

Summary Minutes of:

FINANCE COMMITTEE MEETING
Tuesday August 10, 2010, 6:00 pm
City Hall
405 N. Paseo de Oñate, Española, NM

Call to Order: Meeting was called to order by Chair, Councilor “Chayo” Garcia at 6:00 p.m. All committee members were present.

Approval of Agenda: A motion was made by Councilor Greg Ortega to approve the agenda and was seconded by Councilor Pedro Valdez. The motion included removal of item 5. **Motion carried 4/0.**



AGENDA
FINANCE COMMITTEE MEETING
Tuesday August 10, 2010, 6pm
City Hall
405 N. Paseo de Oñate, Española, NM

Call to Order
Approval of Agenda

Public Comments

Committee Member Comments

Discussion/Action Items

1. Presentation of JPA to support the formation of Regional Coalition of LANL Communities
2. Presentation by Ed Burkle or Monica Abeita regarding Regional Economic Development Initiative
3. Update by Finance Director regarding State Treasure Local Government Investment Pool and explanation of restrictions for use
4. Presentation and update by Finance Director from North Central Solid Waste Authority meeting
5. Discussion of possible future FY11 budget cuts
6. General Update from Finance Director-Finance Department Special Projects
7. Approval of Minutes: June 15, 2010 Finance Committee Meeting

Matters of the Chair

Announcements

Executive Session

Adjournment

At any time during the Open Meeting, the Committee 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 Committee 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.

Public Comments: Councilor Chayo Garcia invited members of the audience to present information. Mr. Mutkiar Khalsa presented information on a proposal, performance based fee cost recovery audit. He stated that they could initiate a national audit through a company that contracts out auditors to audit utility billings in an effort for cost recovery. He stated that the fees are only if cost recovery is discovered. He stated that an agreement could be drafted and based only on recovery information, at that point the city could possibly benefit by collecting 50% of the recovery fees. Mr. Khalsa stated that a contract could be entertained in order to enter into an agreement and then after the first year, a three year contract could be entertained. Mr. Ron Archuleta stated that he had already started conducting research and speaking with Amcorp Company. The negotiations of collecting funds would solely be the responsibility of the Amcorp Company. Councilor Greg Ortega asked how many municipalities are currently utilizing Amcorp services. Mr. Khalsa stated that the company is fifteen years old and that there are 25-35 counties or municipalities utilizing their services across the nation. Councilor Robert Seeds asked what the normal practice of collection from individuals within the municipality for an old water bill. Mr. Khalsa clarified for Councilor Robert Seeds that the collection is from amounts that the municipality has previously paid out in utilities payable. Councilor Chayo Garcia asked Mr. Khalsa if they could return in order to present the information to the entire Governing Body at the City Council Workshop the following week. Mr. Khalsa agreed that they would come back.

Committee Member Comments: Councilor Seeds stated that he would like to see that all 10% salary increases be presented to the Finance Committee first. Mayor Alice Lucero and Chayo Garcia stated that all increases to date have been given in line with the personnel policy and union regulations. Finance Director Ron Archuleta stated that the Finance Department is also verifying that any increases would be reviewed in line with the budget. Councilor Seeds again

Finance Committee Meeting
August 10, 2010

reminded the committee should be conscious of all increases happening within the City. City Manager James Lujan stated that during the budget approval process some increases have been approved by the Governing Body.

Discussion/Action Items

1. Presentation of JPA to support the formation of Regional Coalition of LANL Communities:

Mayor Alice Lucero presented information regarding the formation of the coalition in order to support activities that would affect the region and communities near Los Alamos. Mayor Alice Lucero presented a drafted Joint Powers Agreement (JPA) that all entities would enter into in support of the formation of coalition. She stated that it was important to establish a support mechanism within the local region because the community would benefit from the formation of the Coalition. Sharon Stover, County Council Vice-Chair, stated that the formation of the coalition was formed in an effort to support the surrounding communities in a form of one voice. She also gave examples and referenced instances where it is beneficial for the surrounding communities to join together to have one voice when items impact the surrounding communities, from local government and surrounding pueblos. The JPA is to be reviewed by all local and pueblo community legal counsels. Ms. Stover also stated that federal funding is easier to attain by joining powers. Mayor Alice Lucero added that Mr. Frank Coppler reviewed the Joint Powers Agreement the information presented in the JPA is standard and all legal. Mayor Alice Lucero also added that fiscal impacts due to the JPA would be reviewed on a community by community basis. The JPA indicated the proportions should be distributed equally and fairly. Ms. Stover stated that a budget has been developed and that basis of contributions would be fairly calculated. *A Motion was made by Councilor Pedro Valdez and seconded by Greg Ortega to take the JPA for approval to the Governing Body, at the following workshop/council meeting. Motion carried 4/0.*

2. Presentation by Ed Burkle or Monica Abeita regarding Regional Economic Development Initiative:

Ed Burkle and Scott Beckman were introduced by Mayor Alice Lucero. Mr. Ed Burkle stated that Monica Abeita would have attended but she had early travel plans and regretted she could not make it. Mr. Burkle presented information regarding the Regional Economic Development Initiative (REDI) and stated the counties involved were: Rio Arriba County, Taos County, Santa Fe County, and Los Alamos County taking a regional approach to promote economic development. Mr. Burkle stated that he believed that funding would continue to be approved for the next fiscal year. Mr. Scott Beckman also added that some funding sources require a regional effort during the application processes for grant funding. Examples were also given how our communities are inter-connected by citizens commuting to and from each community within the region. Mr. Scott Beckman added that Monica Abeita has been aggressively pursuing a regional project of broadband infrastructure of all communities located within the region. Mr. Burkle stated that a major goal of REDI was to bring in GRT's back to communities. Councilor Greg Ortega asked if any of the surrounding pueblos were involved. Mr. Burkle added that through Eight Northern Pueblos, all of them are on board to support the REDI initiatives. Mayor Alice Lucero added that the City of Española has been involved and supported the initiative since the formation of REDI. Mr. Beckman stated that included in their handout was a REDI budget and it was for informational purposes. *Councilor Robert Seeds stepped out at 6:45 p.m. and returned at 6:47 p.m.* Councilor Chayo Garcia asked how REDI would help the education within the school system. Mr. Burkle added that REDI would collaborate with the Espanola Public Schools, Department of Workforce Solutions in an effort of economic development in order to prepare the student to be ready for the workforce locally and abroad. Other ideas were presented in order to introduce information to the local students in the area of entrepreneurship and information on how to start a small business. *A motion was made by Councilor Greg Ortega and seconded by Councilor Pedro Valdez in order to have the presentation made to the entire Governing Body at either the City Council Workshop or the City Council Meeting. Motion carried 4/0.*

3. Update by Finance Director regarding State Treasure Local Government Investment Pool and explanation of restrictions for use

Mr. Ron Archuleta presented information on \$5.4 million information from Caselle; and stated that the restricted funds were allocated as follows: (as he discovered in his research, the restrictions were implemented in 2008)

\$103,000 Recreation Fund

\$241, 313 Water Fund

\$231,000 Capital Projects Fund

\$291,550 Water Rights Funds

\$288,000 Street Fund

\$166,000 was the amount remaining which was intended for reimbursements of grants or grant matching. Special projects have also impacted the restricted funds such as the IRS payments that were paid out earlier in the year. Mr. Archuleta made reference to a spreadsheet that he presented and hand delivered to the committee. Mayor Alice Lucero added that the balance remaining could be used for grants requiring a local match. Councilor Chayo Garcia asked if the total amount presented included the year to date interest earned. Mayor Alice Lucero answered that interest earned is sent to the city on a monthly basis to the General Fund. Councilor Robert Seeds asked for a tax allocation breakdown of GRT's. Ron Archuleta, Finance Director said he could and stated that revenues being received by the municipality are now being allocated separately and accounted for separately as opposed to running everything through the General Fund.

4. Presentation and update by Finance Director from North Central Solid Waste Authority meeting

Mr. Ron Archuleta stated that he and City Manager, Mr. James Lujan, Michelle Martinez of NCSWA and Councilor Pedro Valdez had met in an effort to assist the authority. The proposal has been presented to the authority and has been accepted by the proposal in an effort to give the authority a total of \$188,000 per year. Councilor Pedro Valdez stated that he would recommend giving the authority \$50,000 for the purchase of new equipment. He added that future amounts should be given up to \$100,000. Councilor Pedro Valdez yielded the floor to Michelle Martinez. Ms. Martinez stated that the authority did not have an issue with the billing being transferred over to the authority but was worried about tenants being billed and not property owners. She added that they are very pleased with everything the City of Espanola is willing to do. She also added that during the next couple of meetings with management the billing issues would be addressed soon. Mr. James Lujan added that the city would look at the franchise agreement and then take the final negotiations to the entire city council. He added that the city would like to expedite the process and transfer the billing as soon possible. Ms. Martinez added that if the \$50,000 for the transfer station would be approved then NCSWA could also move forward with their loan application for the development of their transfer station. Councilor Greg Ortega added that he agreed the City of Espanola should move forward as soon as possible through a smooth transition. *Councilor Pedro Valdez made a motion to have Michelle Martinez and James Lujan to workout negotiations and work on the current JPA to avoid complications in the future and seconded by Councilor Greg Ortega. Motion carried 4/0.*

Councilor Seeds added that he was not happy with only \$50,000 but that he whispered "aye" in support. Councilor Robert Seeds asked what the \$50,000 would be used for. Ms. Martinez stated that the costs of the new facility would be cut and the funds from the city would go directly to paying the loans in order to support the development of the facility. The new facility would hold 120 tons per day of waste.

5. Discussion of possible future FY11 budget cuts-Item was removed from the agenda

6. General Update from Finance Director-Finance Department Special Projects

Mr. Ron Archuleta stated that his department is working on a payroll reconciliation of the last five years. He stated that the project should be near completion by September 30, 2010. He added that this request was made of Mayor Alice Lucero, State Auditor, Hector Balderas and the Department of Finance and Administration (DFA). Mr. Archuleta added that scanning of all the payroll records would also be implemented within the Finance Department. He added that another issue that has been discovered is within the accounting software system Caselle. He stated that a security measure and accountability activity report needed to be purchased in order to track activity. Mr. Archuleta stated that

he has received a quote from Caselle and that Caselle would be willing to accept a quarterly installment payment. Mayor Alice Lucero clarified that the clarity program was approved through the budget process in the amount of \$20,000. Mr. Ron Archuleta stated that policies and procedures were also being implemented within the Finance Department. Mr. Ron Archuleta also added that he has not yet heard from DFA with the final budget approval. Chairwomen Chayo Garcia commended Mr. Ron Archuleta and his staff on his efforts and the departments' improvements. Councilor Greg Ortega stated that he recently read a letter from Mr. John Gallegos, from DFA and was pleased to read that the staff is responding quickly to DFA. Councilor Greg Ortega also added that he was pleased to see that the new working relationship between the city and the state level. Councilor Robert Seeds asked if there were emergency funds available in order to assist the Ranchitos' Pool situation. Mr. Archuleta answered that there were not funds to that nature available and that he was managing the funds of the municipality on a cash basis by monitoring the account at Valley National Bank on a daily basis.

7. Approval of Minutes: June 15, 2010 Finance Committee Meeting

Councilor Robert Seeds stated that he would like to have "demanded" moved from page 3. *A Motion was made by Councilor Pedro Valdez, and seconded by Councilor Greg Ortega. Motion carried 4/0.*

Councilor Pedro Valdez asked what the status was of the NMFA Loan Resolution was. City Clerk, Heather Velasquez stated that the resolution had not been received by either NMFA or George K. Baaum and Co as of that day. She assured the committee, as soon as she would receive the information and directive a public hearing would be scheduled and proper publication would be adhered to.

Matters of the Chair

Announcements

Executive Session

Adjournment: *A motion to adjourn was made by Councilor Pedro Valdez and seconded by Councilor Greg Ortega. Motion carried 4/0.*

Minutes taken and transcribed by Heather E. Velasquez, City Clerk

APPROVED AND ADOPTED THIS 14TH DAY OF SEPTEMBER, 2010


Chayo Garcia, Chair of Finance Committee

ATTEST:


Heather Velasquez, City Clerk

