

SUMMARY MINUTES OF:

Finance Board Meeting
Tuesday October 12, 2010
Council Chambers at City Hall
405 N. Paseo de Oñate, Española, NM

CALL TO ORDER

Meeting was called to order at 6:00pm with the following in attendance;

Mayor: Alice A. Lucero (ABSENT)

Mayor Pro Tem: Cecilia Lujan (ABSENT)

Councilors: Rosario "Chayo" Garcia
Cory Lewis
Greg Ortega
Helen Kain-Salazar
Dennis Tim Salazar (ABSENT)
Robert Seeds
Pedro Valdez

Interim City Manager: James V. Lujan

Staff: Ron Archuleta, Finance Department;
Jessica Martinez, City Clerk's Office.

Roll call determined a quorum was present.

APPROVAL OF AGENDA

Councilor Garcia presented the agenda for approval.

Call to Order

Approval of Agenda

Public Comments

Board Member Comments

Discussion/Action Items

1. Quarterly Budget Update
2. Resolution 2010-36 FY 10-11 Budget Adjustment
3. Letter from State Auditor
4. Resolution 2010-33 Acquisition of Hunter Property through the State Treasurer's Local Government Investment Pool
5. Resolution 2010-34 Authorizing Investment of monies in local short-term Investment and providing Signatory Authority
6. Resolution 2010-35 Budget Adjustment for Acquisition of Hunter Property
7. Northern NM Regional Art Center Financial Statement/Project Overview

Matters of the Chair

Executive Session

1. Pursuant to the Open Meetings Act **10-15-1 section H, subsection (2)** for the purpose of discussing limited personnel matters. (8) for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body.

Announcements

Adjournment

**Councilor Valdez made motion to approve the agenda, seconded by Councilor Ortega.
Motion carried 6/0**

PUBLIC COMMENTS

There were none.

BOARD MEMBER COMMENTS

Councilor Valdez stated that NMDOT District 5 was not business friendly. He stated that he had issues with the median extension that was put up in front of Bank of America. He stated that it was difficult for larger vehicles to make a u-turn just to come around to enter the bank. He stated that he received complaints. Councilor Garcia stated that she agreed but she thought it was something that needed to be discussed at next week's Workshop.

DISCUSSION/ACTION ITEMS

8. Quarterly Budget Update

City Manager James Lujan stated that staff had cut back on spending. He gave an example; gas at the bulk plant was cheaper and he instructed staff to only fill up there. Councilor Garcia asked how the City was standing on the budget that was approved. Ron stated that we were on target. James stated that if we stayed the same, we should be alright. Councilor Seeds stated that we were entering the slow time of year. He stated that we needed to watch what we spend.

Mayor Pro Tem Lujan entered at 6:12pm.

Councilor Seeds asked James what he would do if a supervisor asked for a raise for new duties. James stated that would only happen if there were salary savings in that department. James used the City Clerk's Office as an example; he stated that there was some savings because Heather Velasquez was out on medical leave. Councilor Seeds stated that he had brought this issue up before and it was agreed that any raise needed to be brought to the Finance Committee. He stated that he had problems with handing out raises like candy. James stated that staff was not giving out raises. He stated that no one received an increase and it was only temporary till the position was filled. Councilor Seeds stated that as a Finance Authority the Governing Body needed to be liable. Ron stated that there were some employees that were given a temporary pay raise but he had checked their files and they were put back to their original pay. Councilor Seeds stated that Council needed to know what was going on and couldn't just depend on staff to decide.

Ron stated the Mayor asked him to provide numbers to the Governing Body. He stated that the City brought in a negative 7.11 percent. He stated that Utility Water was up 4 percent, and Waste Water was up 18 percent. Ron stated that revenues were fluctuating within budget. He stated that we were coming to a slow period. Councilor Ortega asked what the percentage of the difference was as a whole. Ron stated it was less than 1 percent. Councilor Ortega stated that 7 percent seemed like a lot. He asked Ron if trend was going anywhere. Ron stated staff was meeting regularly, but they had to watch spending carefully. Councilor Ortega stated that staff needed to keep a real close eye on the budget.

9. Resolution 2010-36 FY 10-11 Budget Adjustment

Ron read the Resolution out loud. He stated that it was required to pass a Resolution when money was overspent. Councilor Ortega asked if the overall deficit was over 1 million dollars. Ron stated yes. Councilor Ortega asked what the Resolution was asking for. Ron stated that most of our reserve was restricted. He stated that if we would need to, should revenues go down, this was simply telling DFA we had reserves to cover. Councilor Ortega if we have in reserve and we're still required to maintain a certain amount, how will we maintain if we need to use it. Councilor Valdez stated that we would have to look at it at the end of the year, and see if it was still there. Ron stated that budget process should be started in January not May, and he planned on doing that. Mayor Pro Tem Lujan stated it was necessary and she knew it would be done gradually. Ron stated that it would need to be done gradually.

**Councilor Ortega made motion to approve, seconded by Councilor Valdez.
Motion carried 7/0**

10. Letter from State Auditor

Ron stated that we received an advisory letter in April. He stated that he prepared a Corrective Action Plan. Ron read the most recent letter from the State Auditor. Ron stated that according to the letter Corrective Action #1 was complete, and #2 was considered in progress. He stated that he had the response in draft and planned on presenting it to the Governing Body.

Councilor Valdez stepped out at 6:21pm.

Councilor Garcia asked if another Board meeting was needed next month.

Councilor Valdez stepped back in at 6:22pm.

Ron answered yes. James clarified we just needed a Committee meeting and then City Council.

Ron stated the response was drafted but was not ready for approval yet. He stated that he was currently working on it and would be presenting it soon to the Finance Committee and the Governing Body. Ron stated that he has been providing Reconciliation to DFA once a month for the past three months now.

Ron referred to Corrective Action Plan #3. He stated that staff was entering assets into Casselle and he hoped to have that done by the end of the week. He stated that an employee was leaving the City. Ron stated that the Assets Management was not set up completely and information needed to be entered properly.

Ron stated that in reference to Corrective Action Plan #4, The City no longer handled Housing. He stated that the City needed a policy for grants for HUD.

Ron stated that on his last update he stated staff was currently scanning documents. He stated that in addition to that he would provide an Audit Report for each year. He stated that he was committed to doing that.

Ron stated that in respect to the Payroll Audit, staff was currently working on it but it was very time consuming. Councilor Ortega asked Ron if he had a target date. Ron answered it would be about 4 months.

Councilor Garcia asked if we were using the same Auditor or hiring a new one. Ron stated that he had met with the Auditors and told them he was displeased with the work done last year. He stated that they were told if they provide a report by October the City would consider moving forward with them. James stated it was too late to put out bid for a new Auditor now. He stated that he tried to look at other areas.

Councilor Valdez stated that he wanted to use someone in state. James stated we could but it was too late in the season to find someone else. Councilor Valdez asked if DFA could refer someone. James stated it needed to go out for RFP and would be late December before we could even open bids.

Councilor Ortega asked what could the City do to hold the Auditors feet to the fire and get them going. James stated that information was not provided in a timely manner last year. He stated that staff needed to provide information and cooperate even if they had to work overtime.

Councilor Seeds stated that this company was to blame for being behind. He stated that he had no confidence in this firm. He stated that we were already behind as it was and he was willing to wait to advertise for another Auditor.

Mayor Pro Tem Lujan asked Ron if he could convey displeasure to the State Auditor and ask if they could refer anyone else. Ron stated that the State Auditor's Office recommended three firms in the area, but we were simply way behind. He stated that the City was under pressure to get the 2008 and 2009 audits done.

Councilor Lewis stated that we needed to get another firm, it was better to go that route.

Councilor Garcia stated that it sounded like the consensus was not happy and felt it would be ok to wait. Councilor Seeds asked if a motion was needed. He stated that the State Auditor did give a list of approved Auditors.

Mayor Pro Tem Lujan asked if the job had to go out to bid. James stated an RFP would have to go out. Councilor Seeds stated that it needed to be someone who was certified and approved by the State.

Councilor Ortega asked if an RFP was needed, what time frame we would be looking at. He also asked if it could be done by December. James stated it would be put out in November and opened and presented to the Governing Body in December.

**Councilor Ortega made motion to direct staff to look for a different firm to do the audit, seconded by Mayor Pro Tem Lujan.
Motion carried 7/0**

James asked for a 10 minute break.

**The Board recessed at 6:40pm.
The meeting continued at 6:46pm.**

Ron stated that a letter needed to be submitted that (North Central Solid Waste Authority) NCSWA accepted our proposal for money.

Councilor Valdez asked if staff was working on a JPA with NCSWA.

11. Resolution 2010-33 Acquisition of Hunter Property through the State Treasurer's Local Government Investment Pool

Ron read the Resolution out loud. He stated that the City would be purchasing the Hunter Property for \$350,000.

**Councilor Valdez made motion to approve, seconded by Councilor Kain-Salazar.
Motion carried 7/0**

12. Resolution 2010-34 Authorizing Investment of monies in local short-term Investment and providing Signatory Authority

Ron read the Resolution out loud. He stated that the Resolution would list the Mayor as signatory authority for these funds. Councilor Valdez asked who the second signatory authority would be. Ron stated that Councilor Garcia would be. Councilor Ortega stated that Councilor Garcia was already on there.

**Councilor Ortega made motion to approve, seconded by Mayor Pro Tem Lujan.
Motion carried 7/0**

13. Resolution 2010-35 Budget Adjustment for Acquisition of Hunter Property

Ron read the Resolution out loud. He stated that this was a budget adjustment to purchase the Hunter property.

**Councilor Valdez made motion to approve, seconded by Councilor Ortega.
Motion carried 7/0**

14. Northern NM Regional Art Center Financial Statement/Project Overview

Councilor Valdez left the meeting at 6:51pm.

John Werenko thanked the Board for allowing him to be here. He also thanked Jose Villa and Roger Montoya for being here and for all their dedication to the City. He stated that he was very humbled. Mr. Werenko stated that the Center recently started working here in Española. He stated that they have committed many years to the community. Mr. Werenko stated that the Center was primarily an Arts Education Program. He stated that the Center recently received their 501c3 document, and it was a big responsibility. He stated that they came in April with \$41,000 in reserve. He stated that they currently had \$15,000. He stated that he had filed for 11 different grants. Mr. Werenko stated that some grants were either cut or not granted at all.

Mr. Werenko stated that the Center had 40 individuals enrolled in the program. He stated that his hope was to build a Multi-Cultural Center in the old Post Office. He stated that because they didn't get grants, they had to offer classes at bottom dollar.

Mr. Werenko stated that this afternoon he got good news; the second sign was approved by Rio Arriba County. He stated that the sign would read City of Española, Rio Arriba County, and Northern New Mexico Regional Art Center. He stated that we needed tourism, as the original intent of the Plaza became a white elephant without advertising.

Mr. Werenko stated that the opening night would be December 4 in conjunction with the Light Parade.

Mr. Werenko stated that he came to the City to ask for help. He stated that he knew that times were hard. He stated that he was obligated legally to dissolve the corporation if they could not come up with \$14,000.

Mr. Werenko asked Jose Villa and Roger Montoya to speak. Mr. Villa thanked the Governing Body. He stated that he had worked with many groups and was grateful. He stated that he and his wife, Clare, have worked hard. He stated that the Plaza and Andrew Herrera have worked hard to bring honor that the City needed and deserved. He stated that we needed to bring people into the City. He stated that the Council needed to be a forward thinking Governing Body. He stated that he saw the 501 c3 in the same capacity as the college to bring in people. He asked the Governing Body to look at this as the future for young aspiring artists to achieve aspirations. Mr. Villa recommended that the Governing Body strongly consider request.

Mr. Montoya stated that it was an honor to work on behalf of the City. He stated there were 350 kids a week that were served by Moving People Dance. He stated that in 3 weeks he didn't know how they would survive. He stated that everyone needed to work together to hold Arts and focus on supporting each other. Mr. Montoya stated that he believed collectively each agency combined could consolidate and become a vibrant buzz to sustain. He stated what a wonderful gift to work together.

Councilor Seeds stated that he appreciated the presentation. He stated that this was what City always wanted for the Plaza. People always pass thru town to Santa Fe and Taos but don't stop in Española. He stated that he hoped the City could give support.

Councilor Ortega stated that it seemed the Center had hit ground running; that was very impressive. He stated that the City couldn't let something like this die. He stated the City managed to find funds in the past for other areas and we needed to find the means to help. He stated that there was so much culture and heritage here that needed to be maintained. Councilor Ortega stated that it would be a shame to lose that. He stated he would do all he can to support.

Councilor Kain-Salazar thanked Mr. Werenko. She stated that she has always loved Arts. She stated that we were in the center of the most artistic people.

Mr. Werenko stated that every penny would be accounted for.

Mayor Pro Tem Lujan thanked all who spoke. She stated that we needed to move forward and see how the City could support.

James stated that Mr. Werenko was asking for \$12,000. James stated that he looked at the budget in salary savings that have not been filled. He stated that at mid-year it would be reviewed. He stated that he was hoping sales of properties would come in.

Councilor Garcia stated she was a little worried. She stated that we needed to take care of our employees first. Councilor Garcia stated that have to scrimp and scrape for payroll, but we would come up with money from where. James stated staff would look everywhere we could.

Mayor Pro Tem Lujan asked about furloughs as she had come in late. James stated that there were no furloughs. He stated that right now staff was looking at things gradually. He stated that he and staff were watching what we were doing. He stated he was looking at ways to support them. Councilor Garcia asked if in reality could we give support. Mayor Pro Tem Lujan stated

that we could look for money at mid-year. Councilor Garcia stated that she would be willing to volunteer to help raise money.

Councilor Ortega asked when a decision needed to be made. Mr. Werenko stated that they had till the end of October. He stated that as they move forward, he wanted the backing of City. He stated he would work with City as he raises money.

Councilor Ortega asked when they needed the money. Mr. Werenko stated that they had money until December.

Councilor Seeds stated that Council should direct staff to be sure all bills were paid to the end of October and if there was money left we could use it. He stated that now as the holidays come up he thought it was money well worth it. He stated that the City needed to make every effort to help. He stated that he felt confident no employees would be furloughed.

Mayor Pro Tem Lujan stated that we needed to be sure that expenditures were covered and employees were secure. She stated that once they knew that, staff could look to see how to move forward.

Councilor Ortega stated that last month staff found money to join the LANL foundation. He stated that money was found without furloughs. He stated that he would like staff to look into it diligently to find money as they did last month.

Councilor Kain-Salazar stated that they may not need that much and they would only use if needed. She stated that they could come up with the money through fundraising.

John stated that would like to have City oversight and maybe have a member of the Governing Body sit on the board.

Mayor Pro Tem Lujan made motion to ask staff to get numbers to see if we could move forward, seconded by Councilor Ortega.

Motion carried 6/0

MATTERS OF THE CHAIR

EXECUTIVE SESSION

1. Pursuant to the Open Meetings Act **10-15-1 section H, subsection (2)** for the purpose of discussing limited personnel matters. (8) for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body.

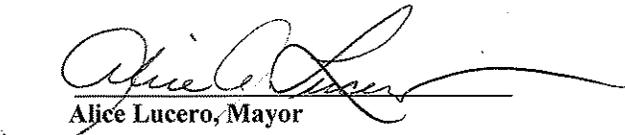
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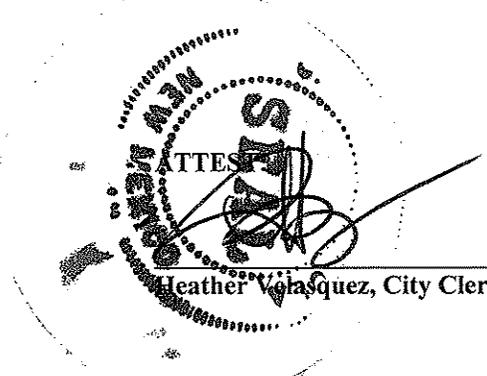
ADJOURNMENT

Mayor Pro Tem Lujan made motion to adjourn, seconded by Councilor Kain-Salazar.
Motion carried 6/0

Being no other business, the meeting was adjourned at 7:35pm.

APPROVED AND ADOPTED THIS 20TH DAY OF DECEMBER, 2010


Alice Lucero, Mayor


Heather Velasquez, City Clerk