

Summary minutes of:

**CITY OF ESPANOLA
FINANCE COMMITTEE MEETING
FRIDAY OCTOBER 9, 2009, 2:00PM
POLICE DEPARTMENT TRAINING ROOM
1316D CALLE ADELANTE, ESPAÑOLA, NM**

Finance Committee Members:

*Mayor Pro Tem Alice Lucero, Chair
Councilor Alfred Herrera
Councilor Eddie Maestas
Councilor Rosario "Chayo" Garcia*

Meeting was called to order at 2:17pm, with the following in attendance:

Committee Chair: Mayor Pro Tem Alice Lucero
Committee Members: Councilor Alfred Herrera
Councilor Rosario "Chayo" Garcia

City Manager: Veronica Albin
City Clerk: Heather E. Velasquez
Deputy City Clerk: Sally Baxter
Staff: Public Works Director Ben Ortega; Bernadine Martinez,
Procurement Specialist; Lupita de Herrera, Grants Coordinator

Absent: Councilor Eddie Maestas

Agenda as presented:

---BEGIN---

CALL TO ORDER

APPROVAL OF AGENDA

DISCUSSION ITEMS

1. Status of 2009-2010 Budget
2. List of Current Contracts including amounts and terms
3. Change Orders on any Current Contracts
4. RFP/Proposed Contract for Cleaning Services
5. Minutes of 7-27-09 Finance Committee Meeting
6. Minutes of 6-22-09 Joint Meeting of Finance and Public Works Committees

MATTERS OF THE CHAIR

EXECUTIVE SESSION

PER: [10-15-1.1 NMSA 1978], "limited personnel matters" means the discussion of hiring, promotion, demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee.

ANNOUNCEMENTS

ADJOURNMENT

---END---

Call to Order

The meeting was called to order at 2:17pm by Committee Chair Mayor Pro Tem Alice Lucero.

Approval of Agenda

Councilor Garcia asked to add the status of the audits.

Councilor Garcia made a motion to approve the agenda as amended, seconded by Councilor Herrera. The motion carried 2/0 with Mayor Pro Tem Lucero not voting.

Discussion Items

Item 1, Status of 2009-2010 Budget

City Manager Veronica Albin presented.

The City Manager said each Committee member had been provided a draft of the budget; she said she had had to start where the City had been in the budget process in May. She said there were issues with the budget with respect to the NM Department of Finance and Administration (DFA), and also, the budget submitted to DFA had not been the budget the City Council had approved.

The City Manager said she and Lupita de Herrera were working on Special Revenues and would have that information by the following week. The City Manager said the City was one-quarter into the fiscal year and could see trends so the budget reflected first-quarter trends. She said the budget had not yet been submitted to the DFA but she was working with Brenda Giles at the DFA. She said the DFA was aware of the situation regarding the delay in submitting the budget.

The City Manager said the starting premise was that there was a balance of \$822,000.⁰⁰, \$9.4 million projected revenues and \$9.8 million projected expenditures, with a difference between projected revenues and expenditures of approximately \$400,000.⁰⁰ and the city could still meet the amount using reserves. She said reserves were approximately \$1.2 million in liquid assets.

Councilor Garcia asked if DFA had requested the City go back to the July 1st budget; the City Manager said the starting point was the budget the Council had approved and she had met with the department heads, and also all expenditures reported from July 1st through the present would be reflected then each department would get a revised budget. The City Manager said services had not been affected as a result of the budget process, but she had requested that the department heads operate conservatively.

The Mayor Pro Tem asked if the discrepancies found were plusses or minuses; the City Manager said both. The City Manager said she didn't have figures for the net difference between revenues and expenditures, but it had been approximately \$600,000.⁰⁰ and was now approximately \$400,000.⁰⁰.

Councilor Garcia asked when the budget would be available; the City Manager said the major parts of the budget were completed and her goal was to have the remaining items complete within a week. She said she had told the DFA she would have the budget to them at the end of the month.

Councilor Herrera asked the City Manager what the figure of \$513,000.⁰⁰ was for; the City Manager said it was wastewater. Councilor Herrera asked if the \$410,000.⁰⁰ would come out of the \$822,000.⁰⁰; the City Manager said yes. Councilor Herrera asked how many FTEs (full time equivalents) were represented; the City Manager said approximately 204, all of the current City employees.

Councilor Herrera asked the City Manager to describe what had happened regarding the budget; the City Manager said there were five different budgets prepared by the former Finance Director, she started with the budget she knew to be true, which the Council had approved, and proceeded using the first-quarter information.

Mayor Pro Tem Lucero asked regarding page 32, if the franchise fees were accounted for in the general fund; the City Manager said part of them were. The Mayor Pro Tem said she would call or email any questions she had so the information could be presented at the next City Council Workshop. The City Manager said the budget would be on the Workshop agenda and she would provide the Council Members with copies of the information.

Council Herrera asked about the North Central Solid Waste Authority (NCSWA) reimbursements; the City Manager said she entered \$213,000.⁰⁰, adjusted \$91,000.⁰⁰ but was researching the NCSWA information.

Item 2, List of Current Contracts including amounts and terms and

Item 3, Change Orders on any Current Contracts

City Manager Veronica Albin presented:

The City Manager said the Committee Members had been provided a comprehensive list from the Public Works Department; the other departments had sent emails to her and she would compile the information and provide the information to the Committee Members.

Public Works Director Ben Ortega said he had provided currently active contracts for design, construction and pre-design. He recapped the report and said he tried to make the report as clear as possible. He said regarding contracts with Molzen-Corbin, there were addenda to the 2003 contract.

Mayor Pro Tem Lucero asked about change orders; Mr. Ortega said there were changes in scope and approximately \$6,000.⁰⁰ was owed to them. He said the company requested \$17,000.⁰⁰ in 2008 for an environmental assessment and there had been a recent request for the Española Public School Sombrillo water line. He said the Sombrillo water line expenditure would be reimbursed to the City from the Public School.

The Mayor Pro Tem asked if the Molzen-Corbin contract was not complete; the Public Works Director said there were active public works projects. The Mayor Pro Tem said she wanted to see all current contracts. Mr. Ortega said Wilson and Company had five active contracts for which they had not been paid because the City was waiting for the Water Trust Board (WTB) to release funds. He said he and the City Manager had met with the WTB and the percent billed to-date was the percent completed, which was approximately 90 percent. The Mayor Pro Tem said she had received calls regarding the amount owed to Wilson and Company, and the City needed to get them paid. Mr. Ortega said a contract had been added for water tank number two. He said there were proposals forthcoming for waterline extensions.

Councilor Herrera asked what the rationale was for amending a contract rather than rebidding; the City Manager said it was based on the scope of work. She said for smaller projects, an existing professional services contract could be amended but for larger projects, new requests-for-proposals were issued.

Mr. Ortega said street lighting had been added to the Industrial Park Road construction project. He said Smith Engineering had been hired in September of 2009 to redesign water tank 1A and doing a bypass with an estimated \$20,000.⁰⁰ for the second phase of the project and this had not yet been billed.

Councilor Herrera asked if there was a contract for the construction of tank 1A; Mr. Ortega said there was no yet a contract as the project was in the design phase. The Mayor Pro Tem asked if there was an estimate for the construction; Mr. Ortega said the estimate was \$120,000.⁰⁰.

Mr. Ortega said D and R Company was repairing water tank #2, approximately \$9,000.⁰⁰ was owed to them and they were performing the repair work in a timely manner. He said an upcoming tank repair would be water tank #5 and the tank would be out of service during the repair.

City Manager Veronica Albin said other current contracts included a contract with Southwest Design for economic development for \$50,000.⁰⁰, a contract with Star Paving for Industrial Park Road construction for \$2.6 million, storage for the Police Department for \$4,200.⁰⁰ per year, and a contract with the Ortiz Brothers for hourly services for computer maintenance for the Police Department. The City Manager said there were also contracts for pest control for the Misión and Bond House, and a

contract for janitorial services for approximately \$120,000.⁰⁰ per year for all City facilities. She said there was a contract for \$67,000.⁰⁰ for auditing.

Item 4, RFP/Proposed Contract for Cleaning Services

Bernadine Martinez, Procurement Specialist, presented:

Ms. Martinez said the New Mexico Abilities Act was in place so the RFP (Request for Proposals) had been awarded through the Act which included janitorial services and a contract had been negotiated through the Act. She said the contract was for \$106,000.⁰⁰ and she was waiting for the budget to complete the contract.

The Mayor Pro Tem asked if they were able to perform all of the services required; Ms. Martinez said they could and per the state the City had to use them. The Mayor Pro Tem said the statute said they could be utilized but didn't have to be utilized, and she asked about the quality of services provided. Ms. Martinez said the City could do a six month evaluation. Mayor Pro Tem Lucero asked if anyone had been contacted to check on their performance; Ms. Martinez said no because Española would be one of the first organizations to use them. The Mayor Pro Tem asked if the personnel were trained; Ms. Martinez said the statement of work indicated the scope of work to be performed. The Mayor Pro Tem asked if there could be a three month review period; Ms. Martinez said that could be put in the contract.

The Mayor Pro Tem said she had received calls from the current contractors and her interpretation of the statutes was that awarding a contract under the Act was recommended, not required. She said she recommended using one area to test the quality of services and she wanted to express her concerns.

Item 5, Minutes of 7-27-09 Finance Committee Meeting

Councilor Herrera made a motion to approve the minutes, seconded by Councilor Garcia. The motion carried 2/0 with the Mayor Pro Tem not voting.

Item 6, Minutes of 6-22-09 Joint Meeting of Finance and Public Works Committees

Councilor Garcia made a motion to approve the minutes, seconded by Councilor Herrera. The motion carried 2/0 with the Mayor Pro Tem not voting.

Status of Audits

City Manager Veronica Albin presented:

The City Manager said the original goal for the 07-08 audit was to have a clean audit but in the last year there were problems so it was submitted with disclaimers. She said the 08-09 audit had been started and she believed it would be completed in a timely manner. The Mayor Pro Tem asked when the exit conference would be; the City Manager said it depended on the state but would possibly be in November. The City Manager said the state would review the audit, send comments, then the exit conference could be held. Lupita de Herrera, Grants Coordinator, said the audit had been sent to the state.

Councilor Herrera said there had been problems with previous employees in finance and asked what changes were planned; the City Manager said passwords had been deleted, checks and balances were put in place, ensuring transfers were reviewed, and proposals from the auditors had been requested. The City Manager said another possibility was to bring in a consultant, and to get training on the Caselle system for personnel.

The Mayor Pro Tem asked if the Finance Department had been reorganized since former Director Andrew Perkins had left; the City Manager said she was overseeing the department and would be making a recommendation regarding a finance manager.

Councilor Garcia and the Mayor Pro Tem said they had each heard good things about Financial Specialist 2 Rodrigo Ballon.

Matters of the Chair

Mayor Pro Tem Lucero said she would like to see a complete list of contracts.

Executive Session

Councilor Herrera said he believed having a closed session was a privilege of the Governing Body; the Mayor Pro Tem said the Finance Committee members were members of the Governing Body. Councilor Herrera said he was referring to a quorum of the Governing Body members, that a quorum could call an Executive Session but he was not sure a committee of fewer than a quorum could. The Mayor Pro Tem said her understanding was that any members of the City Council could go into executive session. She said she did tell the City Clerk that she wanted an Executive Session and asked the City Clerk to provide the cite for the statute for the session.

The City Manager said she had reviewed the statute and verified with the New Mexico Municipal League and NM Attorney General's Office that a committee whose members were members of the Governing Body could go into Executive Session as provided for in the Open Meetings Act.

Councilor Garcia made a motion saying she was calling for Executive Session "PER 10-15-1.1 NMSA 1978, 'limited personnel matters' which means the discussion of hiring, promotion, demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee"; the motion was seconded by Councilor Herrera. The motion carried 3/0.

The Committee entered Executive Session at 3:24pm.

The Committee exited Executive Session at 3:46pm.

Mayor Pro Tem Alice Lucero said no action had been taken in Executive Session.

Announcements

There were no announcements.

Adjournment

Councilor Garcia made a motion to adjourn the meeting, seconded by Councilor Herrera. The motion carried 2/0 with Mayor Pro Tem Lucero not voting.

The meeting adjourned at 3:46pm.

*Minutes taken and transcribed by Sally Baxter
Deputy City Clerk/Public Information Officer*

APPROVED AND ADOPTED THIS 14TH DAY OF January, ~~2009~~ ²⁰¹⁰



Mayor Pro Tem Alice Lucero, Chair

