CALL TO ORDER:

Roll Call:

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
   Sponsor: Anthony Mortillaro, Executive Director and Pat Lopez, Finance Analyst
   Attachment

B. Automatic Clearing House (ACH) Payments over $20,000 from March 31, 2017 thru June 30, 2017
   Sponsor: Anthony Mortillaro, Executive Director and Pat Lopez, Finance Analyst
   Attachment

C. Revised District Travel and Business Expenses Policy
   Sponsor: Anthony Mortillaro, Executive Director and Pat Lopez, Finance Analyst
   Attachment

D. Minutes from May 26, 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.
Memorandum

To: Finance Committee  
From: Pat Lopez, Finance Director  
Thru: Anthony J. Mortillaro, Executive Director  
Date: July 28, 2017  

Background:

The NCRTD 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. 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.

The District Investment Broker, LPL Financial, and Los Alamos National Bank (LANB) 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. 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.

The District cashed out the 4 local CD’s and 1 brokered CD. As of June 30, 2017, the investment portfolio continues to under preform the comparable nine-month Treasury Certificate. Changing over from local underperforming CD to brokered CD’s should increase our rate of return over time, but New Mexico bank rates seem to be stagnant, so it could still take time to reflect in the rate of return of the overall investment portfolio.

Summary:
- As of June 30, 2017, the total investment exclusive of interest revenue was $7,175,747.
- Total earnings from interest total $27,025 since the start of the fiscal year.
• The average rate of return is .66%.
• The highest earned income is 1.00% with Guadalupe CU (12-month term) earning the District a total of $2,473.83 in interest this fiscal year.
• The current quarter from March through June of 2017 earned a total of $10,439 in interest.

The District investment strategy is passive. Given this strategy, NCRTD has determined the market yields are being achieved by comparing the average District portfolio yield to the U.S. Treasury Bill. As of June 30, 2017, the nine-month treasury was 1.182% and the one-year treasury rates was 1.240%, the District is averaging a rate of return at .66% with an average length of maturity of about 9.2 months.

<table>
<thead>
<tr>
<th>Amount Invested YTD</th>
<th>Earnings</th>
<th>% of portfolio</th>
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<tbody>
<tr>
<td>Checking Account</td>
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<td>802.30</td>
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<td>LGIP</td>
<td>$ 10,313</td>
<td>1,270.24</td>
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<tr>
<td>Cetera Investments</td>
<td>$ 20,710</td>
<td>9,947.73</td>
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<td>12 month CDs</td>
<td>$ 5,401,042</td>
<td>14,997.59</td>
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<td><strong>Total</strong></td>
<td><strong>$ 7,193,861.64</strong></td>
<td><strong>27,017.86</strong></td>
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**Recommendation:**

It is recommended that the Finance Committee discuss and review the information presented in relation to the LGIP and the Certificate of Deposit Investment report, and recommend the report to the Board of Directors as presented.

**Attachment:**

• Investment Report Quarterly as of June 30, 2017
### North Central Regional Transit District  
**Certificate of Deposit Report**  
**30-Jun-17**

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Date opened</th>
<th>Term / months</th>
<th>Expiration Date</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>Change of Accruals to Cetera-CDs thru March 2017</th>
<th>Earnings 4-1-2017 thru 6-30-2017</th>
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<th>Investment Balance</th>
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<td>614.61</td>
<td>609.37</td>
<td>624.46</td>
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<td>494.03</td>
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<td>-</td>
<td>-</td>
<td>250.81</td>
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<td>9/15/2017</td>
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<td>245,005.00</td>
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<td>250.84</td>
<td>91.05</td>
<td>-</td>
<td>-</td>
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<td>(531.67)</td>
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<td>428.75</td>
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<td>(502.30)</td>
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<td>21.48</td>
<td>(7.67)</td>
<td>(180.28)</td>
<td>166.47</td>
<td>-</td>
<td>245,001.71</td>
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<td>11/1/2016</td>
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<td>-</td>
<td>333.57</td>
<td>85.53</td>
<td>-</td>
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<td>419.10</td>
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<td>Bridgewater Bank</td>
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<td>11/16/2017</td>
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<td>80.22</td>
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<td>(28.65)</td>
<td>(51.57)</td>
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<td>Summit Community Bank</td>
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<td>11/22/2017</td>
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<td>245,002.90</td>
<td>40.80</td>
<td>-</td>
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<td>(185.18)</td>
<td>156.06</td>
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<td>245,002.90</td>
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<tr>
<td>Rollstone Bank and Trust</td>
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<td>12</td>
<td>11/22/2017</td>
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<td>209.43</td>
<td>483.28</td>
<td>(247.35)</td>
<td>(445.36)</td>
<td>-</td>
<td>245,005.00</td>
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<td>Stearns Bank</td>
<td>11/24/2016</td>
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<td>11/24/2017</td>
<td><strong>0.80%</strong></td>
<td>245,002.91</td>
<td>37.59</td>
<td>-</td>
<td>(13.42)</td>
<td>(190.64)</td>
<td>166.47</td>
<td>-</td>
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<tr>
<td>Guadalupe CU</td>
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<td>11/28/2017</td>
<td><strong>1.00%</strong></td>
<td>246,258.11</td>
<td>621.21</td>
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<td>12/1/2016</td>
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<td>-</td>
<td>333.66</td>
<td>168.38</td>
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<td>502.04</td>
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<td>Zion Bank</td>
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<td>12</td>
<td>12/7/2017</td>
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<td>144.99</td>
<td>543.69</td>
<td>(245.92)</td>
<td>(442.76)</td>
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<td>Los Alamos National Bank</td>
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<td>12</td>
<td>12/31/2016</td>
<td>0.40%</td>
<td>-</td>
<td>250.98</td>
<td>253.98</td>
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<tr>
<td>Bankers Bank</td>
<td>1/11/2017</td>
<td>12</td>
<td>1/11/2018</td>
<td><strong>1.00%</strong></td>
<td>245,002.91</td>
<td>140.96</td>
<td>(50.33)</td>
<td>(90.63)</td>
<td>-</td>
<td>0.00</td>
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<td>Discover Bank</td>
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<td>245,005.00</td>
<td>536.98</td>
<td>(191.75)</td>
<td>(345.23)</td>
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**Wex Bank**

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<th>Term / months</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/11/2017</td>
<td>12</td>
<td>1.00%</td>
<td>245,005.00</td>
<td>536.98</td>
<td>(191.75)</td>
<td>(345.23)</td>
<td>-</td>
<td>245,005.00</td>
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**Los Alamos National Bank**

<table>
<thead>
<tr>
<th>Date opened</th>
<th>Term / months</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
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<td>1/30/2016</td>
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<td>251.07</td>
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**Washington Federal Bank**

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<th>Amount invested</th>
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<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
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<tbody>
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<td>278.78</td>
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**State Employees Credit Union**

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<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
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**Los Alamos National Bank**

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<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
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**Compass Bank**

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<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
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<tr>
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<td>(124.64)</td>
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**Los Alamos National Bank**

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<th>Term / months</th>
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<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
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**Los Alamos National Bank**

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<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
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**BMW**

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<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
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<tbody>
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<td>6/29/2017</td>
<td>10</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>245,005.00</td>
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**Los Alamos National Bank**

<table>
<thead>
<tr>
<th>Date opened</th>
<th>Term / months</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/15/2016</td>
<td>12</td>
<td>0.40%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,002.01</td>
<td>1,002.01</td>
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</table>

**Beal Bank**

<table>
<thead>
<tr>
<th>Date opened</th>
<th>Term / months</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/21/2016</td>
<td>12</td>
<td>0.70%</td>
<td>-</td>
<td>474.56</td>
<td>432.28</td>
<td>422.87</td>
<td>(474.81)</td>
<td>(2,565.20)</td>
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</table>

**State Bank of India**

<table>
<thead>
<tr>
<th>Date opened</th>
<th>Term / months</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2016 thru 9-30-2016</th>
<th>Earnings 10-1-2016 thru 12-31-2016</th>
<th>Earnings 1-1-2017 thru 3-31-2017</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/29/2017</td>
<td>12</td>
<td>1.45%</td>
<td>245,000.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>245,000.00</td>
</tr>
</tbody>
</table>

**Total Short Term Investment**

| Average rate | $ 5,393,803.23 | 6,390.08 | 7,725.71 | 8,756.83 | (3,856.03) | (9,142.00) | 5,153.00 | 14,997.59 | $ 5,401,042.39 |

**Short Term Average Rate**

| Average rate | $ 1,781,943.93 | 1,378.24 | 1,140.93 | 478.99 | - | 9,142.00 | (112.39) | 12,027.77 | $ 1,792,819.25 |

**Investment Portfolio by Duration**

| Average Rate | $ 7,175,747.16 | 7,768.32 | 8,866.64 | 9,205.82 | (3,856.03) | - | 5,040.61 | 27,025.36 | $ 7,193,861.64 |

**Average Rate of Return** 0.66%

**Average Length of Maturity (months)** 9.2

**Approximate Treasury Security Return for 9.2 months** 1.182%
Memorandum

To: Finance Committee
From: Troy Bingham, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: July 28, 2017
Re: Automatic Clearing House (ACH) Payments over $20,000 from March 31, 2017 thru June 30, 2017

Background:

The NCRTD Board passed a resolution in November 2013 to allow for ACH payments to vendors. As of July 2016, the District’s established the ability to pay vendors through the Automatic Clearing House (ACH) system that withdrawals funds from the District’s account and deposits into vendor’s checking accounts with their permission. To date, the District has 76 vendors signed up for ACH payments. Changes to Finance Policy #1 in November 2016 and January 2017 incorporated a quarterly reporting requirement to the Finance Subcommittee and Board to provide oversight and governance of the program.

Summary:

- From March 31, 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

Recommendation:

It is recommended that the Finance Committee discuss and review the information presented regarding vendor payments and recommend any modifications to the reporting if needed. If no modifications are recommended the Finance Subcommittee should recommend the report to the full Board for final review and acceptance.

Attachment:

- 6/30/2017 Vendor Payments over $20,000
### 6/30/2017 Vendor Payments over $20,000

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Session ID</th>
<th>Check Number</th>
<th>Transaction Description</th>
<th>Vendor Name</th>
<th>Check Amount</th>
<th>Matching Document Number</th>
</tr>
</thead>
<tbody>
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<td>4/14/2017</td>
<td>CD0693</td>
<td>E Check/485643578/443874499</td>
<td>Federal Tax Deposit 4-14-2017 Pay Date</td>
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<tr>
<td>5/1/2017</td>
<td>CD0697</td>
<td>E Check/05730422</td>
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<td>E Check 40162965/40454273</td>
<td>Federal Tax Deposit/5-12-17 Pay Date</td>
<td>United States Treasury</td>
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</tr>
<tr>
<td>5/30/2017</td>
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<td>E Check/15850769/52582690</td>
<td>Federal Tax Deposit/5-26-17 Paydate</td>
<td>United States Treasury</td>
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</tr>
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<td>CD0705</td>
<td>E Check 34413752/65221712</td>
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<td>Creative Bus Sales, Inc.</td>
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</tr>
<tr>
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<td>Back up Generator Wall/boring, conduits/frame/piping panel</td>
<td>Omega Electrical Contractors, Inc. dba Omega Contractors</td>
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<td>Wex Bank</td>
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<td>6/8/2017</td>
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<td>Professional Services thru Period Ended April 29, 2017</td>
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<td>21,483.96</td>
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<td>Fuel charges May 2017</td>
<td>Wex Bank</td>
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<td>49973122</td>
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**Report Total**

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<th>Transaction Description</th>
<th>Vendor Name</th>
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<td></td>
<td></td>
<td>2,544,959.96</td>
<td></td>
</tr>
</tbody>
</table>
Memorandum

To: Finance Committee
From: Pat Lopez, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: July 28, 2017
Re: Revised District Travel and Business Expenses Policy

Background:

The NCRTD created the District’s Travel Policy in November 2011 to create framework for employees and the Board on what constituted travel and what the District reimburses and does not reimburse. 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
✓ Establish an in-radius travel maximum per meal per-diem and when each meal is applicable

Recommendation:

It is recommended that the Finance Committee discuss and review the information about the changes in the travel policy. The staff further recommends the following changes be recommended for discussion, review and final approval to the Board at the Board meeting on August 4, 2017:

Attachment:

- Finance Policy #7 Business Travel and Meals Expenses Policy - Redlined
1.0 Objective:

District employees are required, from time to time, to attend conferences, meetings, and training sessions which relate directly to the concerns of the District or provide job-related educational opportunities. It is the District's intention to allow such attendance without unreasonable financial sacrifice. The purpose of the following policies and procedures is to establish guidelines for District authorized travel and provide reimbursement procedures for reasonable and appropriate expenses. These procedures are not intended to cover every possible circumstance. Anything not specifically covered must be authorized by the Executive Director. Employees are expected to use sound judgment and fiscal responsibility in assessing the need for business, travel, and training expenses.

2.0 Coverage:

This policy applies to employees, candidates for employment (to the extent possible), and appointed elected public officials of the North Central Regional Transit District who travels outside or within the District’s four county service area for work related conferences, meetings, and/or training. Travel and meals expenses are categorized into two distinct categories:

- Within Radius Travel – Vehicle travel from the employees defined work location for at least 4 hours in all directions including out of district travel and out of state travel (i.e. Colorado)
- Outside of Radius Travel – Any travel outside of the “Within Radius Travel” which includes areas still in New Mexico and outside of the State
Important Note: For employees that live inside and outside of the four county service area of the District, the determination of travel status is from the employees work location and not necessarily the employee's residence.

Travel paid or reimbursed by Federal and State grants/agencies are considered exempt from this policy, if the grant/agency specifically requires compliance with Federal and/or State travel guidelines or policies in order for the District to be reimbursed.

3.0 Purpose:

The purpose of this policy is to identify and provide guidelines regarding the District’s travel policies and to further delineate those valid business expenses for which public officials and employees of the District may qualify for payment or reimbursement. When reading this policy, it is important to note whether the policy guideline is part of the in radius travel (section 4.0) or outside the radius travel (section 4.1) because the allowable cost could be different.

4.0 Authorization for Travel and Training or Transitory Travel and Lodging Within the Radius Travel:

An employee may incur expenses for pre-approved training programs, conferences, and professional meetings attended for the benefit of the District. The approval of the appropriate Department Director/Manager is required prior to travel. Approval should be requested far enough in advance so that payment can be made directly to the sponsoring organization as part of the District’s regular payment cycle. Every effort should be made to receive the early registration discount, if available.

4.0.1 Transitory Travel and Lodging

At times, the District may experience a vacancy in the assigned driver for routes located in Edgewood, Chama, Dulce, Questa and Taos outlier communities. In those cases, until the selection, training and placement of a new driver has occurred, it may be more cost effective to assign an existing employee to that route on a temporary basis and to provide for transitory lodging and per diem instead of incurring daily dead head runs to the service location and the attended transportation expenses (wear and tear on the vehicle and fuel), overtime and maintaining a reasonable amount of cumulative driving hours for the employee to ensure optimum performance and safety. When this situation presents itself the Transit and Facilities Operations Director will conduct a cost and service analysis to ascertain the appropriate process for staffing of these routes and provide a recommendation to the Executive Director for approval. The following general parameters will apply:

• When an employee is assigned to work at an alternate work location which is at least 35 miles from both different their official work station and their homedomicile, and by the nature of the assignment they are unable to return to their domicile headquarters or home at the end of the workday’s shift, they are considered in-radius travel status and are eligible for per diem and lodging in accordance with the District’s in-radius State travel policy.
• Travel between the employee’s home and official reporting their domicile
location is considered commuting time and is not reimbursable.
• Employees temporarily assigned to these routes will be provided with an NCRTD vehicle for travel to those locations.
• If an NCRTD vehicle is temporarily assigned to the employee, the employee will report with their own car to the headquarters facility/their domicile. This time is considered commuting time and is not reimbursable.
• In accordance with the Collective Bargaining Agreement if the employee is required to drive their own vehicle to an alternate report to location other than their domicile they shall be paid the applicable standard IRS Mileage rate.
• If the employee is assigned to operate a RTD vehicle from the any NCRTD headquarters facility for travel from job site to job site during their regularly scheduled working hours then it is considered work time and recorded as such.

Approval should be requested far enough in advance so that payment can be made directly to the sponsoring organization as part of the District’s regular payment cycle. Every effort should be made to receive the early registration discount, if available.

4.0.12 Mode of Transportation:

a) Official District Vehicle

• Employees are encouraged to use a District vehicle in lieu of a personal vehicle whenever a District vehicle is available. When a District vehicle is used, the employee will be reimbursed for all gas receipts (if gas card is not available), as well as any toll charges and necessary parking fees. Retain receipts where available.

b) Personal Vehicle

• Employees may use their personal vehicle for business travel if the use of a District vehicle is not feasible.

• Employees using a personal vehicle for business purposes will be reimbursed based on miles traveled. Reimbursement will be at the allowable rate established by the IRS. This rate is regularly re-evaluated (usually each calendar year) and all departments are notified of the new rate by the Finance Department. Commuting distance to and from work is generally prohibited for reimbursement. If travel is required, the District will reimburse at the mileage less the normal distance traveled between the employee’s home and the employee’s normal reporting location (if the employee travel is originating from their home and not from their work location). If travel starts or ends on a regular day off and is not to the employees work location, then the commuting miles to and from work will not be used in the reductions of the mileage calculation.

• To receive mileage reimbursement, employees must submit
documentation of total miles traveled by including a copy of the trip using MapQuest, Google Maps, or any equivalent mapping program, including origination, destination, and number of miles on the trip. The District will reimburse the driver for mileage by the most direct route per the mapping software.

- When personal vehicles are used on District business the employee must have adequate liability insurance coverage. The minimum prescribed liability insurance is as follows:
  
  • $100,000 for personal injury to, or death of, one person;
  • $300,000 for injury to, or death of, two or more persons in one accident; and
  • $100,000 of property damage.

- An employee who uses a personal vehicle on District business is required to have, and provide upon request, satisfactory evidence of liability insurance coverage. Upon request, proof of such coverage must be provided to the Finance Department.

- Should an accident occur, to ensure full communication and disclosure between all parties, the driver should immediately contact:
  
  • Local authorities, as required
  • His / Her personal insurance company
  • His / Her supervisor
  • The Finance Department

- If an employee receives a car allowance as part of their employment the employee is not eligible for a mileage reimbursement for the business use of their personal vehicle, except as maybe provided within the agreement governing the car allowance.

c) Miscellaneous Automobile Related Expenses

- Toll road charges and reasonable charges for parking, while an employee is traveling on business, will be allowed. The location of the parking lot, garage, or meter as well as the business purpose of the trip needs to be documented. Obtain receipts where available or certify charge to Finance after travel.

d) Other forms of transportation

- Will need to have prior approval of the Executive Director prior to incurring the expense
4.0.23 Special Travel Situations:

a) Companion/Spouse/Family Travel Expenses

Companion, spouse, or other family members traveling within radius travel for business purposes by employees is strictly prohibited.

b) Combining Business and Personal Travel

If an employee combines business with personal travel approval by the Executive Director is required prior to incurring the expense.

4.0.34 Lodging, Meals, & Incidentals:

a) Lodging

Lodging expense for in radius travel requires preapproval by the Executive Director and should be requested under the following situations:

- In radius travel that would result in the employee arriving home after 9:00pm
- Employee required to leave their home before 6:00am to make an early morning meeting/route
- Inclement Weather
- Executive Director’s discretion

Lodging expense is limited to the standard room rate for single occupancy for the minimum number of nights required to attend the function. The employee should request the government or corporate rate where available. Retain itemized receipt. The procurement card should be used when possible.

If multiple co-workers are authorized to travel and share accommodations the hotel room size should be appropriate to the number of employees sharing lodging. One employee, generally higher in the District’s organizational structure, should submit the entire lodging expense, making note of those employees covered by the lodging expense.

b) Meal Allowance

1. Meals are expenses for breakfast, lunch, dinner, gratuities and taxes on those meals, which are incurred due to an overnight lodging stay, or are reimbursable if in conjunction with an overnight stay and will be based on receipts, or paid on the department procurement card when possible per diem. Business Meeting and Meals Expenses Guidance will apply for all other meal expenses not in conjunction...
1. Meals will not be allowed in addition to meals provided as part of a conference/function.

2. Alcohol during meals is never reimbursable by the District.

3. Per Diem Rates
   i. Daily per diem rate is $47 per day for in-radius travel and is inclusive of taxes, gratuity and incidentals
   ii. Part day travel per diem is prorated by the leave times.

<table>
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<tr>
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<th>Pro-rated portion of the daily per diem based on ending time of in-travel status</th>
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</thead>
<tbody>
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<tr>
<td>Prior to 11:00 a.m.</td>
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<td>Prior to 6:00 p.m.</td>
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<tr>
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<td>Pro-rated portion of the daily per diem based on ending time of in-travel status</td>
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<tr>
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<td>Prior to 7:00 p.m.</td>
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</tbody>
</table>

Use of the procurement card for more than the amounts specified in the chart, will be the responsibility of the employee to reimburse the District as part of the monthly reconciliation process.

4. Authorization for Travel and Training Outside the Radius Travel:

An employee may incur expenses for pre-approved training programs, conferences, and professional meetings attended for the benefit of the District. When travel is anticipated a NCRTD In-state or Out-of-state Travel Form must be completed and approved prior to incurring travel expenses. A copy of the conference brochure or similar documentation of program content and agenda must be attached to all NCRTD In-state or Out-of-state Travel Forms. For both forms the approval of the appropriate Department Director/Manager, the Finance Director (or designee) and the Executive Director is required. The Chair of the Board of Directors is the approving authority for travel requests by the Executive Director. In the event the travel is for the Chair of the Board of Directors or other Board Members then the Board of Directors will approve such travel requests.

Approval should be requested far enough in advance so that payment can be made directly to the sponsoring organization as part of the District’s regular payment cycle. Every effort should be made to receive the early registration discount, if available.
4.1.1 Mode of Transportation:

No specific mode of transportation is mandatory. However, employees are expected to use the most economical means available with reasonable consideration given to the time and distance involved.

a) Air Travel

- Every effort should be made to obtain the lowest possible round-trip coach fare. Due to airline practices and employee circumstances, there may be times that only premium seating is available at booking. For those occurrences, the exemption from this guidance can be noted on the travel authorization and approved by the Executive Director or Chair for the Executive Director or the Board of Directors for the Chair and Board Members.
- Upgrades, early boarding or enhancements at the gate are personal expenditures and will not be paid by the District.

Travelers should also review the following topics, as applicable to their situation:

- Companion / Spouse / Family Travel Expenses
- Combining Personal and Business Travel
- Travel Extended to Save Costs

b) Official District Vehicle

- Employees are encouraged to use a District vehicle in lieu of a personal vehicle whenever a District vehicle is available. When a District vehicle is used, the employee will be reimbursed for all gas receipts (if gas card is not available), as well as any toll charges and necessary parking fees. Retain receipts where available.

c) Personal Vehicle

- Employees may use their personal vehicle for business travel if the use of a District vehicle is not feasible.

- Employees using a personal vehicle for business purposes will be reimbursed based on miles traveled. Reimbursement will be at the allowable rate established by the IRS. This rate is regularly re-evaluated (usually each calendar year) and all departments are notified of the new rate by the Finance Department. Commuting distance to and from work is generally prohibited for reimbursement. If travel is required, the District will reimburse the mileage less the normal distance traveled between the
employee’s home and the employee’s normal reporting location. If travel starts or ends on regular day off, then the commuting miles to and from work will not be used in the reductions of the mileage calculation.

- To receive mileage reimbursement, employees must submit documentation of total miles traveled by including a copy of the trip using MapQuest, Google Maps, or any equivalent mapping program, including origination, destination, and number of miles on the trip. The District will reimburse the driver for mileage by the most direct route per the mapping software.

- When personal vehicles are used on District business the employee must have adequate liability insurance coverage. The minimum prescribed liability insurance is as follows:
  
  - $100,000 for personal injury to, or death of, one person;
  - $300,000 for injury to, or death of, two or more persons in one accident; and
  - $100,000 of property damage.

- An employee who uses a personal vehicle on District business is required to have, and provide upon request, satisfactory evidence of liability insurance coverage. Upon request, proof of such coverage must be provided to the Finance Department.

- Should an accident occur, to ensure full communication and disclosure between all parties, the driver should immediately contact:
  
  - Local authorities, as required
  - His / Her personal insurance company
  - His / Her supervisor
  - The Finance Department

- If an employee receives a car allowance as part of their employment the employee is not eligible for a mileage reimbursement for the business use of their personal vehicle, except as maybe provided within the agreement governing the car allowance.

d) Rental Vehicle

- When more advantageous to the District, as compared to other means of transportation such as a taxi, parking should be considered before renting a vehicle. The traveler is responsible for obtaining the best available rate, in accordance with the District’s purchasing policy, commensurate with the requirements of the trip.
When renting a vehicle for business purposes the employee should make sure to specify the District’s name on the rental agreement. The smallest possible vehicle size for the individual and group should be considered as the most cost advantageous to the District. No additional insurance should be purchased for the rental car, since the District has adequate coverage for rental cars in the District’s insurance policy. Rental Car Company’s may request personnel credit cards over procurement cards due to rental policy, but every effort should be made to make the final charges are paid on the District’s procurement card.

- Should an accident occur the driver should immediately contact:
  - Local authorities, as required
  - The rental company, in accordance with the rental agreement
  - His / Her supervisor
  - The Finance Department

e) Miscellaneous Automobile Related Expenses

- Toll road charges and reasonable charges for parking, while an employee is traveling or away from their assigned District facility on business, will be allowed. The location of the parking lot, garage, or meter as well as the business purpose of the trip needs to be documented. Obtain receipts where available or certify charge to Finance after travel.

f) Other forms of transportation

- Taxi fares are allowable expenses for travel to and from a business destination such as an airport, hotel, conference site, or other locations necessitated by the business trip (locations of personal interest are not allowed) when the date, origination, and destination are documented. When available, the use of public transportation (e.g., buses, subways) or a hotel / airport shuttle is encouraged. Reimbursement for the reasonable cost of tips related to these forms of transportation is also allowed. Obtain receipts where available or certify charge to Finance after travel.

4.1.2 Special Travel Situations:

a) Companion/Spouse/Family Travel Expenses

Payment of expenses for companion, spouse, or other family members of the employee is strictly prohibited.

b) Combining Business and Personal Travel
If an employee combines business with personal travel, only the business portion of the trip is reimbursable. This amount may not exceed the amount of reimbursable expenses which would have been incurred had the trip been strictly for business purposes.

If an indirect route is taken as a result of personal travel the reimbursement of expenses shall be limited to the lesser of actual costs incurred or the charges that would have been incurred via a more direct route. In the case of airfare, the employee must document the lowest reasonable cost for round trip coach airfare to the business destination, as well as submitting actual expenses. The District will reimburse the employee for the lesser amount.

c) Travel Extended to Save Costs

Additional expenses associated with travel extended to save costs (e.g. a Saturday night stay for air travel) may be reimbursable when the cost of airfare plus the additional expenses would be less than the cost of airfare had the traveler not extended the trip. These additional expenses include the additional cost of lodging, meals, and incidental expenses incurred in the vicinity of the business destination. If requested, the employee must provide documentation of the airfare savings derived from extending the trip.

d) Ground Transportation in Lieu of Air Travel

An employee may use ground transportation for personal reasons even though air travel is the more economical and efficient mode of transportation. In this case the cost of meals, lodging, mileage, parking, tolls, etc. while in transit by ground transportation will be reimbursed as allowed by District policy for these types of expenses. However, such costs shall not exceed the cost of airfare, based on the lowest available coach fare, plus costs to and from the airport terminal. The employee must provide documentation of potential airfare costs (on/near the days air travel would have been utilized) before receiving reimbursement for the ground transportation.

If the employee’s election to use ground transportation results in additional time away from work the employee must use leave time for the additional absence from work.

4.1.3 Lodging, Meals, & Incidentals:

a) Lodging

Lodging expense is limited to the standard room rate for single occupancy for the minimum number of nights required to attend the function. The employee should request the government or corporate rate where available. Retain itemized receipt.

If multiple co-workers are authorized to travel and share accommodations the hotel room size should be appropriate to the number of employees sharing lodging. One employee, generally higher in the District’s organizational structure, should submit the
entire lodging expense, making note of those employees covered by the lodging expense.

Stay(s) prior to or beyond that required for the function is the personal responsibility of the employee, see Special Travel Situations: Combining Business and Personal Travel. Any difference between the single occupancy standard room rate and actual room charges is also the personal responsibility of the employee. See Special Travel Situations: Companion/Spouse/Family Travel Expenses

b) Per Diem Meal Allowance

1. Meals are expenses for breakfast, lunch, dinner, gratuities and taxes on those meals, which are incurred on travel status, and are reimbursable based on per diem rates. No receipts are required.
2. Per diem for meals will be reduced for any meals provided as part of a conference/function (excludes continental breakfast) using the guideline provided below.
3. Per Diem Rates
   i. Daily per diem rate is $59 per day for In-State travel and is inclusive of taxes, gratuity and incidentals
   ii. Daily per diem rate is $64 per day for three meals for Out-of-State Travel and is inclusive of taxes, gratuity, and incidentals
   iii. Part day travel per diem is prorated by the leave times.

<table>
<thead>
<tr>
<th>First day of travel per diem pro-rated based on beginning time for in–travel status</th>
<th>Pro-rated portion of the daily per diem</th>
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<tr>
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<tr>
<td>Prior to 6:00 p.m.</td>
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<td>Last day of in travel status based on ending time of in-travel status</td>
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<tr>
<td>Prior to 1:00 p.m.</td>
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</tr>
<tr>
<td>Prior to 7:00 p.m.</td>
<td>100%</td>
</tr>
</tbody>
</table>

5.0 Business Meals and Meeting Expenses:

a) Business Meals

Business meals are defined as meals purchased while meeting with a business associate
during a meal period to conduct official business on behalf of the District and must be authorized in advance by the Executive Director. The employee’s meal and the meal of their business associate(s) may be allowed, excluding the cost of alcoholic beverages. An itemized receipt must accompany the expense report form and note the following:

- Date of the meal
- Nature of the business conducted
- Name and business affiliation of all attendees

Employees and Board Members are expected to use sound judgment and fiscal responsibility in assessing the need for business meal expenses.

In general, employees should not use their budgets to entertain or pay for meals of other District employees. Exceptions must be approved in advance by the Executive Director.

b) Meeting Expenses

No food or refreshments should be purchased, using District funds, for meetings of District staff or internal training activities unless the activity falls under one of the following categories:

- Employee and Volunteer Recognition events
- Quarterly Employee Informational meetings
- Team Meetings
- Job recruitment events
- Served to the public at large as a part of a scheduled District program
- District sponsored activity, event, or program where food is part of the event
- Formal / Posted meetings, involving the District Board, elected or appointed officials
- Employee or staff meetings where work or training needs to be conducted over a meal period
- The Executive Director may approve expenditures for other food purchases as deemed appropriate

The qualifying event should be noted on the food/drink receipt and/or expense reimbursement request.

c) Other

Employee recognition expenses are only allowable for established recognition programs.
Gifts are not allowable.

The purchase of greeting cards (i.e. sympathy, get well, birthday, holiday) are not an allowable District Expense.

6.0 **Specifically Prohibited Expenses:**

Employees are responsible for reviewing the complete Travel and Business Expense policy prior to traveling to determine allowable expenses and receipt requirements necessary for reimbursement.

Prohibited expenses include, but are not limited to, the following:

- Personal items, including personal grooming items
- Beverages and snacks, hotel mini bar charges
- Gifts
- Entertainment and recreation expenses, including hotel movies and health club activities
- Golf outings, fitness events or other “recreational” activities
- Alcoholic beverages
- Expenses for spouses, guests or family members

Conference registration related special events such as banquets, receptions, recognition and award events, etc. are only allowable for the District representative.

7.0 **Expense Payment Options:**

Direct payment, through the District’s normal accounts payable process, may be made for prepaid expenses such as conference registrations.

In addition, a P-Card holder may make purchases such as airfare tickets or rental car and hotel reservations on behalf of the traveling employee. The cardholder is then responsible for submitting the related receipts with their monthly P-Card statement.

a) **Expense Advances**

An expense advance may be secured for outside the radius travel by submitting an approved In-State or Out of State form to the Finance Department. The amount requested should be a minimum of $100 and should not exceed the amount budgeted for the trip, less any costs that have been prepaid by the District. Such advances shall be requested at least two (1) weeks prior to the date needed.

8.0 **Reporting Expenses:**

a) Be sure the outside of radius travel is approved prior to incurring travel related expenses. In radius travel expenses, such as overnight stays and meal allowances should be requested from the Executive Director by email and copy
b) Keep all receipts. Itemized receipts are required for lodging, meals, and other miscellaneous incidental costs. Receipts are also required for airfare, auto rental, taxi fare, and registration fees. The amount of any tips or gratuities paid should be noted on the applicable receipt.

c) Expenses paid directly by the District should not be included on the employee expense report.

d) Receipts for expenses paid with a District’s procurement card should be retained for inclusion with your monthly procurement card statement.

e) All receipts being reported on the employee’s expense report should be attached to an 8½” x 11” sheet of paper to prevent small receipts from being lost during the approval and payment processing cycle. Attach these behind the expense report.

f) Be sure origination and destination has been noted on all taxi fares.

g) Be sure the location for toll and parking charges is included on these receipts. If receipts were not obtainable for these items reimbursement will be made for reasonable costs when the date, location, and amount paid are noted.

h) If a personal vehicle was used as transportation, document the miles traveled along with origination and destination. If mileage was not part of a “travel trip” a mileage log must be attached to the expense report documenting date, origination, destination, business purpose, and number of miles driven.

i) The amount of any travel advances must be subtracted from total expenses. If the employee’s travel advance exceeds allowable expenses the employee must attach, to the expense report, a check, made payable to the District, for the balance.

j) All expenses must be submitted within 45 days of the occurrence or, for routine or daily mileage reimbursement requests, at least quarterly.

k) Expense reports require the approval of the Department Manager/Director, or in the case of a Department Manager/Director the approval of the Executive Director is required. In the case of the Executive Director approval by the Chair of the Board. In the case of the Board Chair, by the Board Vice-Chair. In the case of a Board Member, by the Chair of the Board.

l) Any reimbursements received by the employee for business travel from a third party must be promptly remitted to the District by sending a check to the Finance Department.
Finance Subcommittee
Meeting May 26, 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, Troy Bingham-Finance Director

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 9:15 a.m.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Fiscal Year 2018 Compensation Plan and Performance Increase Matrix

Mr. Mortillaro stated as per our Personal Rules and Policies the Board is required to annually adopt the Compensation Plan and Performance Increase Matrix. He continued by giving an overview of past compensation increases; Fiscal Year (FY) 2014 and 2015 the District budgeted for 3.5% increases in compensation and pay indexed benefits; FY 2016 and FY 2017 the Compensation Plan was budgeted at 3%; FY 2018, budgeted at a 3% increase in compensation costs for non-representative employees and as for represented employee’s the Collective Bargaining Agreement for FY 2018 provides for a 2.7% across the board adjustment. He noted the non-representative employees do not get across the board increase, their increases are based on a performance evaluation.

Commissioner Moreno asked for clarification of the differential between a representative employee and non-representative employee in terms of compensation.

Mr. Mortillaro responded, representative employees will receive a 2.7% increase at the beginning of the year and non-representative employees are budgeted for a 3% budget impact, noting an individual employee can receive from 0% to 4% increase depending on performance.

Mr. Mortillaro went on to reference the Performance Increase Schedule on page seven (7) of the packet, stating that if a non-represented employee receives a performance score of 3 or less they are deemed in needing improvement or performance is not acceptable, they will not receive an increase. If their performance score falls within any one of the categories on the graph then their performance increase
associated with that category is what they will receive for the year. He noted the District employed twelve (12) non-representative employees for FY17, out of a total workforce of seventy-five (75) employees.

Mr. Mortillaro moved and demonstrated how the computerized Performance System is used to evaluate employees. He noted every employee is required to do a self-evaluation thirty (30) days before their anniversary date. Based on their evaluation their supervisor then does an evaluation on the employee. The supervisor then sends the evaluation to the Department Director, after the evaluation has been finalized it is then reviewed with the employee along with a future performance goal.

Mr. Mortillaro asked if there were any questions; there were none.

Mr. Mortillaro moved on to reference page six (6) on packet. Stating the District hired an outside agency, Personnel Services, to do a Comprehensive Market Survey for salaries. He noted the District has not had a market survey done in six (6) to seven (7) years. It was brought up to the finance committee and it was agreed for the market rates be done every three (3) years. He noted the last survey was done in FY15 and the finalized results were implemented in FY16, resulting in some pay adjustments.

Mr. Mortillaro noted the District is not recommending any changes to the minimum, mid-point or maximum of the FY 17 pay scales. He stated there is a new job title added “Transit Vehicle Electronics Technician” this is a reclassification of an existing employee whose duties align more with that type of function. He stated he had Human Resources undertake a market survey and felt it aligned best with the fleet mechanic position and set the salary range at the same level. The position was budgeted for in the event that it is approved by the Board other than that there are no changes in the compensation plan.

Ms. Van Buren asked if the GIS position.

Mr. Mortillaro stated the title is new; the position has been reclassified, salary is at the same salary range as before. He went on to say, this change was brought to the Board for a mid-year adjustment by adding the Attorney, Custodian position as well as reclassifying the GIS position.

Mr. Cordova asked if the District’s attorney is on a part time schedule specific to the District’s needs.

Mr. Mortillaro noted the salary range is based on a full-time position although the attorney works on a part time basis.

Mr. Mortillaro went on to explain when the consultant did the survey, the Districts compensation philosophy for department head positions was to recruit them on a national based survey; as for non-department head positions, positions are based on state wide comparable; other non-technical office type positions were based on regional comparable. Further discussion continued this item.

Ms. Van Buren asked for explanation in the difference of Driver I, Driver II, Driver III, and Customer Service Representative.

Mr. Mortillaro noted employees whom start the driver’s academy are started as Driver I, because they do not carry a commercial driver’s license (CDL), once they have passed their CDL they will then be moved to a Driver II positon along with a $0.61 an hour pay increase. He went on to explain, Driver II are drivers who have a CDL; Driver III Lead caries a CDL along with driving experience and training skills to train other drivers. Customer Service Rep. I, does not require a CDL although they can drive a non-CDL vehicle if needed; Customer Service II requires a CDL, so if needed they can drive a CDL bus.

Ms. Van Buren made a motion to recommend this item to the full board. Councilor Maggiore seconded the motion and it passed by voice vote.
B. Revised District’s Investment Policy

Mr. Bingham reference page ten (10), noting that every quarter he brings forward the Investment Policy, he went on to reference the graph that shows changes in the Districts strategy as to where we are at and where we’re going in the Investment Policy;

Mr. Bingham went over the Districts current Investment Strategy, noting all funds be diversified to the following percentage allocations: 25% of available funds are in the LANB checking account and the LGIP to insure liquidity/availability within 24-48 hours; Savings and Checking account at LANB are at 12% of budgeted revenue with less use of the Fund Balance and LGIP investment pool has the remaining 10% of available funds; 75-80% of available funds are in government insured treasuries or CD’s that have a higher yield and the same security but less liquidity at a term of 12 months or less.

He went on to note, all CD’s are at Banks/Credit Unions. Investments which are less than $250,000 and are not at LANB are fully insured by the FDIC/NCUA and CD’s at LANB are collateralized at 102%.

Mr. Bingham moved on to go over Liquidity, stating the average balance in the LANB Checking Account for FY2017 was $1,470,713.57; LGIP has $10,295.77 and is available within 24-48 hours in the LANB Checking Account, noting CD’s are on one year terms; $250,000 of one-year CD’s expire monthly, average length of maturity for the portfolio is 8.4 months.

He moved on to note, 30% of investments are in LANB Checking Account earning 0.05%; 1% of investments are in LGIP earning on average 0.45%; 69% of investments are in CD’s with 0.50% as the lowest rate of return and 1.00% for the highest rate of return. The Districts total rate of return for the investment portfolio as of March 31, 2017 was 0.56% earning $30,000 in investment revenue in FY2017.

Mr. Bingham went on to discuss the new investment strategy by noting all funds be diversified with a minimum of 14% of available funds be in the LANB checking account and LGIP to insure liquidity and availability within 24-48 hours; Savings and Checking account at LANB be at 7% of budgeted revenue. He noted the maximum of 86% of available funds are in government insured treasuries or CD’s at $245,000 to $250,000 increments.

He went on to state, all local and brokered CD’s are at Banks/Credit Unions that are insured by the FDIC/NCUA, and balances are less than $250,000 as the balance in the LANB Checking Account at approximately 7% of budgeted revenues.

Mr. Moreno asked if there have been any irregularities with the Trump White House.

Mr. Bingham responded, the feds will be making some adjustments at the start of June, it is anticipated to be at a 100% adjustment. He noted the investment market is ripe and moving towards the way things used to be in the investment market prior to the 2008 recession are coming back such as Money Market Funds which are a guaranteed 24 hours turn around and get a good rate of return.

Further discussion continued this item.

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

C. Minutes from April 28, 2017

Commissioner Moreno made a motion to accept minutes as presented. Ms. Van Buren seconded the motion and it passed by voice vote.
MATTERS FROM THE SUBCOMMITTEE

There were none.

ADJOURN

Mr. Cordova made a motion to adjourn the meeting. Commissioner Moreno seconded the motion.

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