

Summary Minutes of:

**Finance Committee Meeting  
Tuesday, June 15, 2010  
6:00 p.m.**

**Call to Order**

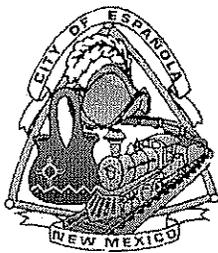
The meeting was called to order by Chairwomen Councilor Chayo Garcia at 6: 00 p.m. with the following members in attendance: Councilor Robert Seeds, Councilor Helen Kain-Salazar, and Councilor Greg Ortega

**Approval of the Agenda**

*Councilor Greg Ortega made a motion to approve the agenda as presented; Councilor Pedro Valdez seconded the motion to approve agenda. Motion carried 4/0.*

**Agenda as presented:**

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AGENDA  
FINANCE COMMITTEE MEETING  
Tuesday June 15, 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. Summary and presentation of Meeting with Department of Finance and Administration on June 9, 2010 and of meeting on June 15, 2010 with North Central Solid Waste Authority, Department of Finance and Administration, and Rio Arriba County by Finance Director and Public Works Director
2. Presentation of Financial Expenditures in Comparison to Revenues by Finance Director
3. Presentation by Bridget Lindquist from Española Valley Animal Human Society regarding request for increase for FY 2010-2011 Contract
4. Presentation of Lodgers Tax Fund Balance and Projections for FY 2010-2011
5. Discussion on exploring options to possibly purchase Real Estate located near the Española Plaza
6. Recommendation from Public Works Committee to move proposal for preparation of Industrial Storm water Pollution Preparation Services for Wastewater Treatment Plant by Souder Miller and Associates.
7. Recommendation from Public Works Committee to move proposal for groundwater monitoring by Souder Miller and Associates at former city El Llano landfill.
8. Approval of Finance Committee Minutes (4-13-10)

**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.*

1. **Summary and presentation of Meeting with Department of Finance and Administration on June 9, 2010 and of meeting on June 15, 2010.** Finance Director, Ron Archuleta stated that presentations made at both meetings were received positively by Department of Finance and Administration (DFA). Councilor Robert Seeds asked for clarification that Environmental Gross Receipts Tax Revenue Debt Service being paid out was for the purpose of Solid Waste. Mr. Ron Archuleta stated that debt is being paid out for closing of El Llano landfill. He also stated that the finance department needs to do more research through documents to verify all allocation of debt service. Mr. Ron Archuleta clarified for the Finance Committee that even though reports from the Finance Department appear to have an excess of \$500,000 however, that amount does not exist in the

Finance Committee Meeting  
June 15, 2010

General Operating Account at Valley National Bank. Mr. Ron Archuleta continued to state, that recommendations were made by DFA to work with North Central Solid Waste Authority (NCSWA) and all entities involved in order to provide information to NCSWA through their budget process. Mr. Ron Archuleta added that the Joint Powers Agreement needed to be re-written by all entities. Councilor Robert Seeds stated that the Council and Committee needed to be proactive on finding out where questionable funds have been moved or are not available. Mr. Greg Ortega added that the Council and Governing Body need to look and question what happened to the budget but bottom line is that they need to go off of actual funds available at our fiscal bank, Valley National Bank and move forward from there. Mr. Ben Ortega reviewed the presentation given to Department of Finance and Administration on June 9, 2010 with historical information regarding North Central Solid Waste Authority and the history of Joint Powers Agreement (JPA). Details were also given that entities involved in the JPA during the formation of NCSWA “may” contribute Environmental Gross Receipts Tax (ESGRT) and not “shall”. A final point by Mr. Ortega was that language in the overall JPA was deemed as having many areas of weakness and that the attorney from DFA also concurred. Mr. Ron Archuleta stated that NCSWA has drafted a budget and included some unidentified amounts or revenues that the City of Espanola would possibly contribute. Clarification was added by Michelle Martinez from NCSWA, regarding all entities involved and their rate allocations and contributions. Mr. Ortega stated that because of new budget proposals by the authority, the City of Espanola facilities would also now be charged and therefore, current benefits that the city received previously has received from NCSWA would be diminished.

Councilor Pedro Valdez presented Ordinance #496, which was passed in 1992, and continued to state that the current budget has not been passed by the NCSWA Board Members. Councilor Valdez also stated that the Memorandum of Agreements and Joint Powers Agreements are contradicting of each other, were both poorly written and needed to be re-written. Councilor Valdez presented an estimated breakdown of a proposal he drafted of where he thought allocation should be given priority, of the ESGRT revenues the city receives. Councilor Valdez stated that funds should be properly distributed and allocated within the City of Espanola. Councilor Valdez stated he would like to see a resolution drafted in order to take to City Council in an attempt to properly allocate the 1/16 ESGRT. Councilor Greg Ortega answered by thinking this should be addressed in the re-write of the JPA and should be included in there. Councilor Valdez stated that he would like to see it as a Resolution in order to support the Ordinance. Councilor Ortega stated that there currently is no oversight of NCSWA and a resolution/ordinance would not address the oversight issue. Councilor Robert Seeds responded by saying it is a priority of the community leaders to see that a new state of the art facility be built and help improve the situation. Councilor Garcia stated that because of actual funds being received are not being received and was leery of making a commitment if the city’s owned budget was in question.

Michelle Martinez, from NCSWA gave a presentation of history and status of North Central Solid Waste Authority. She also stated that a previous employee of NCSWA was tasked with configuring the MOU Attachment B and it was never included, which causes discrepancies in the document. She continued to add that she and employees of the authority have been trained and trying to educate the public about the problem that all entities and constituents are facing. The future facility being proposed would accept up to 90,000 cubic yards and would be permitted. Councilor Garcia asked where NCSWA fees were in comparison to other cities. Ms. Martinez stated that the rates here were lower than those of surrounding communities. She also added that complaints are being adhered to and they are trying to provide the best customer service.

Councilor Garcia concurred that the city needs to work with the authority and supported possible resolutions to be proposed in order to properly allocate all amounts to be distributed accordingly year after year. Councilor Valdez stated that he still would like to see a resolution drafted and adopted by the city addressing and allocating the 1/16 ESGRT. The recommendation discussed was a total of amount of \$100,000 to go towards debt service incurred by NCSWA the balance to go towards the post closure of the El Llano landfill.

Councilor Robert Seeds was very upset with the mismanagement of previous funds and not having answers for the public regarding their tax funds, he suggested to the committee to make a recommendation to have a private firm to be hired to find answers to these questions. He also added that the city may possibly need to obtain additional funds from cash investments for that purpose.

***Councilor Pedro Valdez made a motion to take a recommendation, in the form of resolution to full council in the amount of \$100,000 to go towards NCSWA and \$50,000 to go towards post closing of El Llano Landfill. Councilor Seeds seconded the motion and added to have it all properly allocated. Motion carried 4/0.***

### **Item 3. Presentation by Bridget Lindquist from Espanola Valley Animal Human Society**

A detailed presentation was made by Ms. Lindquist regarding the services the Espanola Valley Animal Humane Society provides to the area. Ms. Lindquist asked the city to gradually step up the commitment for services to the constituents of the area. Ms. Lindquist stated that the city is the only entity that provides funding to the organization, other than grant "givers", and donor base. Ms. Lindquist stated that the non profit organization should have started to ask for a gradual increase during the past ten years. She also referred to the budget figures and handouts included in their packets, which included only numbers of which the city is paying and aiding in their contribution. Councilor Ortega asked for a clarification how the organization works with the City's Animal Control. Ms. Lindquist stated that the mission of animal control is to collect "stray" animals, take them to the animal shelter and they in turn hold them until they find a good home. Councilor Seeds added that, the Espanola Valley Animal Humane Society provides the best care possible for the animals of our community. Councilor Seeds asked if in future fiscal years, the organization would come earlier in the year in order to work amounts being requested into the budget process.

***Councilor Robert Seeds made a motion to have staff to look for additional \$20,000 in the budget to see it would be available. Motion was seconded by Councilor Pedro Valdez. Motion passed 4/0.***

### **Item 2. Presentation of Financial Expenditures in Comparison to Revenues by Finance Director**

Mr. Ron Archuleta, Finance Director stated that a revenue deficit projected through the end of the fiscal year is about (\$197,000). He attributed the projected deficit due to the hold on expenditures by all departments implemented in May. Mr. Ron Archuleta yielded the floor to Mr. Len Cata, Community Services Director.

Mr. Len Cata gave a presentation regarding capital projects that needed to be completed and were imperative through the end of the fiscal year.

***Motion was made by Councilor Seeds to have the capital appropriations expended through the end of the fiscal year. Motion was seconded by Councilor Greg Ortega. Motion carried 4/0.***

Final report of the end of the year budget balance projections were made by Mr. Ron Archuleta, with a proposal of obtaining funds from the Local Government Investment Funds. The proposed amount recommended by Mr. Archuleta was \$1.2 million dollars.

*Councilor Pedro Valdez made a motion to take a recommendation to full council, in order to obtain funds from the City's investment funds in the amount of \$1.2 million dollars. The motion was seconded by Councilor Greg Ortega. Motion carried 4/0.*

Councilor Robert Seeds stepped out of the meeting at 7:54 p.m.

**4. Presentation of Lodgers Tax Fund Balance and Projections for Fiscal Year 2010-2011.**

Presentation of the fund balances were given to the committee by the Finance Director. Mr. Archuleta stated that one fund is in a deficit of \$1,000 and the other fund has a balance of \$3,000. Councilor Garcia asked of the staff and management to find out what laws govern lodgers and extended stay.

**5. Item 5 was tabled to the next Finance Committee meeting in July by Chair Chayo Garcia.**

**6. Recommendation from Public Works Committee to move proposal for preparation of Industrial Storm Water Pollution Preparation Services for Wastewater Treatment Plant by Souder Miller and Associates.**

Mr. Ben Ortega briefed the committee and stated the contract was for the purpose of hiring a firm to design and incorporate a plan for storm water drainage. Mr. Ortega added that the funding would come out of professional services, in the enterprise fund.

*Councilor Pedro Valdez made a motion to approve the contract in the amount of \$15,000. Motion seconded by Councilor Ortega. Motion carried 3/0.*

**9. 7. Recommendation from Public Works Committee to move proposal for groundwater monitoring by Souder Miller and Associates at former city El Llano landfill.**

10. A short discussion was made concerning the contract and its intent.

*Due to the amount of contract, Councilor Ortega made a motion to recommend approval at the next City Council Meeting. Councilor Valdez seconded the motion. Motion carried 3/0.*

**Adjournment**

*Motion was made to adjourn by Councilor Ortega and seconded by Councilor Pedro Valdez. Motion carried 3/0.  
Meeting adjourned at 8:04pm*

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

APPROVED AND ADOPTED THIS 10<sup>th</sup> DAY OF AUGUST,  
2010

Chayo Garcia  
Chayo Garcia, Chair of Finance Committee

ATTEST:

Heather Velasquez, City Clerk

