The mission of the North Central Regional Transit District is to provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and spur economic development throughout the region.

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
FINANCE SUBCOMMITTEE

Friday, August 21, 2020
9:00 A.M. - 11:00 A.M.

Telephonically via Microsoft Teams
(Invitation will be sent via Outlook)

CALL TO ORDER

ROLL CALL

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Selection of Finance Subcommittee Chair and Vice Chair
   Sponsor: Anthony J. Mortillaro, Executive Director
   Attachment: Resolution 2012-07 Finance Subcommittee and Amended and
   Restated Bylaws of the NCRTD – February 5, 2016, Article XII Advisory
   Committees

B. Audit Entrance Conference
   Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance
   Director
   Attachment

C. Quarterly Investment Report
   Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance
   Director
   Attachment

D. Electronic Payment Report
   Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance
   Director
   Attachment

Daniel R. Barrone,
Chair

Anthony J. Mortillaro,
Executive Director

Governmental
Board of Directors

Village of Chama
Town of Edgewood
City of Española
County of Los Alamos
Nambé Pueblo
Ohkay Owingeh Pueblo
Pueblo of Pojoaque
Village of Questa
County of Rio Arriba
Pueblo de San Ildefonso
Santa Clara Pueblo
City of Santa Fe
County of Santa Fe
County of Taos
Town of Taos
Village of Taos Ski Valley
Pueblo of Tesuque
E. Review and Approval of Minutes from April 24, 2020  
Attachment: Draft Minutes

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

NEXT FINANCE SUBCOMMITTEE MEETING: Friday, September 18, 2020

If you are an individual with a disability in need of a reader, amplifier, qualified Sign Language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.
North Central Regional Transit District (NCRTD)

Resolution 2012 - 07

A RESOLUTION RATIFYING AND DEFINING THE NORTH CENTRAL REGIONAL TRANSIT DISTRICT FINANCE SUBCOMMITTEE

WHEREAS, the NCRTD was created through legislative enactment (NMSA 1978, Sections 73-25-1 through 73-25-19); and

WHEREAS, the NCRTD is a subdivision of the State of New Mexico with all the authority and duties of the same; and

WHEREAS, the Board has the authority to make and pass resolutions necessary for the execution of the powers vested in the District; and

WHEREAS, Article XII of the NCRTD Bylaws governs the establishment of committees; and

WHEREAS, the NCRTD Bylaws allows the Board of Directors to establish standing committees by a majority vote; and

WHEREAS, appointment of a committee chair is governed by the NCRTD Bylaws, and is the responsibility of the Chair of the Board of Directors; and

WHEREAS, the NCRTD has had a Finance Subcommittee in existence and the Board now seeks to officially ratify this committee and define its membership.

NOW THEREFORE BE IT RESOLVED BY THE NCRTD BOARD OF DIRECTORS;

1. That the NCRTD Board of Directors ratifies and establishes a Standing Finance Subcommittee.
2. That the Finance Subcommittee be comprised of five (5) Directors or their Official Designees (including the Committee Chair), and that the appointments include at least one (1) Director or Official Designee from each of the four counties that comprise the District and one (1) from the Pueblos. Counties may be represented by a City representative within their respective County. The Executive Director shall serve as an ex officio member of this subcommittee.
3. Responsibilities of the Finance Subcommittee include:
a. Reviewing and recommending financial policies suggested by the Executive Director that maintain and improve the financial health of the NCRTD.
b. Reviewing and recommending a long-term financial and strategic plan prepared by the Executive Director.
c. Reviewing and recommending a draft annual budget submitted by the Executive Director consistent with the long-term financial and strategic plan and financial policies.
d. Reviewing and recommending a ten year capital investment plan prepared and submitted by the Executive Director.
e. Participating in any entrance and exit conferences of the NCRTD’s auditors.
f. Reviewing and recommending the Executive Director’s proposed mid-year budget adjustments.

4. That the Finance Subcommittee meet at least four (4) times a year to review the draft annual Budget, the mid-year budget adjustment, the annual NCRTD audit, and any finance/budget action that the Board of Directors desires a Committee recommendation on prior to taking action.

5. That the Finance Subcommittee meet at a minimum in the following months:
   a. April & May for review of the draft annual budget for Board action in May or June.
   b. December/January – for review of any mid-year budget adjustment.
   c. The months that the annual NCRTD independent audit entrance and exit conferences are conducted.
   d. As requested by the Chair, the Board of Directors, the Committee Chair or the Executive Director.

6. That the Chair of the NCRTD Board of Directors appoints the committee members and the committee chair for the Finance Subcommittee to one year terms.

7. That subsequent appointment to the Committee may be made by the Chair of the NCRTD Board of Directors annually in the month after the previous year’s NCRTD audit is accepted by the Board of Directors or at any time that a vacancy occurs, and that a minimum of three committee members be retained for an additional one year term to provide continuity.

8. That, unless the Finance Subcommittee adopts its own rules and procedures for meetings, it shall follow the rules adopted by the Board.

Rosemary Romero, Chair

Approved as to form:
Peter Dwyer, Counsel
ARTICLE XII
ADVISORY COMMITTEES

Section 12.01. Formation of Committees. The Board may form committees as it deems appropriate. All committees of the NCRTD shall be advisory committees and shall have no independent authority to make decisions for the District. Committees will generally be formed by written Board resolutions or these Bylaws but may be formed by any formal action of the Board where the Board deems the formation of an advisory body expedient or necessary. Committee chairs shall be appointed by the Board chair or elected by the committee itself if the Board when so authorized by the Chair.

Section 12.02. Types of Committees. Committees of the Board shall be classified as standing or special and shall be advisory to the Board. In order to broaden input to the Board and encourage community involvement, the Board may appoint individuals who are not members of the Board to serve on any standing or special committee of the Board. Each committee shall have the power only as stated in these Bylaws or as conferred by the Board. The Executive Director shall serve as an ex officio member of each committee appointed by the Board, unless otherwise designated in these Bylaws or by the Board.

Section 12.03. Standing Committees. The following committees are designated as “standing committees” of the Board of Directors. Any Member of the Board is welcome to attend any committee meeting, but the actual regular members assigned to that committee will determine a quorum. All Standing Committees will be committees of the whole. As to all Board committees of the whole, a quorum will be reached with eight regular members participating.

a) Tribal Committee. This committee will study, discuss and address issues related to the provision of transit services for Tribal Members of the District. The committee will consist of all tribal members of the District. The committee will meet on an as needed basis. The committee will keep minutes of its meetings and will forward all recommendations to the Board of Director’s for possible action.

b) Finance Subcommittee. This committee may deal with all administrative, land and facility acquisition and financial matters that would require Board action as submitted by the Executive Director, but not limited to the budget, collective bargaining, and human resource policies. This committee will also meet and serve as the entry and exit committee for purposes of the annual audit. The actual duties, membership and functions of this committee will be prescribed by resolution of the Board of the Directors.

c) Sustainability Committee. This committee is charged with holding meetings, performing analysis and providing recommendations to the Board on all issues pertaining to the NCRTD’s sustainability. The committee will meet on an as needed basis.

Section 12.04. Special Committees. The Board may also appoint Special Advisory Committees to advise the Board. The members of these Special Advisory Committees may include Directors, official designees, and Officers of the District as well as individuals not members of the Board. Special Advisory Committees shall not be authorized to exercise any power of the Board.

Section 12.05. Committee Meetings. A committee meeting may be called at any time by the committee chair or a simple majority of the committee members upon legal notice as required by
these Bylaws. Committees may propose rules of order and procedures to the Board which, if adopted by the Board, shall govern the matters addressed in the rules.

Section 12.06. Telephone Conference. Committee meetings may be held by telephone conference or use of similar equipment, pursuant to the requirements of the Open Meetings Act. Committee meetings held by teleconference are open meetings and such meeting will be held in a location where the public may listen to the proceedings. All committee meetings shall be held in ADA accessible locations.

ARTICLE XIII
EXECUTIVE DIRECTOR

Section 13.01. Executive Director. The Board shall appoint an Executive Director who shall serve for such term and upon such conditions, including salary, as the Board of Directors, from time to time, may establish. The Board shall enter into an employment contract with such Executive Director which shall specify the terms and conditions of his or her employment.

Section 13.02. Authority and Duties. The Executive Director shall be the chief executive officer of the District, shall supervise the activities of the District, shall see that all policies, directions and orders of the Board are carried out and shall, under the supervision of the Board, have such other authority, powers, or duties as may be prescribed by the Board. The Executive Director shall:

(a) Sign contracts or agreements with Vendors or service providers that are necessary to carry out the purposes of the District, provided however that they involve less than $100,000, and are included in a duly approved budget. Expenses over $100,000 shall be approved by the Board and signed by the appropriate officers and agents of the District;

(b) Appoint, hire, discharge and retain employees, agents, engineers, attorneys, accountants, financial advisors, investment bankers, and other consultants as approved through the budget process;

(c) Dispose of assets of the District, provided, however, that the assets are no longer useful to the District and have a nominal market value and that any asset disposal is expressly approved by the Board or its Committees where the law so requires;

(d) Sign contracts or agreements when authorized to do so by the Board regardless of the contract amount;

(e) Report to the Board at the monthly meeting on the operations and progress of the projects of the District and upon all other matters within his or her knowledge which may be of concern to the Board of Directors of the District;

(f) Prepare an annual budget and maintenance of financial records and books of account, and preparation of a monthly financial statement.

(g) Negotiate collectively bargained agreements as required.

(h) Staff and attend such Committee meetings as may be required.

(i) Perform any other duties legally delegated to the NCRTD staff by the Board.

ARTICLE XIV
GENERAL PROVISIONS

Section 14.01. Fiscal year. The Fiscal year of the District and its affiliate organizations shall begin on the first day of July and end on the last day of June of each year. Because of the extensive
Title: FY2020 Audit Entrance Conference

Prepared By: Tim Mildren

Background:
Axiom Certified Public Accountants have been engaged to conduct the District’s FY 2020 Financial and Single Audit. Jaime Rumbaoa, CPA., Managing Partner and lead auditor will be conducting the Audit Entrance Conference along with Francisco Teran, Senior Associate. Jaime will go over management and auditor’s responsibilities, timing and deadlines, new standards and the objectives of this year’s audit.

District staff has provided the following information to the auditors over the last few weeks:

- Schedule of Expenditures of Federal Awards
- All financial records requested

Recommended Action:
Review and discuss as a committee with the auditors.

Attachment(s):
None
Entrance Meeting
August 21, 2020
Jaime Rumbaoa, CPA/CITP, CFE, CISA
OUR FIRM

• Full service firm founded in 2012 with approximately 20 employees. We provide assurance, federal tax, state and local tax and consulting for commercial, government and not for profit entities.

• Some of our governmental clients include the following: Regional Transportation Commission of Southern Nevada, Santa Community College, New Mexico Military Institute, Department of Veterans Services, City of Las Vegas, City of Tucumcari, Village of Cloudcroft, State Personnel Office, Hatch Valley Public Schools and other special districts (PIDs and TIDDs)
• Jaime Rumbaoa, CPA, CITP, CFE, CISA, Engagement Reviewer
• Francisco Teran, Senior Associate
• Karen De Santiago, Audit Staff
• Adrienne Seefeldt, Audit Staff
Our Responsibility under U.S. and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, we considered the entity’s internal control for the purpose of determining our audit procedures and not to provide assurance concerning such internal control.

Our responsibility is to plan and perform the audit in accordance with generally accepted auditing standards issued by the AICPA and the Comptroller General of the United States, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.
Management is responsible for the following:

- The financial statements and internal controls over financial reporting and compliance

- The preparation of the SEFA in accordance with the Uniform Guidance

- Oversee non-attest engagement
Management Responsibilities

- Evaluate and monitor, meeting goals and objectives, laws and regulations
- Implement systems designed to ensure compliance with laws, regulations, contracts, and grant agreements
- Make all financial records and related info available to us
- Unrestricted access to persons within the organization
- Identify significant vendor relationships
- Management representation letter
- Inform us about all known or suspected fraud, including allegations
- Taking timely and appropriate steps to remedy any fraud, noncompliance, or abuse
- Create and follow through on corrective action plans on findings
- Preparation of Supplementary Information
Timing and Deadline

• Submission deadline of December 15 did not change. Expect to provide draft financial statements by November 15\textsuperscript{th} and plan to submit to OSA by November 30\textsuperscript{th}.

• Interim fieldwork during the week of August 10\textsuperscript{th} and final fieldwork scheduled for the weeks of September 14\textsuperscript{th} and 21\textsuperscript{st}.

• Regular updates with management

• Board presentation

• Exit meeting will be scheduled
Audit Reports

• Financial Statements

• GAGAS (Yellow Book)
  - Internal Control Over Financial Reporting
  - OSA Compliance (PERA, Procurement, P-Cards, RHCA, Public Money, etc.)

• Single Audit
IT General Controls

- Change Management
- IT Operations
- Security and Access
- IT Governance
GASB 95 (Postponement of the Effective Dates of Certain Authoritative Guidance).

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Effective date: The requirements of this Statement are effective immediately.
Other Items

- Fraud Inquiries
- Any unusual transactions during the year
- New contracts of agreement entered into during the year
- Changes in accounting policies and procedures
- Related party transactions
- Others
Thank you!
Title: Discussion and Review of the Quarterly Investment Report – 4th Qtr. FY2020

Prepared By: Timothy J. Mildren, Director of Finance

Summary:

- The total investment amount (excluding the checking account balance deposited in Los Alamos National Bank) as of June 30, 2020 was $5,399,208;
- 39.64% of our Investments consisted of CDs and 23.69% of T-Bills;
- The average rate of return was 1.11% compares to the .10% of a 1-year T-Bill;
- The average length of maturity of all investments is 8.54 months;
- 9 CDs and 2 Treasury Bills were outstanding, and 22 CDs, 3 Municipal bonds and 7 Treasury Bills had been redeemed.

<table>
<thead>
<tr>
<th>Amount Invested FY2020 YTD</th>
<th>FY2020 YTD Interest</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Account</td>
<td>$ 3,108,333.67</td>
<td>$ 1,112.70</td>
</tr>
<tr>
<td>LGIP &amp; Local Credit Unions</td>
<td>$ 10,842.23</td>
<td>$ 998.16</td>
</tr>
<tr>
<td>Cetera T Bills &amp; Municipal Bond</td>
<td>$ 2,015,663.91</td>
<td>$ 12,457.82</td>
</tr>
<tr>
<td>Cetera Brokered CDs</td>
<td>$ 3,372,702.19</td>
<td>$ 71,682.90</td>
</tr>
<tr>
<td>Total</td>
<td>$ 8,507,542.00</td>
<td>$ 86,251.58</td>
</tr>
</tbody>
</table>

Background:

The NCRTD invests through various FDIC insured institutions around the United States mostly through Broker Certificates of Deposit. At the end of the 4th quarter the value of the investment portfolio was $8,507,542 this is an increase of $1,269,903.29 from the previous quarter. The breakdown of the decrease is as follows:
Increase in LANB Checking Account Bal. $  1,259,021
Increase Local Gov Portfolio- Interest $     21
Increase in Flex Insure Cash Acc $  1,155,820
Decrease in Treasury Bills $  <1,404.444>
Increase Cetera Brokered CDS $   259,485
Total (Net) Increase $  1,269,903

Cetera, an affiliate of LANB, our investment broker continues to invest in CDs, Municipal Bonds and Treasury Bills at the direction of Executive Director and Director of Finance. As of June 30, the District had 9 CDs and 2 Treasury Bill outstanding, and 22 CDs, 3 Municipal Bonds and 7 US Treasury Bills had been redeemed. We continue to invest in short term instruments in hopes that the market will show signs of improvement later this year. As the market improves, we will consider the viability of investing in long term instruments to lock in the interest rates. The market value of all the instruments currently opened under Cetera is $5,388,366 which consists of $2,015,664 in US Treasury Bills, $2,212,440 in Brokered CDs and $1,160,262 in Flex Insure Checking.

Total interest received in the current Fiscal Year (FY2020) is $86,251, interest revenue will continue to decrease in the upcoming months as the interest rate has decreased significantly. The frequency from which interest is earned varies from investment to investment, some investment is earned monthly, quarterly, semiannually, annually and/or at the redemption date. The term dates between CDs, Bonds and Treasury Bills were 3, 6, 9, and 12 months.

**Recommended Action:**

It is recommended that the Finance Committee discuss and review the information and recommend the report to the Board of Directors as presented.

**Options/Alternatives:**

1. Take no action; or
2. Adopt the recommendation, (recommended); or
3. Amend, modify or reject the recommendation and provide direction to staff.

**Fiscal Impact:** None

**Attachment(s):**
- Quarterly Investment Report – 4th Qtr. FY 2020 et al. (other attachments)
### Local Bank/Credit Unions CDs

<table>
<thead>
<tr>
<th>Date Opened</th>
<th>Term / Months</th>
<th>Expiration Date</th>
<th>Rate</th>
<th>Amount Invested</th>
<th>YTD Total Interest</th>
<th>Unrealized Gain/Loss</th>
<th>Investment Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandia Area Credit Union - Redeemed</td>
<td>10/29/2017</td>
<td>12</td>
<td>10/29/2019</td>
<td>1.29%</td>
<td>$</td>
<td>-</td>
<td>821.31</td>
</tr>
</tbody>
</table>

**Local Bank/Credit Union Total**

12 **Average Rate** 1.29%

<table>
<thead>
<tr>
<th>Amount Invested</th>
<th>YTD Total Interest</th>
<th>Unrealized Gain/Loss</th>
<th>Investment Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>-</td>
<td>821.31</td>
<td>-</td>
</tr>
</tbody>
</table>

### Cetera Portfolio

<table>
<thead>
<tr>
<th>US Treasury Bill - 912796RF8 Redeemed</th>
<th>07/12/19</th>
<th>3</th>
<th>10/10/19</th>
<th>1.87%</th>
<th>999,972.74</th>
<th>9,561.60</th>
<th>1,009,534.34</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Bill - 912796RM3 Redeemed</td>
<td>08/08/19</td>
<td>3</td>
<td>11/07/19</td>
<td>1.72%</td>
<td>245,000.00</td>
<td>-</td>
<td>245,000.00</td>
</tr>
<tr>
<td>US Treasury Bill - 912796SU4 Redeemed</td>
<td>08/29/19</td>
<td>3</td>
<td>11/29/19</td>
<td>1.69%</td>
<td>245,000.00</td>
<td>-</td>
<td>245,000.00</td>
</tr>
<tr>
<td>US Treasury Bill - 912796TS8</td>
<td>01/28/20</td>
<td>3</td>
<td>04/30/20</td>
<td>1.28%</td>
<td>244,000.00</td>
<td>661.80</td>
<td>1,344.44</td>
</tr>
<tr>
<td>US Treasury Bill - 912796TP4</td>
<td>01/28/20</td>
<td>9</td>
<td>11/07/20</td>
<td>1.28%</td>
<td>1,296.05</td>
<td>246,296.05</td>
<td></td>
</tr>
<tr>
<td>US Treasury Bill - 912796WX3</td>
<td>01/28/20</td>
<td>6</td>
<td>07/23/20</td>
<td>1.26%</td>
<td>244,000.00</td>
<td>1,344.44</td>
<td>245,344.44</td>
</tr>
<tr>
<td>US Treasury Bill - Redeemed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,154,502.97</td>
<td>5,758.89</td>
<td>1,160,261.86</td>
</tr>
</tbody>
</table>

**T-Bills & Municipal Bonds Total**

<table>
<thead>
<tr>
<th>Amount Invested</th>
<th>YTD Total Interest</th>
<th>Unrealized Gain/Loss</th>
<th>Investment Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>-</td>
<td>821.31</td>
<td>-</td>
</tr>
</tbody>
</table>

### Brokered CDs Total

9.50 **Average Rate** 1.56%

<table>
<thead>
<tr>
<th>Amount Invested</th>
<th>YTD Total Interest</th>
<th>Unrealized Gain/Loss</th>
<th>Investment Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,360,502.97</td>
<td>$</td>
<td>71,682.90</td>
<td>$</td>
</tr>
</tbody>
</table>

### Short Term Investments

<table>
<thead>
<tr>
<th>Checking Account Interest- LANB</th>
<th>0.05%</th>
<th>$</th>
<th>3,107,220.97</th>
<th>1,112.70</th>
<th>-</th>
<th>3,108,333.67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Investment Portfolio</td>
<td>0.24%</td>
<td>10,665.38</td>
<td>176.85</td>
<td>-</td>
<td>10,842.23</td>
<td></td>
</tr>
</tbody>
</table>

**Short Term**

| Average Rate | 0.26% | $ | 3,117,886.35 | 1,289.55 | - | 3,119,175.90 |

**Total Investment Portfolio**

8.54 **Average Rate** 1.11%

<table>
<thead>
<tr>
<th>Amount Invested</th>
<th>YTD Total Interest</th>
<th>Unrealized Gain/Loss</th>
<th>Investment Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,478,389.32</td>
<td>$</td>
<td>86,251.58</td>
<td>$</td>
</tr>
</tbody>
</table>
NCRTD's FY 2020 Investment Portfolio Allocation

<table>
<thead>
<tr>
<th>Investment Category</th>
<th>Amount Invested FY2020 YTD</th>
<th>FY2020 YTD Interest</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking Account</td>
<td>$3,108,333.67</td>
<td>$1,112.70</td>
<td>36.54%</td>
</tr>
<tr>
<td>LGIP &amp; Local Credit Unions</td>
<td>$10,842.23</td>
<td>$998.16</td>
<td>0.13%</td>
</tr>
<tr>
<td>Cetera T Bills &amp; Municipal Bonds</td>
<td>$2,015,663.91</td>
<td>$12,457.82</td>
<td>23.69%</td>
</tr>
<tr>
<td>Cetera Brokered CDs</td>
<td>$3,372,702.19</td>
<td>$71,682.90</td>
<td>39.64%</td>
</tr>
<tr>
<td>Total</td>
<td>$8,507,542.00</td>
<td>$86,251.58</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

1.11% Average Rate of Return
11.13 Average Length of Maturity (months)
1.51% Treasury Security Return for 12 months*
1.68% 10 Yr Average Treasury Security Return
Title: Discussion and Consideration of the Quarterly Electronic Payments Report – 4th Qtr. FY2020.

Prepared By: Timothy J. Mildren, Director of Finance

Summary:

Between April 1, and June 30, 2020, there were thirty-one (31) payments over $20,000 made to different vendors in the amount of $1,873,647.25. The payments broken down by category is as follows:

- Seven (7) payments totaling $171,877.44 were made to the Federal Government for Social Security Benefits, Federal Tax Withholdings and Medicaid.
- Ten (10) payments totaling $303,563.31 were made to PERA and ERISA for Retirement and Health Insurance Benefits.
- Three (3) payments totaling $632,336.47 were made to other Transit Agencies for GRT contributions.
- Eleven (11) payments totaling $765,870.03 were made for Goods, Services and Capital Assets acquired by the District.

Background:

The NCRTD Board passed a resolution in November 2013 allowing the District to pay its vendors through the Automatic Clearing House (ACH) system that withdrawals funds from the District’s account and deposits into vendor’s checking accounts. To date, the District has 112 vendors signed up for ACH payments an increase of 0 vendors from the 3rd Qtr. of FY2020.

Recommended Action:

It is recommended that the Finance Committee discusses and reviews the information presented regarding vendor payments and advise on any modifications needed. If no modifications are recommended the Finance Subcommittee should commend the report to the full Board for final review and acceptance.

Options/Alternatives:
1. Take no action; or
2. Adopt the recommendation, (recommended); or
3. Amend, modify or reject the recommendation and provide direction to staff.

**Fiscal Impact:** None

**Attachment(s):**
<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Check Number</th>
<th>Transaction Description</th>
<th>Vendor Name</th>
<th>Check Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/15/2020</td>
<td>E-Check 54559277/33655072</td>
<td>Federal Tax Deposit PP 4/10/20</td>
<td>United States Treasury</td>
<td>26,124.23</td>
</tr>
<tr>
<td>4/28/2020</td>
<td>E-Check 33898078/62778496</td>
<td>Federal Tax Deposit for PP April 24, 2020</td>
<td>United States Treasury</td>
<td>25,394.22</td>
</tr>
<tr>
<td>5/13/2020</td>
<td>E Check 04999813/04970857</td>
<td>Federal Tax Deposit for PP May 8, 2020</td>
<td>United States Treasury</td>
<td>24,500.21</td>
</tr>
<tr>
<td>6/19/2020</td>
<td>E Check 35109730/93159983</td>
<td>Federal Tax Deposit for PP June 19, 2020</td>
<td>United States Treasury</td>
<td>23,897.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal Tax Deposits- Total</td>
<td></td>
<td>$171,877.44</td>
</tr>
<tr>
<td>4/2/2020</td>
<td>E Check PP 3-27-20 PERA</td>
<td>PERA Payment for 3/7/20-3/20/20</td>
<td>PERA</td>
<td>22,211.62</td>
</tr>
<tr>
<td>4/23/2020</td>
<td>E-Check PP 4-10-20 PERA</td>
<td>PERA contribution for PP April 10, 2020</td>
<td>PERA</td>
<td>22,559.29</td>
</tr>
<tr>
<td>5/7/2020</td>
<td>E Check PP 4-24-20 PERA</td>
<td>PERA Contributions for PP 4/24/20</td>
<td>PERA</td>
<td>22,433.94</td>
</tr>
<tr>
<td>5/27/2020</td>
<td>E-Check PP 5-8-20 PERA</td>
<td>PERA Contribution for PP May 8, 2020</td>
<td>PERA</td>
<td>21,958.91</td>
</tr>
<tr>
<td>6/5/2020</td>
<td>E Check PP 5/22/20 PERA</td>
<td>PERA payment for PP May 22, 2020</td>
<td>PERA</td>
<td>21,604.96</td>
</tr>
<tr>
<td>4/9/2020</td>
<td>E20040903</td>
<td>Medical, Dental, Vision, and Disability for March 2020</td>
<td>GSD-Admin Services Division</td>
<td>48,833.42</td>
</tr>
<tr>
<td>5/6/2020</td>
<td>E20050603</td>
<td>Medical, Vision, Dental Insurance for April 2020</td>
<td>GSD-Admin Services Division</td>
<td>50,966.65</td>
</tr>
<tr>
<td>6/8/2020</td>
<td>E20060803</td>
<td>Medical, Vision, Dental insurance for May 2020</td>
<td>GSD-Admin Services Division</td>
<td>49,707.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee Benefits- Total</td>
<td></td>
<td>$303,563.31</td>
</tr>
<tr>
<td>4/23/2020</td>
<td>E20042302</td>
<td>County Regional Transit GRT for February 2020</td>
<td>Rio Metro RTD</td>
<td>179,002.63</td>
</tr>
<tr>
<td>5/6/2020</td>
<td>E20050605</td>
<td>los Alamo County FY20 Service Plan FY20 Service Plan 3rd Qua</td>
<td>Incorporated County of Los Alamos</td>
<td>261,875.56</td>
</tr>
<tr>
<td>5/22/2020</td>
<td>E20052210</td>
<td>County rgional transit GRT for March 2020</td>
<td>Rio Metro RTD</td>
<td>191,458.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GRT Contributions- Total</td>
<td></td>
<td>$632,336.47</td>
</tr>
<tr>
<td>6/8/2020</td>
<td>E20060801</td>
<td>4G conversion, setup, configuration, maintenance warranty,</td>
<td>Avail Technologies, Inc.</td>
<td>30,608.89</td>
</tr>
<tr>
<td>5/20/2020</td>
<td>E20052008</td>
<td>F636 Demand 2018 Braun Entervan Van white</td>
<td>Creative Bus Sales, Inc.</td>
<td>45,747.07</td>
</tr>
<tr>
<td>5/20/2020</td>
<td>E20052009</td>
<td>T635 Demand 2018 Braun Entervan Van White</td>
<td>Creative Bus Sales, Inc.</td>
<td>45,747.07</td>
</tr>
<tr>
<td>4/1/2020</td>
<td>E20040104</td>
<td>Transit Maintenance Facility Preliminary Design &amp; Master pla</td>
<td>Hutt-Zollars</td>
<td>41,223.97</td>
</tr>
<tr>
<td>4/30/2020</td>
<td>E20043020</td>
<td>Transit Maintenance Facility Preliminary design &amp; Master Pla</td>
<td>Hutt-Zollars</td>
<td>62,444.18</td>
</tr>
<tr>
<td>6/24/2020</td>
<td>E20062401</td>
<td>Preliminary Design &amp; Master Plan Period ending 5/30/20</td>
<td>Hutt-Zollars</td>
<td>80,558.26</td>
</tr>
<tr>
<td>6/23/2020</td>
<td>6-23-20 FNMTA</td>
<td>Purchase of Taos Property</td>
<td>First New Mexico Title &amp; Abstract Co.</td>
<td>302,402.18</td>
</tr>
<tr>
<td>6/2/2020</td>
<td>E20060202</td>
<td>Equipment,misc parts/wire, Labor &amp; project services boardroo</td>
<td>Listen Up</td>
<td>39,829.65</td>
</tr>
<tr>
<td>5/22/2020</td>
<td>E20052202</td>
<td>new 2020 Ford Escape SE FWD 1FMCU0G60LUA34072</td>
<td>Power Ford</td>
<td>25,985.00</td>
</tr>
<tr>
<td>4/7/2020</td>
<td>E-Check 64639031</td>
<td>March 2020 Fuel</td>
<td>Wex Bank</td>
<td>32,432.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Goods &amp; Services- Total</td>
<td></td>
<td>$765,870.03</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Report Total</td>
<td></td>
<td>$1,873,647.25</td>
</tr>
</tbody>
</table>
The mission of the North Central Regional Transit District is to provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and spur economic development throughout the region.

---

NORTH CENTRAL REGIONAL TRANSIT DISTRICT
FINANCE SUBCOMMITTEE

Friday, April 24, 2020
9:00 A.M. – 11:00 A.M.

Conducted from Jim West Regional Transit Center
Telephonically via Webex Video Conferencing

[The packet referenced for this meeting of the Finance Subcommittee can be found on the NCRTD website under Board of Directors and then Board Finance Subcommittee.]

CALL TO ORDER: A regular meeting of the North Central Regional Transit District (NCRTD) was called to order on the above date by Acting Chair Antonio Maggiore at 9:00 a.m. The meeting, normally held at the Jim West Regional Transit Center, Española, New Mexico, was conducted via Webex Meetings. NCRTD staff utilized the Executive Conference Room.

ROLL CALL: Mr. Dahlquist called the roll as follows:

Board Members Present: Councilor Antonio Maggiore, Los Alamos County; Commissioner Ed Moreno, Santa Fe County (later arrival); Finance Director, Lupe Martinez, Taos County.

Staff Present: Anthony Mortillaro, Executive Director; Tim Mildren, Finance Director; Stephen Dahlquist, Executive Assistant.

Joe Palmeri, Human Resources Director, Jim Nagle, Public Information Officer, Delilah Garcia, Operations Director and David Funck Sr., Fleet/Facilities Maintenance Manager all spoke to their respective budgets joining in the video conference.

Absent: Commissioner Leo Jaramillo, Rio Arriba County and Transportation Planning Manager, Lillian Garcia, Pueblo de San Ildefonso.

ITEMS FOR DISCUSSION/RECOMMENDATION

Acting Chair Maggiore thanks everyone for attending and moves right along to the first item on the agenda, turning the meeting over to Anthony Mortillaro and Tim Mildren.
A. Review of Draft Fiscal Year 2021 Budget  

Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance Director  
Attachment

Mr. Mortillaro introduces the subject with a few general comments. Budgets planned even more conservatively than usual due to COVID-19 economic uncertainty; having seen projections of revenue decreases ranging from 10% to 40%, we incorporated a 35% reduction in revenues for Fiscal Year 2021. Touts District’s financial stability due to conservative budgeting and planning for economic downturns. Turns discussion over to Tim Mildren to go over the District’s revenue summary (page 27 of packet).

(Chair Moreno joins meeting.)

Mr. Mildren: estimating GRT taxes to be 65% of the actuals from 2019 (a $2,995,000 decrease); net effect after contributions to partners will come out to just about a $1.5 million decrease to direct expenses. Mentions CARES Act supplemental funding from the FTA; 100% funding through to September 2021 on Operations side, 100% through to September 2020 on Administrative side. With that factored into our revenues for the next fiscal year, the total amount we’re projecting for additional funds from CARES Act is about $1.8 million, the net effect of which has us coming out positive by about $340,000. These are based on conservative projections. Any other big items will be capital-related. From the Operating and Administrative side, this is probably the biggest component of revenue that’s going to affect us.

Mr. Mortillaro adds there is carry-over of past Federal grants as well (sites money received for Española maintenance facility being carried over to 2021, State Capital Outlay appropriations received this year for the same project, plus an allocation in FY2021 from severance bonds) is being reflected here. Also Use of Fund Balance incorporated to the amount of about $1.5 million, although this is standard practice and we rarely touch this money. Mr. Mildren adds that much of the Use of Fund Balance is tied into the 20% match required of the District when accepting grant money. Mr. Mortillaro says the District is anticipating that Los Alamos will budget for its annual contribution to the District. Acting Chair Maggiore states that as far as he is aware, that contribution will be in the budget.

Proceeds to organizational structure and staffing changes on pages 20 and 21 of the packet. Proposing to add several positions and reclassify some positions. Discusses details as outlined on those two pages.

Moves on to departmental budgets, begins with Administration budget on page 30, which covers the operations of the Executive Director’s office as well as support for the Board and overall organizational support. Focuses primarily on salaries and benefits and contractual services. Under “Other Operating Expenses,” focuses on Training and Computers as those line items have increased for FY 2021.

Intends to continue with Marketing and Public Relations (page 31), but Public Information Officer, Jim Nagle has not yet joined the meeting. Presents Human Resources (page 33) as discussed by Human Resources Director Joe Palmeri. This year’s focus will be on training, safety and most importantly, filling positions; budget increases will be in the areas of advertising, contractual services (recruitment agencies) and training for Driver’s Academy.

Mr. Nagle, who has joined the meeting, discusses Marketing and Public Relations. Significant increase in Salaries and Benefits due to newly created position (as discussed by Mr. Mortillaro). Advertising and promotion makes up for the bulk of FY 21 increases; anticipating additional spending post-COVID to
encourage ridership and assure public that it is safe to ride buses again. Also, Service Plan Update recommendations will require informing the public of changes in service. Finally, in process of redesigning the website, which will come in at about $8,000, an equivalent amount to what was spent on the Rider Survey.

Mr. Mortillaro moves on to Planning on page 34. Again, Salaries and Benefits is the largest increase based on the expected salary for the new Strategic Initiatives and Planning Manager position. Under Contractual Services, $20,000 reflects On-Call Engineering services if needed as result of implementation of our ADA recommendations (which are separate from the TAP project). Dramatic decrease is due to completing Service Plan Update.

Turns discussion over to Mr. Mildren for Finance. Also states that largest increase is Salaries and Benefits due to increasing one of the Financial Analyst positions from half-time to three-quarter time, and also due to Contractual Services, as the Senior Accountant position is currently being filled through contractual services. States that one of his primary focuses for the next year will be to get staffing stability in the Finance Department. Other big ticket item under Contractual Services is related to the upcoming Audit. Everything else is either flat or coming down. Asks if there are any questions, Acting Chair Maggiore has a question regarding the Audit; wants to know if this is the last year with the current Auditor, to which Mr. Mortillaro answers that it’s the third year and believes you can go four or five with the same firm, maybe even six. Asks Ms. Martinez to confirm this, she confirms it’s six.

With no further questions, Mr. Mortillaro moves on to Operations, Admin, turns it over to Ms. Garcia.

Increases in Operations Admin budget are primarily tied to implementing the security program, and also the continued radio improvement effort. Also, some of this is allocated to contractual security service, just in case the transit security program is not approved by the Board. Predicts this amount will change as we move through the process (finalizing the budget). There is also an increase in Meals and Meeting Expenses that will be used for training; this expense used to be allocated to the Executive budget but has been moved to Operations Admin for better reporting accuracy. Mr. Mortillaro adds that increase in IT Hardware/Software Support is related to Remix software used for planning and run cutting, Avail Technologies, ITS software, plus we’ve incorporated the annual maintenance cost for ConnectPoint electronic displays. In the absence of questions, Mr. Mortillaro moves on the page 36, Operations Drivers, turns discussion back over to Ms. Garcia.

Minimal increases, the majority of which are coming from Salaries and Benefits. $20,000 budget request under Contractual Services is for uniforms; the District is contracting a laundry service for the staff, who will be receiving new uniforms. The increase in Professional Dues and Subscriptions is actually the fee for CDL testing. This amount will cover approximately 26 employees over the course of a year. Increase in office supplies is related to the Driver’s Academy which requires us to put together binders, handbooks and other training material. Stands for questions, there are none, Mr. Mortillaro moves on to Fleet on page 37, turns discussion over to David Funck Sr.

No major increase, main objective is to keep fleet safe and running and this budget reflects that (3% increase in various maintenance-related line items). With no questions, moves on to Facilities Maintenance.

Biggest increase in Building Maintenance category, as next year we hope to reseal and repair the parking lot at the Jim West Transit Center, which is the biggest expense, not counting the new Maintenance Facility. Mr. Mortillaro points out there is also a position that will be reclassified from part-time to full-
time under Salaries and Benefits. With no questions from the Subcommittee, Mr. Mortillaro moves on to page 40, Non-RTD.

As mentioned earlier, budgeting for 35% less revenue, based on FY19 Actuals, one of our best years. Explains breakdown of expenses being allocated to regional partners for regional transit. Explains Railrunner amounts to 50% of tax revenue from Santa Fe County, Los Alamos County 20% of total revenue, City of Santa Fe is 14% of total revenue. Mentions that all three of these entities are also receiving CARES funds for both FY20 as well as FY21; Operating Costs will be covered at 100%, and 80/20 on the Admin side. Stands for questions, hearing none, moves to page 41, Capital Improvements.

Directs members to turn to page 43, which shows 10-year Capital Improvement Plan, although focusing specifically on Fiscal Year 2021, (bordered first column). Enumerates details of listed items. Discusses funding sources for some of the line items (funding sources listed on page 44).

Acting Chair Maggiore praises the District’s moving forward with its agenda in spite of the economic downturn, rather than implementing austerity measures.

Mr. Mortillaro states that with the summary of Capital Improvements, the review of draft Fiscal Year 2021 budget concludes and requests that a motion be made to bring the draft budget before the full Board.

Commissioner Moreno makes the motion; Councilor Maggiore seconds; All parties in favor, excluding Ms. Martinez, who had to leave the presentation early.

Proceeds to the next item on the agenda.

B. Review of Fiscal Year 2021 Compensation Plan and Performance Matrix
Sponsor: Anthony J. Mortillaro, Executive Director and Joseph Palmeri, Human Resources Director
Attachment

Mr. Mortillaro summarizes background of compensation plan and performance matrix (page 51) and how it has been budgeted in the past; non-represented employees are eligible for performance-based increase; budgeted at 3% overall budgetary impact, although performance increases may vary depending on how they are evaluated; directs subcommittee to page 57 and briefly goes over performance increases and how they are applied. States that for non-represented employees, no difference from FY20 to FY21; directs attention to table on page 56 (compensation plan) to indicate where the newly created positions mentioned during the budget discussion fit in. Stands for questions from the Subcommittee. Requests consideration of a motion to recommend this to the Board for their consideration.

Councilor Maggiore makes the motion; Commissioner Moreno seconds; All are in favor, motion passes.

Turns discussion over to Mr. Mildren for the next item on the agenda.

C. Quarterly Investment Report
Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance Director
Attachment
Mr. Mildren gives a summary of the information on pages 58 through 61 of the packet regarding the District’s 3rd quarter investment report; page 60 lists a breakdown of current investments. Some discussion of the current market takes place. Mr. Mortillaro asks for a motion to bring the report before the full Board.

Councilor Maggiore makes the motion;
Commissioner Moreno seconds;
Motion passes unanimously.

D. Electronic Payment Report
   Sponsor: Anthony J. Mortillaro, Executive Director and Tim Mildren, Finance Director
   Attachment

Mr. Mildren gives a summary of the information on pages 62 and 63 of packet (63 is chart of payments).

Councilor Maggiore makes a motion to bring the report to the full board;
Commissioner Moreno seconds;
Motion passes unanimously.

E. Review and Approval of Minutes from March 20, 2020
   Attachment: Draft Minutes

Councilor Maggiore makes a motion to approve the March 20, 2020 meeting minutes;
Commissioner Moreno seconds;
Motion passes unanimously, minutes will be presented to the full Board.

Councilor Maggiore asks if it would be possible to electronically share documents under discussion for the May 1st Board meeting, rather than requiring members to print the packets, Mr. Dahlquist shares various screens for the Councilor to demonstrate capability; Councilor is satisfied.

MATTERS FROM THE SUBCOMMITTEE: None

ADJOURN: Meeting adjourns at 10:24 a.m.

NEXT FINANCE SUBCOMMITTEE MEETING: Friday, May 22, 2020

If you are an individual with a disability in need of a reader, amplifier, qualified Sign Language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.