CALL TO ORDER:

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Audit Entrance Conference
   Sponsor: Anthony Mortillaro, Executive Director and Pat Lopez, Interim Finance Director
   Attachment

B. Minutes from July 28, 2017
   Draft Minutes

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

If you are an individual with a disability who is 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
June 30, 2017 Audit
Entrance Agenda

Introductions

Common goal

Schedule and staffing

Review of Board letter

Standard changes

Fraud discussion

Other items
  Significant accounting issues or unusual transactions?
  Changes to accounting methods?
  Related party transactions?
  Significant legal matters/contingencies?
  Significant or unusual capital expenditures?
  Any other items of significance we should be aware of?
  Any non-cash transactions such as donation of vehicles?

Q & A and comments
Finance Subcommittee
Meeting July 28, 2017
9:00 a.m.

Board Members Present: Commissioner Ed Moreno-Santa Fe County, Antonio Maggiore-Los Alamos County, Christy Van Buren-Ohkay Owingeh, Leandro Cordova-Taos County

Staff Present: Anthony Mortillaro-Executive Director, Pat Lopez-Interim Finance Director. Jackie Trujillo-Executive Assistant.

Guest(s) Present:

Absent: Commissioner Alex Naranjo-Rio Arriba County

Transcribed By: Jackie Trujillo-Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

A regular Finance Subcommittee meeting was called to order on the above date by Chairman Commissioner Moreno at 9:08 a.m.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Investment of District Funds and the State of New Mexico Local Government Investment Pool Report Summary as of June 30, 2017

Mr. Mortillaro introduced Mr. Pat Lopez as the Districts Interim Finance Director; gave a brief description of his work functions and then asked him to go over the Quarterly Investment Pool Report.

Mr. Lopez proceeded by referencing page four (4) of the packet stating that the District establishes investments throughout various FDIC insured institutions around the United States. The investment portfolio has decreased from $8,082,441 in the 3rd quarter of FY2017 to $7,193,862 in the 4th quarter of FY2017. In preparation for the receipt and subsequent payment of 14 buses ordered earlier this year more local CD’s were liquidated to pay for the bus and wait for NMDOT reimbursement. He noted we anticipate reinvesting in brokers CD’s once the state of New Mexico Department of Transportation reimburses the District with federal grant funds in July 2017.

He then moved on to state that the District Investment Broker, LPL Financial, and Los Alamos National Bank broke ties with each other in June 2017, and LANB is now affiliated with Cetera Investments. This change required our brokered CD investment fund to be un-invested with LPL Financial and reinvested at Cetera with the same brokered CDs. This change required us to show the accrued interest differently for each of these brokered CD. In the attached spreadsheet of investment, you will notice a $3,856.03 negative interest earned for this quarter. He noted this is not actual cash losses, but reflects the reversal of accrued interest that was recorded while the District was with LPL Financial for interest earned on the CDs invested.
based on keeping those CDs to maturity. The transfer of these CDs to Cetera Financial, now allows NCRTD to record actual interest earned, depending on the CD, monthly, bi-monthly, quarterly, yearly, or at maturity.

It is anticipated that any accrued losses reported this quarter will be covered by future actual interest payments on these CDs as they are deposited in the operating account of the District.

Mr. Cordova asked, due to the change of interest, does it create a change in booking.

Mr. Lopez responded, Cetera will be sending a semi-monthly update and staff will be looking at deposits daily.

Councilor Maggiore asked if all CD’s are structured on one-year terms.

Mr. Mortillaro stated that in the beginning of this month, it was approved by the Board, as these new CD’s mature we will then consider eighteen (18) to twenty-four (24) month CD’s.

Mr. Cordova made a motion to recommend LGIP and the Certificate of Deposit Investment report to the full board. Councilor Maggiore seconded the motion and it passed by voice vote.

B. Automatic Clearing House (ACH) Payments over $20,000 from March 31, 2017 thru June 30, 2017

Mr. Lopez moved on to page seven (7) of the packet stating the District has 76 vendors signed up for ACH payments. He noted this is a check and balance done for all electronic payments made to our vendors, this report is from April 1, 2017 to June 30, 2017, there were 30 payments made to vendors for more than $20,000 through the ACH process, totaling $2,544,959.96.

He went on to note in November 2016 and January 2017 the District incorporated a quarterly reporting requirement to the Finance Subcommittee and Board to provide oversight and governance of the program.

Further discussion continued on this item.

Mr. Cordova made a motion to recommend this item to the full board for final review and acceptance. Councilor Maggiore seconded the motion and it passed by voice vote.

C. Revised District Travel and Business Expenses Policy

Mr. Mortillaro proceeded to state, the change that the District is proposing is to update the current travel and business expenses policy process that is currently utilized. Current changes are to provide clarifications to the changes made in June 2016 to the policy in the following areas: Who is covered by the in-radius travel section and establish an in-radius travel maximum per meal per-diem and when each meal is applicable for employees assigned to substitute for drivers on certain routes.

Ms. Van Buren asked if the District is using Federal per diem rates.

Mr. Mortillaro confirmed we use federal rates as well as a housing rate which includes a hotel; however, this is for employees who are required to stay overnight on certain long distance routes.

Further discussion continued on this item.

Ms. Van Buren made a motion to recommend this item to the full board for. Councilor Maggiore seconded the motion and it passed by voice vote.
D. Minutes from May 26, 2017

Councilor Maggiore made a motion to accept minutes as presented. Ms. Van Buren seconded the motion and it passed by voice vote.

MATTERS FROM THE SUBCOMMITTEE

Mr. Mortillaro noted in August we will be having an entrance conference with the new auditor in which will be presented to the Finance Subcommittee.

ADJOURN

Councilor Maggiore made a motion to adjourn the meeting. Mr. Cordova seconded the motion.

Next Finance Subcommittee will be held August 25, 2017 at 9:00 AM.