CALL TO ORDER:

A regular meeting of the North Central Regional Transit District Board was called to order on the above date by Mayor Dan Barrone, Chair, at 9:08 a.m. at the Jim West Regional Transit Center, Española, New Mexico.

1. Pledge of Allegiance

2. Moment of Silence

3. Roll Call

Ms. Hernandez called the roll and it indicated the presence of a quorum as follows:

<table>
<thead>
<tr>
<th>Members Present:</th>
<th>Elected Members</th>
<th>Alternate Designees</th>
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</thead>
<tbody>
<tr>
<td>Los Alamos County</td>
<td>Councilor Antonio Maggiore</td>
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<tr>
<td>Rio Arriba County</td>
<td>Commissioner Danny Garcia</td>
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<td>Taos County</td>
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<td>Mr. Leandro Cordova</td>
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<tr>
<td>Town of Taos</td>
<td>Mayor Dan Barrone, Chair</td>
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<td>Santa Fe County</td>
<td>Commissioner Ed Moreno</td>
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<tr>
<td>Nambé Pueblo</td>
<td></td>
<td>Mr. Marcus López</td>
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<tr>
<td>Ohkay Owingeh</td>
<td></td>
<td>Mr. Ben Luján</td>
</tr>
</tbody>
</table>
### Staff Members Present
- Mr. Anthony J. Mortillaro, Executive Director
- Ms. Delfina Hernandez, Executive Assistant
- Ms. Stacey McGuire, Projects and Grants Specialist
- Mr. Hector Ordoñez, Finance Director
- Mr. Peter Dwyer, Legal Counsel
- Ms. Delilah Garcia, Transit and Facilities Operations Director
- Mr. Jim Nagle, Public Information Officer

### Others Present
- Ray Matthews, Santa Fe County
- Thomas Martínez, Santa Fe Trails
- Austin Fisher, Rio Grande Sun
- Kevin Olinger, NMDOT
- Carl Boaz, Stenographer

## 4. INTRODUCTIONS

There were no introductions.

## 5. APPROVAL OF AGENDA

Councilor Salazar moved to approve the Agenda as amended, with the CAFR items deleted. Ms. Valério seconded the motion and it passed by unanimous (13-0) roll call vote with Town of Edgewood, City of Española, Nambé Pueblo, Ohkay Owingeh, Pojoaque Pueblo
Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against. Los Alamos County was not present for the vote.

6. APPROVAL OF MINUTES – January 5, 2018

Chair Barrone moved to approve the minutes of January 5, 2018 as presented. Councilor Salazar seconded the motion and it passed by unanimous (13-0) roll call vote with Town of Edgewood, City of Española, Nambé Pueblo, Ohkay Owingeh, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against. Los Alamos County was not present for the vote.

7. PUBLIC COMMENTS

There were no public comments.

PRESENTATION ITEMS

A. Years of Service Recognition

Mr. Mortillaro presented a One-Year Service Award to Jeanetta Bachand. He introduced Ms. Bachand as the ITS, GIS specialist who works with the available system and the new remix planning software as their GIS work.

Ms. Bouchon thanked the Board and said she is enjoying her time and it has been a great learning experience.

PUBLIC HEARINGS: None.

Councilor Maggiore arrived.

ACTION ITEMS:


This item was deleted from the agenda.
D. North Central Regional Transit District FY 2018 Mid-Year Financial Summary Report

Mr. Mortillaro explained at midpoint in the budget year they bring this report regarding year to date expenditures and revenues. The report discusses how the expenditures and revenues are performing at midyear and projecting the remainder of the six-month period. The report is also presented to the Finance Subcommittee.

He turned the floor over to Hector Ordoñez to present the report.

Mr. Ordoñez noted a transfer of savings of $659,281 was due to better than anticipated GRT collections of revenues as of November. He provided a breakdown of each county’s GRT (page 24) and the projections of surpluses or deficiencies.

No changes were projected in grant revenue. Approximately $295k is expected from the FTA for the ADA compliance projects completed in December. That does not include $113k from the 5311-Grant Program from the pueblos.

Miscellaneous Revenue expected is $254,800 and is less about money received from insurance proceeds and transit fares and more received in bank interest and investments.

There were no questions on Revenues.

In Expenses a deficit of $102,953 (page 28) is projected in overtime offset by cost savings in salaries and benefits of $295,875.

Vehicle maintenance has a surplus of $85,917 due to new vehicles that are mostly still under warranty.

NCRTD for Rio Metro and the Rail Runner will be higher than budgeted because GRT revenues are up. About 50% of the revenue is shared with the Rail Runner.

Capital outlay projection is a budget savings of $275,776 due to a budget decrease approved by the Board last month and the funds will not be available until 2019.

The overall summary shows expected revenues and expenses to be less than budgeted. They expect to only use a fund balance of $437,425 versus $1,096,306 budgeted. That represents a $659,281 savings.

Mr. Ordoñez asked for the Board’s endorsement based on the Finance Subcommittee’s recommendation.

Councilor Maggiore moved to approve the report as presented. Mr. Escudero seconded the motion and it passed by unanimous (14-0) roll call vote with Town of Edgewood, City of Española, Los Alamos County, Nambé Pueblo, Ohkay Owingeh, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara
Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against.

E. Quarterly Investment Report of District Funds

Mr. Mortillaro said the report was presented to the Finance Subcommittee on January 26, 2018.

Mr. Ordoñez indicated the value of the investment portfolio is $1,256,028 and mainly consists of broker Certificate of Deposit (CDs) purchased through a third-party through Los Alamos National Bank.

The portfolio increased the second year; in December 2017 it was valued at $4,910,400 versus $4,970,500 in September 2017.

The decrease in market value from the increase of interest rates is not a decrease in face value. The district has 27 open and outstanding CDs with 12 CDs reinvested at cost basis - the original amount invested minus the redemptions for a year.

Page 32 shows broker CDs and only one local CD and 10 additional CDs that are expected to expire in 2018. A summary of total investments as of December 2017 is $5,201,375; the average Return on Reimbursement is .75 and with $12,502 in interest for the quarter, a slight decrease due to 4 CDs redeemed that quarter.

Investment strategy is at par with Treasury Bills paying about 1.79% with the average rate for broker CDs at 7.2 months. The chart on page 31 shows the allocation of funds invested in the portfolio.

Mr. Escudero moved to approve the Quarterly Investment Report as presented. Commissioner Moreno seconded the motion and it passed by unanimous (14-0) roll call vote with Town of Edgewood, City of Española, Los Alamos County, Nambé Pueblo, Ohkay Owingeh, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against.

F. Automatic Clearing House (ACH) Payments over $20,000 from October 1, 2017 through December 31, 2017

Mr. Mortillaro explained they report every quarter on payments over $20k and this is the last fiscal year quarterly report and has been presented to the Finance Committee.

Mr. Ordoñez reminded the Board of the resolution they passed in 2013 to allow ACH payments to vendors and in 2017 they incorporated the quarterly reporting requirement.
On December 31, they had 85 vendors on ACH; up 5 from the last quarter.

Page 36 contains a summary of the 19 payments over $20k totaling 1,794,008 dollars. Government payments were segregated in the past and this time the GRT payments were separated as well.

Mr. Ordoñez said the Finance Subcommittee recommended approval to the Board.

Mr. Mortillaro provided history for newer members on reporting payments $20k or more. The NCRTD wrote checks prior to ACH and any check over $20k required two signatures. To honor that obligation and remain in compliance with the policy they provide a report of payments of more than 20,000 dollars.

Councilor Salazar moved to approve the ACH Report. Commissioner Moreno seconded the motion and it passed by unanimous (14-0) roll call vote with Town of Edgewood, City of Española, Los Alamos County, Nambé Pueblo, Ohkay Owingeh, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against.

G. Discussion and Consideration of Resolution No. 2018-06, Amending FY 2018 Capital Plan for Fleet Software Acquisition and Assessment Services

Mr. Mortillaro said occasionally there is a need to make adjustments and they were asking to adjust the capital budget for FY 2018. He could make allocations between operating funds but not in the capital project budget. Those items are brought to the Board for consideration through a resolution.

He asked that Delilah Garcia, the Operations Director present the information.

Mr. Lopez left at 9:40

Ms. Garcia referred the Board to page 37, Item G that originally budgeted $100k for asset management software. The software helps meet the FTA deadlines for the implementation or development of a Transit Asset Management Program.

They have been looking at how to maintain their vehicles and track maintenance with vendors or manufacturers, schedule PM (preventive maintenance) and the costs associated with the vehicles. The deadline for implementation is October 2018.

They want to get the most for their money and the program would help ensure maintenance for the vehicles on a regular schedule. They currently use an Excel spreadsheet and want to work with a software consultant that could help them obtain the proper software that would meet their needs.
Their request was to move $45k from the capital budget for the Transit Asset Management software into the Contractual Services to pay for the consultant.

Mr. Mortillaro added they had been told the software costs would be over $100k and thought they did not budget enough. They will probably go through an RFP process and evaluate the software. They would then request an increase to the capital item for FY 2019 and the software would not be purchased until FY 2019 if approved. This would start the process for the acquisition.

Mr. Cordova asked if the $45k was an estimate.

Mr. Mortillaro explained a firm they talked with indicated an estimate of what they would charge. They would also look at doing the work in phases and initially use the firm to develop the RFPs and technical specifications. If they decide to use the consultant for further work like acquisition or implementation, it would be phased cost. They would not know the overall cost until the entire scope of work is submitted.

Mr. Escudero asked with the deadline not until October and implementation in FY 2019, would they still satisfy the requirements.

Ms. Garcia thought they would meet the deadline with the acquisition of the software. Currently the information is in a database and is a matter of uploading it into a system.

Commissioner Garcia moved to approve the amendment of Resolution No. 2018-06 as presented. Councilor Maggiore seconded the motion and it passed by unanimous (13-0) roll call vote with Town of Edgewood, City of Española, Los Alamos County, Ohkay Owingeh, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against. Nambé Pueblo was not present for the vote.

H. Discussion and Consideration of Resolution No. 2018-07, Supporting the Continued Service by the New Mexico Rail Runner

Mr. Mortillaro reminded the Board they had requested Staff bring forward a resolution to support the New Mexico Rail Runner in its efforts to comply with federal regulations for Positive Train Control (PTC).

He asked Mr. Dwyer to discuss the issue. He noted that Ms. Liz Carter from the Rio Metro Regional Transit District would have additional comments.

Mr. Dwyer provided background. He explained that 50% of Santa Fe GRT goes to the Rail Runner and the NCRTD has a stake in the service. They want to continue as a regional hub that allows passengers access across the region and the support of the Rail Runner is consistent with their statutory goal.
He noted the letter on pages 44 - 46 from the DOT states they would not extend the December 2018 deadline to implement PTC and there were two train crashes in the last year.

The cost for the PTC is estimated between $50-$60 million and the Rail Runner is seeking financing but would not meet the deadline. There is a possibility the federal government would suspend service in December 2018 if the PTC is not in place.

NCRTD is trying to support a request from the Rail Runner by resolution that would allow them to continue service past the deadline on a limited basis. The resolution and the Staff Report had been reviewed by Rio Metro.

Mr. Dwyer noted a correction to his statement in the Staff report that financing would be using anticipated federal revenue plus a State GRT. It would not be State GRT but the Rio Metro GRT that would be pledged for a bond to finance the capital project.

He thought continuation of full service beyond December was unlikely and some routes may have to be discontinued. He hoped the RFP would be out by spring and thought Ms. Carter would have more information on that.

Ms. Carter replied the RFP for the Positive Train Control was issued on Monday and a meeting would be held February 16 to move ahead as soon as possible. She thanked the Board for their support of the resolution. She requested members share this with their councils and boards because even a reduction of service would negatively impact people getting to and from work and tourism.

She said Rio Metro appreciated NCRTD’s efforts to assist them.

Commissioner Moreno asked if there was a draft resolution that the Board could use.

Ms. Carter had one that she offered to send.

Mr. Dwyer added he had a draft he could send to Board members, but it probably required editing because it referred to individuals. Terry with Rio Metro could review the draft.

Chair Barrone asked if the federal government could see that the Rail Runner was trying to meet the requirement and listed what steps they were taking; would they give some leeway.

Ms. Carter noted there had been two major derailments within the last three months where the train was going too fast. David Harris from NMDOT indicated at a Rio Metro Board meeting that if not in compliance by December possibly the Rail Runner could be issued a “cease all operations”.

Councilor Maggiore asked if they ceased operations would the NCRTD continue to share revenue under the terms of their revenue sharing agreement, even though there was no service.
Mr. Mortillaro said he and Mr. Dwyer discussed that and need to do legal research.

Mr. Dwyer added that in 2004 the NCRTD agreed for half of Santa Fe County GRT tax to go to the Rail Runner to support service. Rio Metro delivers the service in three counties: Sandoval, Bernalillo and Valencia County outside of the district and a compromise was put into place. He needs to review that agreement and report back to the Board.

Mr. Mortillaro asked if the NMDOT has obligations for the capital investment since they own the tracks and the Rail Runner and Rio Metro is just the operator.

Mr. Kevin Olinger from NMDOT did not know the answer. They have been working with Rio Metro for a loan from the State Infrastructure to support the project, but he was not aware of any other commitments from the State DOT.

Mr. Matthews, Transportation Planner with Santa Fe County, added that Rio Metro had applied for a special study. The study would ascertain if their lines would be adequate to continue operation without PTC with safety measures in place. However, that was before the two train accidents.

He noted that service would not necessarily have to be halted and possibly could continue without any service cuts, pending approval of the study by the federal agency.

Mr. Escudero asked to clarify if the costs of $50 million was per state or by rail coalition or was nationwide.

Ms. Carter explained it is the New Mexico Rail Runner portion of their rail lines.

Councilor Maggiore asked why they were up against the wall since they have known about this since 2008.

Ms. Carter explained the initial law came out right after a 2008 accident. The original deadline was 2015, but many transportation entities ran into the same issue of insufficient funding. The hope was that the deadline would be extended past 2018 but they continue to see accidents.

They have applied for grants and submitted another Tiger grant this year but have not heard if they will receive funding. They identified with the NMDOT alternate sources of funding, but New Mexico is unique in that DOT owns the equipment and rail right of way.

Councilor Maggiore thought it appeared not to be a priority for DOT and wondered why it wasn’t since the rule had been in place 10 years.

Mr. Olinger replied he did not characterize this as a low priority but there had been a question of how to implement. The DOT takes this seriously and wants it resolved.
Councilor Maggiore asked if the DOT is also responsible for other rail lines in New Mexico.

Mr. Olinger did not know, but offered to follow up with their rail director. Ms. Carson added that BMS and Amtrak own some of the rail alignment and were also working on funding for PTC.

Councilor Maggiore asked why this was not under a state-wide effort.

Mr. Olinger offered to find out.

Mr. Dwyer noted that Mr. Olinger was new with DOT. He indicated the packet had the letter that denied the exemption and that was Plan A and that failed. He did not know why they waited so long, but pointed out others were in the same situation because this is a massive Federal mandate.

Federal legislation was proposed to pay for this type of thing but is not likely to be accepted. A number of railroads are not in compliance and the letter just states that the government finds fault with New Mexico for making less attempts to comply than others.

Mr. Cordova asked where the GRT for the Rail Runner goes and if funding for the debt would come out of Rio Metro’s funds.

Ms. Carter confirmed it would come from their GRT. They also have federal funding and that has been switched so most of the bus side used federal dollars with a local GRT match. They are looking at how to leverage the federal funding for the PTC.

Councilor Maggiore moved to approve the support of Resolution No. 2018-07 as presented. Ms. Valério seconded the motion and it passed by unanimous (12-0) roll call vote with Town of Edgewood, City of Española, Los Alamos County, Pojoaque Pueblo, Rio Arriba County, City of Santa Fe, Santa Fe County, San Ildefonso Pueblo, Santa Clara Pueblo, Taos County, Town of Taos and Tesuque Pueblo voting in favor and none against. Nambé Pueblo and Ohkay Owingeh were not present for the vote.

DISCUSSION ITEMS:

I. Finance Report for December 2017

Mr. Ordoñez provided information on financial activity for six months. He reviewed the Expenses/Revenues as of December 2017 that represented 50% of the budget.

- The last calendar year they received 34.38% of the budgeted revenues and spent 31.63% of the budget expenses due to an increase in revenues.

- Page 49 shows a breakdown of the revenues: GRT, federal and local grants, etc. as of
December. They have received 47% of the federal grant revenue budget to date and expect $295k from the ADA project and $113k from 5311C Federal Grant Program. They expect to receive most of the buses next month at $1.2 million and an increase in expenses and federal amounts.

- Member contributions and member matches will increase in the following months. The Los Alamos contribution for $350,000 was received in January and recently Taos Ski Valley and Ski Santa Fe were invoiced for their shares.

- Revenue by county is shown on page 50:
  - Los Alamos - $124,897 was received more than budgeted revenue (53%).
  - Rio Arriba County – a decrease of $27,000 less (about 40% of the total GRT)
  - Santa Fe County - about $191k over budget was received (47%).
  - Taos County - $393k was received - about $23k more than budget (27%).

- Page 54 shows a comparison of the revenue received with the amounts this year about $198k more than received in December 2016.

- Page 55 compares GRT this year to last year; $197k more than the prior year was received.

- Page 56 has the significant differences in Expenses was in Salaries, which was higher due to turnover and overtime over budget.

  Contributions for other entities was significant because the invoices for Santa Fe Trails and Los Alamos were not paid until January.

  Contractual Services will increase because a server was installed, and the house facilities needs assessment has started. The expenses are due before the end of the year.

  Travel Expenses/Lodging will increase because of conferences in a few months.

  Capital Expenses are expected to increase with the new buses in June.

- Page 57 shows expenses incurred versus actuals. The amounts are similar to the previous year in December 2016, with a difference of about 265,000 dollars.

- Page 58 to 60 breaks down the expenses by department.

There were no questions from the Board about the report.

**J. Finance Subcommittee Report**

Commissioner Moreno provided the Finance Subcommittee Report. He stated the minutes
from the December 11th meeting were in the packet and the January meeting was about the Fiscal Year 2017 audit and was conducted in executive session.

Commissioner Moreno said the Finance Committee was happy with Mr. Mortillaro’s work and wanted to keep him.

K. Tribal Subcommittee Report

Mr. Mortillaro reported the next Tribal Subcommittee meeting was scheduled in April 2018 and January’s minutes would not be available until then.

L. Executive Report and Comments from the Executive Director:

1) Executive Report for January 2018

The Executive Report was included in the Board packet.

Chair Barrone asked how they would move forward with the sunset provision.

Mr. Mortillaro replied they were making progress. He and Mr. Dwyer, the attorneys for Los Alamos County and Santa Fe County and Leandro Cordova met with the Tax and Revenue Department (TRD) to discuss modifications to the 2008 ordinances. The ordinances approved the GRT and incorporated the sunset provision and election dates adopted by the four counties.

Based on the discussion the TRD agreed that the Counties could amend the sunset dates. However, the NCRTD has not received the TRD’s review of the proposed changes in language. Mr. Dwyer has contacted the TRD several times and they indicated they would provide a formal response, but none has been received.

Mr. Mortillaro and Mr. Dwyer believed the verbal response was valid. Mr. Dwyer said he would work with the county attorneys to put the question of the modified ordinance on each county’s agenda. That enables moving forward with the request for the counties to place the question of the removal of the sunset provision on their November ballots.

The contractor, Research and Polling would do a survey of constituents in the four counties starting with telephone polling of registered voters. The information will be brought to the Board, once received.

Mr. Dwyer added they did receive a verbal okay from TRD and the draft ordinance would need to be customized for each county. TRD had indicated they were more concerned about the tax than with the dates and he thought the path was clear.

The NCRTD has done everything requested of them. This is the first round of ordinances and
is just to change the election date to November. The second round of ordinances is this summer and calls for the election in November and another ordinance to change the substantive provision removing the clause that the tax would be repealed in 2024 and inserting that the tax would remain in place.

Mr. Dwyer said completion of the contract with Research and Polling was underway and they will report to the Board this summer whether constituents support this. He said this should be done now for the Board to make an intelligent decision before the election.

Mr. Mortillaro said SB 17 is the LANL tax stabilization bill to ensure all labs in New Mexico or contractors incorporated as a nonprofit, would not be exempt from the GRT tax.

State law currently exempts those who incorporate as a nonprofit entity from paying GRT on some transactions. That would have a significant effect and a loss of about $30 million in GRT to the State and has been projected to be 
$17-18 million loss to Los Alamos County and around a million-dollar loss to RTD.

Mr. Mortillaro was pleased to report he has been attending and testifying at the hearings in support of the legislation at the LANL communities eight entities. This received a do pass from the State Corporation and Transportation Committee last week and this week received do pass at the Senate Finance. It now goes to the House floor, with the biggest hurdle whether the governor signs the bill.

Councilor Maggiore added he met with Keith Gardner in the Governor’s Office and asked the possibility that the governor would sign the bill. Although the answer was not a yes, he interpreted the response to mean it would be difficult for the governor to veto and is optimistic.

Mr. Mortillaro pointed out NNSA would propose to select a contractor in April.

Councilor Maggiore agreed, but it is questionable if they will stick to that. The Environmental Management contract recently awarded by NNSA was over the award deadline. He thought they should know by June, and hopefully by April.

Mr. Mortillaro requested the Board Members ask their lobbyists to support the bill. He noted that LANL dollars are spent in their communities and critically important for the region that the bill passes. He reminded them this is not a new tax, but maintains the classification of the Lab as to a profit or nonprofit.

Mr. Dwyer added it is fully reimbursable to the contractor and they get it back from the federal government.

Mr. Mortillaro reminded the Board of their discussion of the fleet disposal. He said he was back on track and had been assured the listing would be on eBay by the end of day. He will send the link as soon as he receives that.
Mr. Mortillaro said the Employee Fund Committee generates ideas for activities for engaging in fun ways with employees at events. He invited them to the event scheduled on March 2 after the Board meeting this year. He noted they usually have Frito pie on a donation basis.

2) Performance Measures for December 2017

3) Ridership Report for December 2017

Ms. Garcia shared the performance measures and ridership report with the Board.

In January they went completely paperless with ridership tracking and entered all bus units and mobile terminals ridership into the ITS. They are making improvements, and everyone is very happy to have that.

They expected a significant decrease in ridership, but ridership appears to be on target and they will include information in next month’s packet.

MATTERS FROM THE BOARD

There were no matters from the Board.

MISCELLANEOUS

There were no miscellaneous matters.

ADJOURN

The Board adjourned on motion by Commissioner Moreno at 10:41 a.m.

Approved by:

Daniel R. Barrone, Chair

Attest:

Dennis Tim Salazar, Secretary

Submitted by: ____________________________
Carl Boaz for Carl G. Boaz, Inc.