

**FINANCE BOARD MEETING MINUTES
MONDAY, AUGUST 28, 2006
SAN GABRIEL MISIÓN, 1 CALLE DE LAS ESPAÑOLAS
ESPAÑOLA, NEW MEXICO**

The meeting was called to order at 6:03 p.m. with the following present:

Mayor:	Joseph M. Maestas
Mayor Pro Tem:	Alice Lucero
Councilors:	Helen Kain Salazar
	Rosario "Chayo" Garcia (absent)
	Eddie Maestas
	Alfred Herrera
	Danielle Durán
	Cecilia Lujan
	Dennis Tim Salazar
City Manager:	Chris Rainwater
City Clerk's Office:	Veronica Martinez
	Lesah Sedillo
City Attorney:	Angela "Spence" Pacheco
Staff:	Josie Lujan
	Ivan Guillen
	Sam Ortiz
Guests:	Chris Muirhead, Modrall, Sperling & Associates
	Leo Valdez, Hutchinson, Shockey & Erley

Mayor Maestas led the pledge of allegiance and invocation.

Approval of Agenda

Councilor Herrera made a motion to approve the agenda, seconded by Councilor Durán; the motion passed with a 6/0 vote. Councilor Lujan was not present for the vote.

Councilor Lujan arrived at 6:06 p.m.

Approval of Minutes

Mayor Maestas presented the minutes from the July 24, 2006 meeting for approval.

Mayor Pro Tem Lucero made a motion to approve the minutes as presented, seconded by Councilor Lujan; the motion passed with a 7/0 vote.

Mayor Maestas introduced and welcomed the new Public Information Officer/Deputy Clerk, Lesah Sedillo.

Public Hearing – Ordinance 2006-05

Mayor Maestas opened the public hearing and asked Mr. Rainwater to comment on the **Ordinance 2006-05** Authorizing the city to enter into a \$7,000,000 Clean Water Fund Loan agreement.

City Manager Chris Rainwater stated that at the previous Finance Meeting of July 24, the Council gave its permission for staff to pursue this funding source. This funding source was in lieu of the \$4,125,000 NMFA Loan that the City had previously pursued for the Wastewater Treatment Plant Expansion. Some of the benefits of this funding source included a lower interest rate of 2%, which would result in a difference in the interest paid over 20 years of about a

\$1,100,000.00 savings. Also, the Clean Water Loan Program repayment terms were more favorable to the City, and the Clean Water Loan could be used more liberally for projects besides the wastewater project.

Mr. Valdez stated that the benefits of this loan also included that the payments of this loan were not due until after the project was completed. Mr. Muirhead spoke about this Ordinance and stated that the agreement was similar to the one approved by the Council for the NMFA loan of \$4,125,000. This Ordinance authorizes the City to enter into a loan agreement for \$7,000,000 at an interest rate of 2% for 20 years. He stated that the Council would be pledging two 1/8% increments of the 3/8% gross receipts tax increase and no other pledges. He stated that the funds would be available after the 30-day period following publication of the Ordinance adoption.

Mayor Pro Tem Lucero thanked staff for such a quick turnaround in getting these funds secured.

Mayor Maestas asked if there were any other persons wishing to speak for or against Ordinance 2006-05, and hearing none, closed the public hearing.

Mayor Pro Tem Lucero made a motion to approve Ordinance 2006-05, seconded by Councilor Durán. The roll call vote: Councilor Salazar for the motion, Councilor Lujan for the motion, Councilor Durán for the motion, Councilor Herrera for the motion, Mayor Pro Tem Lucero for the motion, Councilor Maestas for the motion, Councilor Kane-Salazar for the motion; motion passed with a 7/0 vote.

Old Business

Pres Garcia, President of the Fiesta Council, addressed the Council. He stated that they had provided a preliminary budget report that included money taken in and money paid out. He stated that the Fiesta Council would be having its first meeting for next year's fiestas within the next two weeks, and after that time, they would be able to provide a detailed final report. He began to address the preliminary budget report, but Mayor Pro Tem Lucero, Councilor Salazar, Councilor Lujan, and Councilor Durán all stated that this report was incomplete and that the Fiesta Council should provide more information and have it better organized to present it to the Council.

Councilor Durán asked if the Mayor was going to appoint a new Fiesta Council for next year's event. Mayor Maestas stated that it was premature to consider at this point and that this Fiesta Council needed to account for this Fiesta first. Councilor Durán suggested that the Fiesta Council consider fundraising since now instead of waiting until the spring. Mayor Maestas agreed that it was a good idea, but again, this Fiesta needed to be closed out first. Mayor Maestas asked Mr. Garcia when the detailed and organized report could be provided. Mr. Garcia stated it would be available in 1½ - 2 weeks. Mayor Maestas reminded Mr. Garcia that the Council wanted to look at all expenditures.

Chris Rainwater acknowledged that the report was preliminary and he understood that the Fiesta Council was having difficulty scheduling time to complete it, but assured that City staff would make themselves available to assist Mr. Garcia with a thorough report.

Mr. Nick Romero, Vice President of the Fiesta Council, stated that the Fiesta Court had been invited to participate in the opening of the State Fair and wanted to know how they could get funds to do so. He stated that there was a September 15 deadline to get into the event. Mayor Maestas suggested they could consider it a part of this year's Fiesta events and work it into their current budget.

Josie Lujan addressed the next item, Mainstreet support funding. She stated that the Council had pledged to provide a minimum of \$20,000 per year for three years to help Española become a Mainstreet Startup community. Ms. Lujan stated that this money had been transferred to the Capital Projects Professional Services line item from the Capital Projects University of California line item. Ms. Lujan also went on to say that the money pledged for the Railroad Museum in the amount of \$500,000 could also be considered a commitment to Mainstreet. This item would be taken up in the Economic Development Committee.

Josie Lujan addressed the Update on Audit item. Ms. Lujan stated that the fiscal year 2004-2005 Audit scope had been extended to include the Housing Authority and that the additional monies required would be charged to Housing. She stated that the auditors would begin their on-site audit the first week of September, and should complete that within two weeks. After that time, they would be ready to start the fiscal year 2005-2006 audit.

Councilor Herrera thanked Ms. Lujan for the update. He asked if the 2004-2005 audit would be complete by mid-September. Ms. Lujan stated it would. He asked if she knew a time frame for the completion of the 2005-2006 audit. She stated that now that staff is aware of what is required of them, it should be done in about three months.

Matters from the City Manager

City Manager Chris Rainwater introduced Resolution 2006-27, a Resolution Authorizing the Assignment of Official Representatives and Signatory Authority for the Clean Water Loan Program. Mr. Rainwater stated that this document authorized Mayor Maestas as Official Representative and Mayor Maestas and himself as the signatory authorities for the loan approved earlier in the meeting by Ordinance 2006-05.

Mayor Pro Tem Lucero made a motion to approve Resolution 2006-27, seconded by Councilor Kane-Salazar and Councilor Salazar; the motion passed with a 7/0 vote.

City Manager Chris Rainwater introduced the next item, Approval of Special Appropriations Project Grant Agreement in the amount of \$200,000 for the surface water treatment plant. Mr. Rainwater stated that he was happy we were finally able to approve this agreement, and recommended approval.

Councilor Durán asked if this appropriation was for engineering alone. Chris Rainwater stated that it could be used for engineering and planning.

Councilor Maestas made a motion to approve SAP 06-1194-GF in the amount of \$200,000, seconded by Councilor Herrera; the motion passed with a 7/0 vote.

Chris Rainwater addressed the next item, Resolution 2006-30, Authorizing Grantee Representative and Signatory Authority for Grant Agreement SAP06-1193, in the amount of \$800,000. Mr. Rainwater stated that there was a problem with the order of the agenda, and this Resolution actually approved signatures for the Grant Agreement that would be approved as the next item, but asked for approval from the Council.

Mayor Pro Tem Lucero made a motion to approve Resolution 2006-30, seconded by Councilor Salazar; the motion passed with a 7/0 vote.

Chris Rainwater presented the next item for approval, Special Appropriations Project Grant Agreement in the amount of \$800,000.

Councilor Lujan made a motion to approve Grant Agreement SAP06-1193 in the amount of \$800,000, seconded by Councilor Maestas; the motion passed with a 7/0 vote.

Chris Rainwater introduced Resolution 2006-31 Authorizing Grantee Representative and Signatory Authority for Grant Agreement SAP06-1194, in the amount of \$200,000 and asked the Council for approval.

Councilor Herrera made a motion to approve Resolution 2006-31, seconded by Councilor Durán; the motion passed with a 7/0 vote.

Chris Rainwater provided a budget update to the Council. He stated that at our staff meetings, he has made it a standing item to review the budget in order to know at all times where each department stands within their budget. He stated that he was happy to report that the general fund expenditures are 3% under target, and that enterprise fund expenditures are 7% under target. He stated that this item would continue to be on future Finance Board agendas, and that he will also be including a report on revenue funds.

Councilor Herrera thanked Mr. Rainwater for providing the opportunity for staff to be accountable for their budgets. Councilor Herrera asked if Mr. Rainwater could provide a report of vacancies; Chris Rainwater stated that he would provide a report.

Mayor Maestas suggested that Mr. Rainwater provide a report of revenues, perhaps a graph that could show actual revenues vs. projected revenues so that we could work toward our mid-year budget review.

Councilor Durán thanked Mr. Rainwater for his efforts with the budget and asked what the status was of the Council's original list of priorities and how they have been budgeted for. Mr. Rainwater stated he would provide a report.

Announcements

Mr. Rainwater stated that he was pleased to announce a new Employee Recognition program. He stated that it was important that our employees realize that their hard work matters, and they should be rewarded for it. He explained that each department nominates an employee at the beginning of each month and provides their nomination to the City Manager for the Employee of the Month selection. At the end of the year, there will be twelve Employees of the Month, and each of those employees would be considered for Employee of the Year.

Mayor Maestas read the award certificate and announced that July's Employee of the Month was Steven Gallegos. Mr. Gallegos was presented with his certificate and a check for \$50.00.

Also under announcements, Mayor Pro Tem Lucero stated that the Public Utilities meeting was scheduled for September 5, 2006.

Councilor Lujan made a motion to adjourn, seconded by Councilor Herrera; the motion passed with a 7/0 vote.

PASSED, APPROVED AND ADOPTED SEPTEMBER 25, 2006.

Electronic copy – Signatures on file