



FINANCE BOARD MEETING

Tuesday, July 17, 2012 5:30pm

City Hall Council Chambers

405 N. Paseo de Oñate, Española, NM

I. Call to Order

Mayor Lucero called the meeting to order at 5:31pm.

The following Finance Board Members were in attendance:

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

II. Approval of Agenda

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

Motion carried 7-0.

III. Discussion/Action Items

Councilor Seeds entered at 5:32pm.

Mayor Lucero stated that the Española Girls Softball 10-11 year old team would be playing for the championship at Valdez Park. She asked the Finance Board if they might want to recess and walk down to the park to wish the team good luck.

Mayor Pro-Tem Salazar entered at 5:33pm.

Motion by Councilor Valdez to recess; seconded by Councilor Seeds.

Motion carried 6-0.

Meeting was recessed at 5:33pm.

Motion by Councilor Lujan to reconvene Finance Board meeting; seconded by Councilor Valdez.

Motion carried 5-0.

Meeting reconvened at 5:56pm.

1. June 2012 Finance Report

ASD Sandoval stated that the General Fund was currently \$616,000 revenues over expenditures and that would be the amount of the 2012 carryover.

Councilor Martinez re-entered at 5:57pm.

ASD Sandoval cited page 2 of her 6 page report. She explained that the revenues had not developed as projected.

Councilor Lewis re-entered at 5:57pm.

ASD Sandoval continued citing page 3 of 6 regarding expenditures. She stated that expenditures had been lower than the previous year. However, she stated that the Gross Receipts Tax (GRT) had risen by 6% from the prior year.

Page 5 of 6 showed \$616, 010 of revenue over expenditures in the Water Fund. ASD Sandoval cautioned that there would have to be a budget adjustment in the amount of \$36, 919 to the Streets fund.

Councilor Seeds asked why revenues were down. ASD Sandoval replied that increased franchise fees had been anticipated; however, they were not approved. Councilor Seeds asked for an example. ASD Sandoval cited Jemez and stated that only 50% of the projected amount had been received.

2. Fiscal 2012-2013 Final Budget Discussion

ASD Sandoval stated that she had received the salary schedule and apologized for not double checking it. She stated that she had made several corrections and distributed a revised salary schedule and General Fund expenditure budget.

ASD Sandoval stated that there were actual figures for Fiscal Year 2012 and she was projecting the amount of GRT to be equal to what was received in the prior year. She explained that the shaded portion of the document was actual amounts for FY12.

ASD Sandoval stated that property taxes had gone through well.

She explained that most revenues would remain relatively flat.

Councilor Valdez asked if there would be any revenue from the Small Cities Assistance Fund. ASD Sandoval replied in the negative and stated that it was because the population had risen beyond 10,000.

ASD Sandoval cited the last page of General Fund expenditures. He explained that there had been changes because of insurance enrollment. She added that there was a shortfall of \$147,614

that would need to be considered, although there was sufficient surplus from FY12 to cover that amount.

ASD Sandoval stated that there had been an increase in the Worker's Compensation premium.

She began with the City Attorney budget and stated that the budget for that department did not have any changes or personnel costs.

ASD Sandoval continued with the Community Services budget. She explained that the only change had been to the amount of Worker's Compensation.

Councilor Martinez asked why there had been a \$10,000 increase in the health costs for the Governing Body. ASD Sandoval replied that Councilor Martinez had originally not been listed as having insurance; however, that was amount paid for her insurance.

ASD Sandoval stated that the contract with YMCA would remain at \$45,000.

ASD Sandoval explained that the City Manager's budget had changed due to a reuction in the health care coverage of the people within that department.

ASD Sandoval stated that the City Clerk's department had experienced a change was in full time positions. She explained that two (2) positions salaries had been reduced to create some savings. She stated that health insurance enrollment had gone up. She stated that the department costs had been reduced overall by an additional \$1,500.

She called attention to changes in the Recreation Department stating that the changes had been made primarily due to corrections and adjustments to actual costs.

Councilor Seeds asked how many vacant positions there were and what the pay for the legal employee was. ASD Sandoval replied that the schedule Councilor Seeds had passed out included three (3) positions cut prior to the preliminary budget.

ASD Sandoval stated that the Senior Center budget's only change was to Workman's compensation. She explained that there had been two (2) changes in HR- one (1) was to healthcare and the other was to workman's compensation. ASD Sandoval added that the only change in the IT Department budget was to workman's compensation.

Councilor Martinez asked if the amount for the audit from 2010 was included in the current budget. ASD Sandoval replied in the affirmative and cited page 5 of general fund expenditures.

ASD Sandoval stated that the Library budget had had an increase in full time positions between the preliminary and final budgets.

Councilor Seeds asked why there was a line item for the replacement of stolen items and what the total amount had been from the previous year. ASD Sandoval answered that it had been just under \$4,000. Councilor Seeds asked if that amount had been given to the library fund. ASD Sandoval explained that the money had been returned to the General Fund as the library was a part of the General Fund. Councilor Seeds asked if the money was returned to the General Fund.

ASD Sandoval replied that there was no fund used solely for the library. Councilor Seeds stated that it was easier to replace something as soon as the money was received from the insurance.

Councilor Martinez asked for an explanation as to why \$4,000 had been returned by the insurance, but only \$2,000 had been budgeted. ASD Sandoval replied that the \$2,000 was additional money because full replacement funds were not provided.

Councilor Seeds asked where the \$4,000 was placed and if all equipment had been replaced. Community Services Director Cata stated that the equipment had not yet been replaced. Mayor Lucero asked if anything had been ordered. Community Services Director Cata replied that he would require the full \$6,000.

Councilor Herrera stated that the full \$6,000 should be budgeted. ASD Sandoval agreed.

Councilor Martinez asked if it was possible to approve the insurance recovery amount and have the request for the additional \$2,000 go back to council when there were exact figures.

ASD Sandoval stated that there had been reductions in Planning & Zoning because they had chosen to not fund a vacant position. She stated that there had been a reduction in the amount of \$8,848.

Councilor Seeds asked about the Code Enforcement Officer. ASD Sandoval explained that it was not funded because they chose to increase duties for other staff.

ASD Sandoval stated that there had been a reduction Worker's Compensation for the Streets Department and the General Services Department.

Mayor Lucero explained that the two (2) electrician positions had been reduced to one (1).

Public Works Director Marvin Martinez stated that he believed the electrician position needed to be maintained. Mayor Lucero stated that it had been classified as a Utility Service Worker 2 which provided for electrician duties. Public Works Director Martinez stated that the liability insurance required a certified electrician. ASD Sandoval clarified that the position was only being reclassified to include electrical work.

Councilor Herrera asked what the difference in pay was between an Electrician and a Utility Service Worker 2. ASD Sandoval replied that there was a difference of \$3 per hour.

Mayor Lucero asked about the amount of time that this specific employee devoted to electrical work. Public Works Director Martinez estimated 75%.

Public Works Director Martinez asked what the hourly rate was that had been provided. Interim City Manager Joe Duran stated that it was \$15.51.

Councilor Lewis clarified that the reclassification would give the employee more money.

ASD Sandoval continued with the Parks Department budget. She stated that worker's Compensation and benefits had been reduced. She added that two (2) full time positions had been changed to temporary.

Councilor Seeds expressed his belief that it was a good idea.

ASD Sandoval stated that there had also been a reduction in Worker's Compensation in the Fleet Department.

ASD Sandoval continued with the Public Safety Department. She explained that it included a vacant position that was being funded by a grant and had been filled at a lower rate than budgeted. She announced that the amount paid to PERA had gone up and there had been a reduction in Worker's Compensation in the amount of \$21,000.

Councilor Seeds asked about the testing for supervisors. Chief Stephen Branch stated that Sergeants were required to have been in the department for three (3) years and passed a written and verbal test. Councilor Seeds asked what required for the Lieutenant position. Chief answered that the individual would have to pass a written test and verbal test and have been employed for five (5) years by the City of Española.

Councilor Seeds expressed his belief that Española had been a training camp for other officers and if it would be constitutional or proper to have an agreement for five (5) years. Chief Branch stated that he had looked into it and FLSA laws would not allow them to fill a contract. Chief Branch stated that he could send the Governing Body case law concerning this. Councilor Seeds replied that the City contracted an attorney for this purpose.

Councilor Valdez stated that he believed it was up to the employee whether to stay or leave.

Councilor Seeds asked if the Lieutenant position needed to be funded. Mayor Lucero stated that since that position had been vacant he had realized the need. She stated that there was a need for two (2) because Chief Branch had been doing everything as the only supervisor.

Mayor Lucero stated that the City of Española had used the National test out of New York. She stated that it had been discovered that people in Hispanic communities rarely passed that test. Mayor Lucero explained that the process had begun to draft a new test. Chief Branch explained that he and Interim City Manager Duran had met with the Law Enforcement Academy on this issue and had decided to have the local State Police, Sheriff's Departments and the City of Santa Fe police come up with test questions.

Councilor Seeds expressed his opinion that someone from the outside should conduct the testing. Chief Branch explained that the college administered.

Councilor Herrera exited at 7:06pm.

Councilor Lewis commended Chief Branch for his hard work for both the fire and police departments. He agreed with Mayor Lucero that there should be two (2) Lieutenants.

Chief Branch invited everyone to speak with his officers and firemen about the vast amount of changes.

Chief Branch stated that he was very proud of each and every one of his employees.

Mayor Lucero asked if the council would like to cut 1.5 officers for a second lieutenant position. Councilor Lujan stated that she did not, but it would be nice in the future.

Councilor Herrera reentered at 7:08pm.

Chief Branch stated that managing the programs correctly required another lieutenant.

Councilor Valdez asked if this could be done by a budget adjustment later.

ASD Sandoval stated that there were no other changes to non-salary costs and she had kept Interim detention in a separate section.

ASD Sandoval stated that there had been an increase of \$42,008 because as of June 30th, several certifications and classifications had been attained.

Councilor Seeds asked if they could return to the Detention budget. He stated that the officers were doing less because there was no jail. Chief Branch stated that the Public Safety Aides were going out to pick up arrestees and taking them to be incarcerated.

Mayor Lucero asked if there were other questions.

ASD Sandoval stated that the Central Administration budget had changed due to insurance premiums (liability).

Councilor Herrera asked what the difference was between contractual services in FY 12 and FY 13. ASD Sandoval answered that an individual had been contracted to audit the bills and the contract would cease at end of the year.

Mayor Lucero asked how much this had lowered the bills. ASD Sandoval replied that she was not sure.

Mayor Lucero noted that Jemez bills would be rising by 7% and they would be changing their billing schedule by not having a municipal rate.

Councilor Seeds asked why Planning and Zoning Director Russell Naranjo had testified at the PRC hearing regarding Jemez Co-op. Planning and Zoning director Naranjo explained that he testified regarding the area. Councilor Valdez stated that the City Attorney had placed a packet in their mailboxes regarding the proceedings.

ASD Sandoval stated that there had been no change in transfers leaving a remaining deficit of \$150,615. She stated that the current budget could be reduced of carryover funds could be budgeted to cover that amount.

Mayor remained everyone that the Regular Council meeting would be held on Thursday, July 26th.

Councilor Seeds asked if the meeting could continue on Monday.

IV. Announcements

There were no announcements.

V. Adjournment

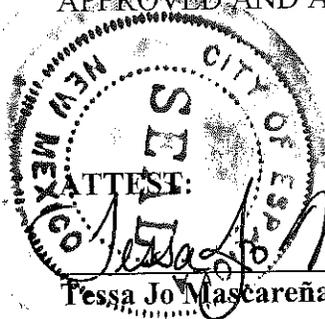
Motion by Councilor Seeds to adjourn; seconded by Councilor Lewis.

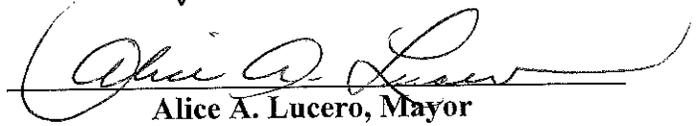
Motion carried 7-0.

Meeting was adjourned at 7:43pm.

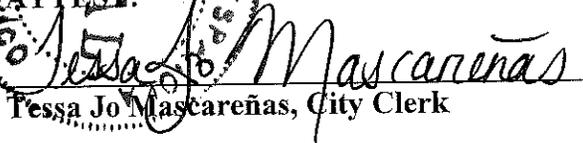
Minutes taken and transcribed by Tessa Jo Mascareñas, City Clerk.

APPROVED AND ADOPTED THIS 25th DAY OF September, 2012.





Alice A. Lucero, Mayor



Tessa Jo Mascareñas, City Clerk