Garage Doors

Fire Department Lt. Padilla stated that one of the garage doors at the Española La Joya Fire Station did not open and they were forced to back the trucks up. He explained that if there were a firefighter that was doing this alone, it would be against SOPs and would create a safety issue. He noted that the pull door on the bay did not work either. He stated that service calls had cost \$700 for two (2) service calls and fire funds had been used to replace one (1) door. He stated that the company had told them that the wrong doors were installed when the building was built, as the roll up doors were not designed to open several times per day.

Mayor Pro-Tem Salazar stated that, based on the costs already incurred, he thought it would be more cost effective to get new doors.

Motion by Mayor Pro-Tem Salazar to approve the purchase of new Fire Department Garage Doors; seconded by Councilor Lewis.

Councilor Radosevich stated that he had only received one (1) bid and asked City Attorney Coppler if that was legal. Lt. Padilla stated that the company was on the state contract list.

Mayor Pro-Tem Salazar reported that the issue had gone before the Public Safety committee.

Motion carried 7-0.

5. Streets Department Budget Review (Councilor Valdez)

Councilor Valdez stated that he had provided the Council with information relevant to the Street Department budget. He stated that he was hoping that they could be appropriated \$100,000. Interim City Manager Duran explained that the \$100,000 would be taken from prior year cash. He reported that the money would pay electrical utility charges that were \$19,200 per month. He noted that the new sweeper would not be paid for until the new fiscal year and stated that the Council had expressed concern regarding potholes.

Interim City Manager Duran stated that the Streets Department may have to return to Hunter Street as there had been a leak that deteriorated the subgrade. He stated that it would have to be repaved.

Councilor Seeds asked if the money could be used to pave portions of streets rather than entire streets. He cited North McCurdy as an example. Street Supervisor Trujillo stated that this could be done with CO-OP money but not with MAP money.

Councilor Seeds asked if the issue could be held off on and discussed before the Public Works Committee. Streets Supervisor Trujillo stated that there was a deadline that had been extended until the 15th.

Motion by Councilor Valdez to approve the Budget Adjustment Request Resolution; seconded by Councilor Seeds.

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

Councilor Martinez stated that she would have preferred for the request to come from Finance Department.

6. FY 2014 Preliminary Budget – Revenue Projections for the General Fund

ASD Sandoval stated that she would like to begin to schedule meetings for each Department Head to review their budget with the Governing Body.

Councilor Radosevich exited at 7:06pm.

ASD Sandoval asked everyone to remember that the GRT projections would be the same because that was how DFA requested that it be submitted. She distributed a handout for review and stated that she had marked the departments who had not yet submitted changes in blue. She stated that she wanted to give them a rough idea as to where the City stood in comparison to projected revenues. She stated that, with preliminary requests, the City was \$278,751 in the negative.

ASD Sandoval asked the Governing Body to keep in mind that these were not the final revenue projections. She explained that these figures were simply for use as a starting point.

ASD Sandoval stated that franchise projections took what we had received year to date and projected it to a year out. She stated that the gas tax was paid semiannually so we had received everything we would receive for this fiscal year.

Councilor Radosevich re-entered at 7:10pm.

Councilor Martinez asked about property taxes from Santa Fe and Rio Arriba County.

Mayor Pro-Tem Salazar exited at 7:11pm.

ASD Sandoval stated that, at the end of February, 75% of what was expected had been received from Rio Arriba County. Santa Fe County had submitted approximately 67% of the projected revenue which was on target.

ASD Sandoval stated that motor vehicle taxes were slightly under projection.

Mayor Pro-Tem Salazar re-entered at 7:12pm.

She stated that she anticipated that as the weather improved, the taxes would as well.

ASD Sandoval commented that the major thing to consider was the Senior Citizens meals. She stated that 67% of the year had gone by and the meals had not even generated half of their expected revenue. She stated that at this rate, the City would only receive about \$17,000.

Councilor Radosevich stated that the City was losing out on Federal funding because meals were not up to their standards. ASD Sandoval stated that the Senior Citizens did not wish to be limited by the Federal standard. Councilor Radosevich stated that this was because they wanted tortillas, red chili, etc. ASD Sandoval replied in the affirmative.

Councilor Radosevich asked if the City was doing the seniors a disservice by giving them subpar food. Mayor Lucero stated that before she was Mayor, the Senior Citizens had formed a large group and protested a proposed change at the Council Chambers.

Councilor Radosevich asked the cost of the meals. Community Services Director Cata stated that each meal cost \$9 to make and they were sold for \$2. Councilor Herrera stated that non-seniors were charged \$5.

Councilor Valdez stated that the senior center and recreation would have to be reviewed as General Fund revenue was used without return. Mayor Lucero stated that a potential option could be to cut staff hours from eight (8) to six (6).

ASD Sandoval stated that, while our Senior Center did not have a traditional menu, there were five (5) other senior centers within a few miles.

Mayor Lucero reminded everyone that some revenue was received from Nambe Mills and NNMRAC. City Attorney Coppler reported that the City would be stuck with the Nambe Mills lease for another 20 years. He stated that they were able to get out of the \$15,000 for purchase.

Councilor Martinez asked Planning & Zoning Director Naranjo why there was such a large difference in the revenues received from building permits and the projections. Interim City Manager Duran stated that the construction of large buildings had slowed and he had issued permits for small projects.

He commented that there had not been a single house built. He explained that we do not receive permit fees for taxpayer funded projects, such as for the hospital or the college.

ASD Sandoval asked if the Council would like to develop a calendar for meetings between Council and Department Heads. Mayor Lucero suggested April 8th and 9th.

Councilor Seeds asked if the Department Heads had been provided with information for their budgets. ASD Sandoval replied in the affirmative and stated that all had been given their budget worksheet and salary schedule.

Councilor Valdez asked what the submission date was for the preliminary budget. ASD Sandoval replied that it was June 1st.

ASD Sandoval asked the Council which department should be scheduled for which day. Councilor Seeds suggested that they be scheduled based on who was better prepared.

Interim City Manager Duran informed the Council that the Lucero Center swimming pool was encountering issues which may require closure for up to 15 days. He explained that the heat exchanger was plugged and that would affect the temperature, chemical balance, etc.

Councilor Lewis asked if there was something that was not being done as it seemed as though the exchanger was replaced often. Interim City Manager stated that when it was first installed, it was not done properly.

Councilor Martinez exited at 7:36pm.

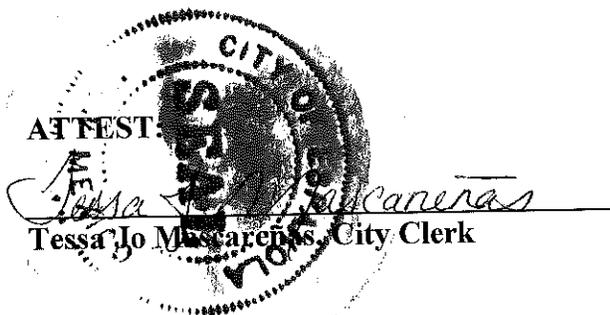
V. Adjournment

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

Motion carried 6-0.

The meeting was adjourned at 7:37pm.

APPROVED AND ADOPTED THIS 8th DAY OF April, 2013.



Alice A. Lucero, Mayor