

Summary Minutes of:

**FINANCE BOARD MEETING
Tuesday, April 12, 2011
City Hall Council Chambers
405 N. Paseo de Oñate, Española, NM 87532**

I. Agenda as Presented:

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- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. PUBLIC COMMENTS**
- IV. BOARD MEMBER COMMENTS**
- V. BUDGET HEARINGS:**
 - A. Public Works
 - 1. Streets
 - 2. Fleet
 - 3. General Services
 - 4. Water Department
 - 5. Wastewater Department
 - B. City Manager
 - C. Administrative Service
 - 1. Finance Department
 - 2. IT Department
 - 3. HR Department
 - D. City Clerk
 - E. Governing Body
- VI. MATTERS OF THE CHAIR**
- VII. EXECUTIVE SESSION**
- VIII. ANNOUNCEMENTS**
- IX. ADJOURNMENT**

At any time during the Open Meeting the Board members, by a majority vote, may close the meeting to the public to discuss matters not subject to the New Mexico Open Meetings Act. The Board members, 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 747-6019 at least three days prior to the meeting.

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II. Call to Order

The meeting was called to order by Mayor Alice Lucero at 6:03pm with the following in attendance:

Mayor:	Alice Lucero
Mayor Pro Tem:	Cecilia Lujan
Councilors:	Corey Lewis
	Greg Ortega

Rosario "Chayo" Garcia
Dennis Tim Salazar
Pedro Valdez
Robert Seeds

City Manager:
City Clerk:
Deputy City Clerk:

James Lujan
Tessa Jo Mascareñas
Jessica Martinez

Staff:

Ron Archuleta, Administrative Services
Director; Joyce Sandoval, Financial
Specialist; Joaquin Maestas, IT Director and
Union President

Absent:
Councilors:

Helen Kain-Salazar

I. APPROVAL OF AGENDA

Councilor Pedro Valdez made a motion to approve the agenda; Motion seconded by Councilor Corey Lewis. Motion carried 7-0.

II. PUBLIC COMMENTS

This was removed from the agenda in the interest of expediting the presentation of the budget.

III. BOARD MEMBER COMMENTS

Councilor Dennis Tim Salazar expressed his regret over missing the City Council Workshop/Finance Board meeting the night before. He stated that he did not feel they were given an adequate amount of time to review the budget as he had weekend plans and he strongly disagreed with the increase in fees for the Lucero Center and the Senior Center meals. He said he wanted to make sure this issue was studied.

In addition, Councilor Salazar had questions about what would happen to detention officers who did not become certified police officers within one year of working for the police department. In addition, he questioned the likelihood of officers being taken off the streets to transport people out of town.

Councilor Salazar also expressed concern over the plaza being maintained by John Werenko.

He stated that he did not think decisions would be made so quickly and that he thinks the issues need to be studied and asked the governing body to reconsider these issues.

Councilor Salazar stated that he wants to make sure the public is involved with the process. Therefore, the governing body would need to hear from the people.

Mayor Alice Lucero stated that she disagreed with Council Salazar. She suggested he meet with the City Manager to better understand the decision-making process that was used for these determinations. Mayor Lucero stated that the bottom line was that 1.4 million dollars needed to be cut. However, she expressed her intent for everyone to understand that these meetings are the beginning of the process. The governing body should be willing to reopen issues but it is important for everyone to attend.

Councilor Robert Seeds agreed with the Mayor that this is a work in progress and asked that they be creative to find other means and save those programs. He stated his belief that it is a shame senior citizens can eat at the casino for less than at the senior center.

IV. BUDGET HEARINGS:

A. Public Works

City Manager Lujan stated that Marvin Martinez was unable to attend because he injured his foot while participating in the Youth against Drugs Pilgrimage.

City Manager Lujan explained that the only increases of this budget were to accommodate an increase of liabilities.

Councilor Valdez asked how many positions there were in this department. City Manager Lujan answered that there were seven.

1. Streets

Councilor Ortega stated that he was satisfied with this budget.

2. Fleet

City Manager Lujan stated that this budget covered mostly salaries. The only place this budget could be reduced was in field supplies. Monies to finance gas and diesel were moved to the Central Administration budget. Overall, this plan went down by \$3,000.

Mayor Lucero declared that she felt that all city vehicles should display standard-size City of Española decals. City Manager Lujan promised to look into the matter.

Councilor Pedro Valdez asked the amount of employees in this department. City Manager Lujan replied that there are three. Councilor Valdez agreed with Mayor Lucero regarding decals, as well as appropriate uniforms. City Manager Lujan said he would like to form a committee to put the purchase of uniforms out to bid.

3. General Services

City Manager Lujan stated that full-time employees and benefits would remain the same. Some costs for buildings were cut and the overall budget was reduced by \$32,000. Councilor Seeds asked if there was money for speed bumps or paint. City Manager replied there was money for that; however, it was in streets.

Councilor Valdez asked if they could be speed humps instead of speed bumps. He expressed his concern over vehicles being damaged. City Manager Lujan stated that the City of Española has followed the standard used by Santa Fe and other counties. He explained that they are called tables and are a little wider and not as high. Councilor Valdez and Mayor Lucero cited the speed bumps on Mountain View lane specifically. Mayor Lucero and Councilor Seeds agreed the speed bumps in San Juan Pueblo were adequate. Councilor Ortega stated that he has seen rumbling strips in Santa Fe. Mayor Pro-Tem Lujan stated that those strips are ideal and mentioned specific strips at the entrance to a particular area of the Los Alamos National Laboratory. She stated that she felt the maintenance would be less because snow on these strips would melt. Councilor Ortega stated that these strips are made of plastic or a hard material and they may slow traffic.

Councilor Greg Ortega asked if \$3,500 was enough for sidewalk maintenance. City Manager Lujan stated that amount was for sidewalks around the City Hall area. He advised that Hawk (Anthony Trujillo) has been working on those throughout the city.

4. Water Department

Ms. Sandoval affirmed that she, City Manager Lujan, and Mr. Marvin Martinez were satisfied with the amount of allocated funding this budget anticipated receiving. There was an increase in water due to an increase in GRT and a slight increase in water sales.

She stated that the salary amounts reflect a flat budget. In addition, the amount that employees were making that day would stay the same with the exception of the rise in retiree healthcare. She pointed out justifications indicated on the side of the pages.

Councilor Ortega asked if it does any good to paint the water tank if the City of Española is unable to keep vandals out. Mayor Lucero stated that there is a fence; however, Española Valley High School would like to paint a sun devil on the tank and she thinks we should work with them.

Councilor Pedro Valdez asked if there is way to protect the metal in the tanks. City Manager Lujan stated that a portion of the money would go to the maintenance of the inside of the tank. Councilor Valdez inquired whether there was money to repair one of the tanks that is bulging. City Manager Lujan stated that they are working with Environmental Protection and the Water Transport Police, who may be willing to pick up costs.

Councilor Valdez asked about water deposits. City Manager Lujan stated that he had received emails and pulled out the ordinance. He feels it is outdated and that a lot of deposits have been lost through the process of the water shut-off in accordance with the ordinance.

Councilor Valdez inquired if owners of properties were being charged the same as renters. City Manager Lujan stated that there are different fees from owner to renter and that there is a fee schedule which he intends to bring forward for revamping. Councilor Valdez asked if monies are placed in funds that draw interest, upon collection.

Councilor Valdez asked about the easement for Santa Clara pueblo wastewater. City Manager Lujan said some monies have been set aside and 84/285 from Sonic south to the Dreamcatcher Theater needs to be worked on. Councilor Valdez asserted that the governing body must begin putting some money away to deal with certain situations. He stated that in past, he made proposals to set money aside so we can attract industry particularly on industrial park road.

City Manager Lujan James stated that issues of this sort require input from the full council. Fees have been so low that costs are dipping into the operating fund and as a result, saving and vehicle replacement has not been able to occur. In addition, he expressed sadness about the closure of detention center. However, as far as employee positions were concerned, it was a matter of rearranging staff within the city as opposed to layoffs. City Manager communicated that he had been made aware that there had been times at the detention center when 2 or 3 employees were on duty and there were no inmates. The staff didn't have any work to do but they were called to duty in the event anything occurred. He stated that he had a discussion with Joaquin, the Union President, and they hope to work together so as not to displace employees.

Councilor Salazar thanked the City Manager for his comments. He stated that he finds employee relations to be very sensitive issues because each and every single department works hard. City Manager Lujan said that it upsets him when the City of Española cannot afford to buy chemicals for the recreation pools and goods of that nature. Councilor Salazar agreed and stated that he feels it necessary to get creative.

Councilor Seeds agreed with Councilor Valdez's assertion regarding the need to set money aside or put a system into place for when there is money for saving. He put forth his belief that the resolution of this issue could be an ideal goal for a Council Workshop. In addition, Councilor Seeds requested the City Manager set up a target list for projects that such savings could fund.

Councilor Valdez asked if the amount under transfers out could be explained. Ms. Sandoval said the \$50,000 transfer goes to fund the cost of dealing with water rights. Mayor Lucero stated that the City of Española also has to pay for storage. Councilor Seeds asked if this was to purchase new water rights. City Manager said it was not. Mayor Lucero informed him that there is a fund designated specifically for that purpose.

City Manager Lujan stated that during the course of the next year, an online payment system for water will be set up.

5. Wastewater Department

Ms. Sandoval stated that there is a 9% increase in this department due to corresponding service fees and GRT tax. She explained that due to issues with Ohkay Owingeh Pueblo regarding appraiser and easement issues, costs in enterprise are being shared for water and wastewater.

Councilor Seeds exited at 6:43pm.

Councilor Ortega asked whether utility bills have been lowered. City Manager Lujan stated that Mr. Marvin Martinez had spoken with Jemez Electric Co-op and this budget reflected the 5% anticipated increase. Mr. Ron Archuleta said the bill was paid in the amount of \$90,000 and he had written a letter for reimbursement to Jemez stating that they owe the City of Española \$20,000.

Councilor Garcia inquired about where the money was coming from for easements. City Manager Lujan answered that easements would come out of the wastewater department.

B. City Manager

City Manager Lujan stated that there is an increase in his budget to accommodate the employment of an administrative assistant. He stated that he plans to hire someone already employed by the City of Española for this position.

Councilor Ortega pointed out the budget increase of \$82,000. He questioned the necessity of \$50,000 for contractual services. City Manager Lujan informed him that this money was for legal representation. Councilor Ortega asked what the purpose of the promotional line item was for. Mayor Lucero stated that the money left in that account was appropriated for a brochure to be sent out to the business community.

Councilor Valdez stated that he believed the costs of professional services should be decreased. In addition, Animal Services, as a separate organization, should support itself. City Manager stated that Animal Services had approached him with a request for \$75,000 and they were budgeted \$50,000 instead. Councilor Valdez stated that because the City of Española must review its own budget for cost-savings, it may be in our best interest to also review the budgets of organizations that the City provides some financial support to.

C. Administrative Service

1. Finance Department

City Manager Lujan stated that there was a \$20,000 reduction in this budget as a result of contractual services that will no longer be needed.

Councilor Ortega asked what the \$24,000 increase in salary would be for. Ms. Sandoval replied that the money would be used to transfer Mr. Ron Archuleta to a full-time position. This is also the reason there will no longer be a professional services contract in place. Councilor Ortega asked if the amount listed under communications costs reflected the contract with Avaya approved at the previous City Council Meeting. City Manager Lujan replied in the affirmative and stated that these funds were moved from central administration to the Information Technology division so Mr. Joaquin Maestas could oversee the disbursements.

Ms. Sandoval explained that the costs for professional services would cover the Ortiz system integration. Councilor Ortega yielded the floor to Mr. Joaquin Maestas who clarified that the costs were for an upgrade server to the Caselle system and was an unanticipated cost as part of a larger project to upgrade the finance system.

Councilor Lewis asked if full time employee salaries included funds for temporary help. City Manager stated that the line item would be used for four (4) full-time employees and the temporary position was paid from salary savings. City Manager Lujan stated that this temporary position had been extended to the end of the 2010-2011 Fiscal year. Mayor Lucero stated that the intent for this position was to bring the City of Española out of the at-risk category with the State of New Mexico.

Councilor Valdez asked if this position would be needed down the line. City Manager Lujan stated that it had been done for salary savings and after July 1, this position would be advertised as a permanent position. In addition, a clerk position would be advertised. Mayor Lucero stated that the individual in this position would continue to deal with the work accumulation as a result of five (5) years of nonresponsive audits.

Mayor Lucero asked why there was \$30,000 listed under office supplies. City Manager stated that it was allocated for the upgrade to Caselle. Ms. Sandoval informed the Council that the initial \$32,000 allotted for Caselle had been used for necessary upgrades to the infrastructure.

Councilor Salazar yielded to Mr. Joaquin Maestas who stated that these upgrades had subsequently been made through Efinity Networks and ended up saving the City of Española up to \$10,000. In addition, this process was done in a phased approach to reduce the overall financial impact. Mayor Lucero directed the finance department to create a line item entitled software. Councilor Lewis agreed to the need for the change for clarity purposes.

2. IT Department

Board approved the overall budget as described during the previous section.

3. HR Department

City Manager Lujan stated that the Human Resources budget was reduced by \$2,000 as advertising was moved into City Clerk's budget. He noted that this change was made because Human Resources were moved out of the Administrative Services department and into the City Clerk's department.

D. City Clerk

City Manager Lujan stated that this budget increased by \$3,000 in contractual services in order to fund website maintenance. Based on the cost of the 2010 Election, approximately \$21,500 was projected for the 2012 election cycle. Mayor Lucero stated that during the election they usually contract with a temporary employee and asked where that money was budgeted. Ms. Sandoval stated that cost for that is included in the \$21,500 for election costs. However, she did anticipate moving that money into the full-time employee line item.

Councilor Ortega asked why there was a \$40,000 increase in employee salaries and if this was as a result of the appointment of the new City Clerk. Mayor Lucero noted that the new City Clerk was making less than her predecessor. Ms. Sandoval explained that the City Clerk budget included the City Clerk, Deputy City Clerk, Records Analyst, and the Clerk Receptionist. The Clerk Receptionist position used to be under the Recreation department.

Councilor Ortega asked for further information on the contractual services line item increase. Ms. Sandoval stated that these costs reflect costs from Northern New Mexico College. Mayor Lucero stated that the previous city clerk entered into an agreement with NNMC to revise the city code. An additional \$4,000 will be needed to bring it up to date.

Mayor clarified that salaries have not gone up; there was just an increase of one employee.

Councilor Garcia asked if online bill-pay would be available on the website. Mr. Ron Archuleta stated that the software and contract had been put into place and a deadline has been established.

Councilor Garcia stated that election data should be placed on the website. Councilor Garcia and Mayor Lucero directed City Clerk Mascareñas to place that information online by January 2012.

Councilor Lewis asked that constituents be notified when online bill payments become available.

E. Governing Body

Councilor Ortega noted that the dues had gone down. Mayor Lucero stated that those fees were for the New Mexico Municipal League and a few leagues were left out in an effort to save money.

Mayor Lucero declared that Central Administration needed to be discussed. This is the line item where office supplies were noted. City Manager Lujan stated that this process was centralized the year before last. Mayor Lucero stated that gas and diesel fuel use needed to be scrutinized for abuse. City Manager Lujan stated that Chief Montoya has begun to require the logging of PD mileage and gas. The same format will be used across city government. Ms. Sandoval added that this process will also provide the opportunity for the tracking of appropriate maintenance.

Councilor Ortega commended the efforts of staff. He stated that considering the cuts approved during the prior evening's meeting, cuts should continue. According to his calculations, approximately \$247,000 would still need to be cut.

Ms. Sandoval explained that the deficit would be about \$250,000 at the conclusion of the meeting, even with the \$119,805 in cuts approved by the Council. She stated that 12 employee furlough days would be necessary to accommodate this. It would save the City of Española approximately \$368,000. Ms. Sandoval stated that the additional monies may be needed to accommodate decreased GRTs.

Councilor Valdez asked if there was any way to determine whether businesses are paying their taxes to ensure the City is receiving a correct amount of money from the State of New Mexico. Councilor Garcia answered that businesses must pay their taxes as they cannot renew business licenses without paid taxes. She stated that her revenue, as a business owner, has gone down by half. She said street vendors do not help because they do not have to pay taxes, GRT, etc. Councilor Lewis stated that the bottom line was that all businesses have had a decrease in revenue including restaurants and stores like Wal-Mart.

City Manager Lujan stated that he has had discussions regarding the furlough days but he would rather look at the financial situation mid-year and decrease the amount of furlough days to 6. Councilor Ortega stated that 12 furloughed days were a lot to absorb. In addition, considering this proposal was in the preliminary phases, he would not be prepared to vote on furloughs immediately. He stated that affecting people's lives and livelihood is not an easy task.

Councilor Lewis asked about the City Manager administrative assistant position. Mayor Lucero stated that Detention Center had an executive secretary, as did public works and in reality there are two unfilled positions- one executive assistant to the Mayor and one to the City Manager. Mayor Lucero asserted that much more work would get done if they weren't held up by clerical work. Councilor Lewis expressed concern over the need for furloughs. Mayor stated that she has found that the City Clerk's office is spending 90% of their time with IPRA request. Deputy Clerk Jessica Martinez stated that the amount of requests fluctuates but it never goes below 20%.

City Manager Lujan stated that he would like to present a finalized budget by June 1. Mayor Lucero asked that the May Finance Board meeting be another board meeting instead of a committee meeting. Councilor Garcia suggested that that be the date they make a decision regarding furlough days.

City Manager Lujan informed the Governing Body that he had received a request from a film company working in conjunction with the Santa Fe Community College. They were going to film at the old penitentiary but those plans fell through. Therefore, they requested to film in the City's old jail. It will be for a 10-minute segment. This group will not be able to afford to pay anything. He stated that there would be 3 days of filming and everything for the production will be bought in the community. In addition, he is requiring that they carry an insurance policy. Mayor Lucero articulated her hope that this may open the door for other endeavors. City Manager Lujan replied that it would provide some exposure.

V. MATTERS OF THE CHAIR

VI. EXECUTIVE SESSION

There was no need to go into Executive Session.

VII. ANNOUNCEMENTS

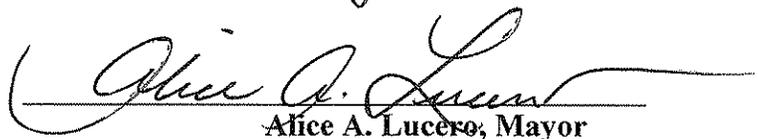
There were no announcements.

VIII. ADJOURNMENT

*Motion to Adjourn made by Councilor Garcia; Seconded by Councilor Salazar.
Motion carried unanimously.*

Meeting Adjourned at approximately 7:57pm.

APPROVED AND ADOPTED THIS 24th DAY OF May,
2011.



Alice A. Lucero, Mayor

ATTEST:



Mascareñas, City Clerk

