North Central Regional Transit District
Board Meeting
Friday, January 10, 2020
Jim West Regional Transit Center, Board Room
Espanola, New Mexico
9:00 a.m. - 1:00 p.m.

1. CALL TO ORDER

A regular meeting of the North Central Regional Transit District Board was called to order on the above date by Chair Daniel Barrone, at 9:00 am at the Jim West Regional Transit Center, Española, New Mexico.

Mr. Dahlquist called the roll and it indicated the presence of a quorum as follows:

<table>
<thead>
<tr>
<th>Members</th>
<th>Elected Members</th>
<th>Alternate Designees</th>
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<tbody>
<tr>
<td>Village of Chama</td>
<td></td>
<td>Councilor Matthew Gallegos</td>
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<tr>
<td>Town of Edgewood</td>
<td>Councilor Linda Holle</td>
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<tr>
<td>City of Española</td>
<td>Not Present</td>
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<tr>
<td>Los Alamos County</td>
<td>Councilor Antonio Maggiore, 9:30 am</td>
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<td>Nambe Pueblo</td>
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<td>Mr. Marcus Lopez</td>
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<td>Ohkay Owingeh</td>
<td></td>
<td>Ms. Christy Ladd</td>
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<td>Pojoaque Pueblo</td>
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<td>Mr. Jeff Montoya</td>
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<tr>
<td>Village of Questa</td>
<td>Not Present</td>
<td></td>
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<tr>
<td>Rio Arriba County</td>
<td>Commissioner Leo V. Jaramillo</td>
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<tr>
<td>San Ildefonso Pueblo</td>
<td></td>
<td>Not Present</td>
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Members Present

Mr. Anthony J. Mortillaro, Executive Director
Mr. Stephen Dahlquist, Executive Assistant
Mr. Hector Ordoñez, Finance Director
Mr. Peter Dwyer, Legal Counsel
Ms. Delilah Garcia, Transit and Facilities Operations Director
Mr. Jim Nagle, Public Information Officer
Mr. Michael Valverde, Regional Transit District Planner
Mr. Joe Palmeri, Human Resources Director

Others Present
Elizabeth Martin, Stenographer

2. INTRODUCTIONS

The Board and several members of the audience introduced themselves.

3. PLEDGE OF ALLEGIANCE

4. MOMENT OF SILENCE

5. APPROVAL OF AGENDA

Chair Barrone stated that item A had been removed from the agenda.

MOTION A motion was made by Commissioner Fambro, seconded by Commissioner Jaramillo, to approve the agenda as amended.

VOTE The motion passed unanimously by roll call vote (13-0) as follows:
Village of Chama, Town of Edgewood, Pueblo of Nambe, Pueblo of Ohkay Owingeh, Pueblo of Pojoaque, Rio Arriba County, Pueblo of Santa Clara, City of Santa Fe, Santa Fe County, Taos County, Town of Taos, Taos Ski Valley and Pueblo of Tesuque voting in the affirmative and none voting against.

6. APPROVAL OF MINUTES
DECEMBER 13, 2019

MOTION A motion was made by Commissioner Jaramillo, seconded by Commissioner Fambro, to approve the minutes of December 13, 2019.

VOTE The motion passed by roll call vote (11 yes, 2 abstentions) as follows: Village of Chama, Pueblo Nambe, Pueblo of Ohkay Owingeh, Pueblo of Pojoaque, Rio Arriba County, City of Santa Fe, Santa Fe County, Taos County, Town of Taos, Taos Ski Valley and Pueblo of Tesuque voting in the affirmative. Town of Edgewood and Pueblo of Santa Clara abstained as they had not been present at the December meeting.

7. PUBLIC COMMENTS

None.

PRESENTATION ITEMS

A. ABOVE AND BEYOND, YEARS OF SERVICE AND SAFE DRIVER PROGRAM, QUARTERLY AWARDS PRESENTATION
Sponsor: Chairman Daniel Barrone, Anthony J. Mortillaro, Executive Director

This item was removed from the agenda.

B. PRESENTATION OF FISCAL YEAR 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)
Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director

Mr. Ordoñez reported that this is the culmination of a six month process. Axiom CPAs, a Public Accounting Firm, audited our books and went over our general operating system in August and September. They provided a set of financials and met with our Finance Subcommittee on October 5th and heard their comments and recommendations. Following that, we prepared this CAFR which was submitted to the State Auditor’s Office a month before it was due. After approval to print was received, then it was submitted to GOA. Jamie Rumbaoa, Axiom, will make the presentation to
the Board.

Mr. Rumbaoa said he gives the NCRTD a lot of credit for having received the GFOA award. That tells a lot about the operation. He then reviewed his Power Point presentation. The highlights were as follows:

Mr. Rumbaoa explained that they looked at the internal controls and audited the financials. There are no audit adjustments, no disagreements with management or significant difficulties in performing the audit. No material weaknesses were identified. That is the highest form of opinion an organization can get.

Mr. Rumbaoa gave financial statement trends including revenue and expense increases. The expenses were a bit more than revenues at the end of the fiscal year. The biggest source of revenue is GRT. The one issue we looked at was the internal controls over fuel cards, which is a small amount of money. All of the prior year findings have been cleared.

Mr. Rumbaoa stated that they have two recommendations which are not findings. They are to have a formal Disaster Recovery Plan and to perform a penetration test or vulnerability assessment. He and Mr. Mortillaro have had a conference call with the IT consultant and we discussed the issue.

Mr. Rumbaoa asked for questions. There were no questions.

Mr. Ordoñez explained that the role of the auditor is to present this information to the Board in an accrual accounting format which requires the recording of some expenses that are not cash related expenses, such as depreciation and retirement outflows. In reality, if we were to look at the financial statements in a cash format the revenue was up approximately $450,000. We saw an increase in Tribal and State grants. Our GRT increased by $500,000 and investment income increased by more than $100,000. Under accrual accounting, we must record liabilities related to employee benefits with a conservative approach and set money aside (record a liability) as if all employees currently employed would retire in thirty years. His monthly financial summaries are presented on a cash basis versus the CAFR which is presented in a modified accrual.

Mr. Ordoñez also emphasized that this is the seventh year that we have seen an unmodified audit. That is the best report that can be attained.

Councilor Maggiore thanked Mr. Ordoñez and the Finance Department for their efforts and his management.

C. SERVICE PLAN STATUS UPDATE BY KEN HOSEN, PRINCIPAL OF THE KFH GROUP
Mr. Hosen said this is one of the many updates you will receive as we work through this plan. Some of the update includes preliminary findings. We are still in the process of forming our recommendations. Any direction from the Board is critical going forward. Please share your comments with us.

Mr. Hosen, KFH Group, and Chris Cordova, Southwest Planning, reviewed the Power Point presentation.

Mr. Hosen said they have traveled all over the service area and are looking at new technologies that could possibly be implemented as an app. Principally we are looking at continuity and increasing ridership. The service area is a challenging environment and very diverse. It is a huge area geographically and includes seventeen different jurisdictions. In addition to the regular service all kinds of things are going on seasonally such as festivals, ski shuttles and more. We looked at the questions of are there new opportunities in and outside of the service area and are there any new connections we need to make with other existing providers. We have had some interactions with Walmart and they are interested in some new arrangements and they do fund transit. There are ways of getting partnerships with public and private sectors and we are looking at those. Increasing ridership in the service area, opportunities outside the service area, improvements through existing service and improved connectivity was Task 1.

Task 2 was community and stakeholder outreach. We have done a lot of meetings and are almost finished. Chris will speak about the outreach he has been doing.

Mr. Cordova reported that they held twenty-nine meetings in twenty-one communities between October 15th and December 10th. 315 people were engaged through that process. We publicized the public meetings through rider alerts on buses, the website, newspaper ads, flyers and posters, press releases and social media. We did an email survey on the website and had paper copies at the meetings. We did a focus group in Española and used some unique opportunities in working with the Tribes. We went to senior centers, participated in Town Council meetings and met with Tribal Councils. At the public meetings we discussed the transit service, safety and comfort and communication. Overwhelmingly people were very appreciative of the service.

Our findings included issues around connectivity issues to other transit operators, issues of getting to shopping sites, work and medical appointments; the need to coincide school schedules, Saturday or weekend service to get tourists from Santa Fe out to other communities and later routes in tourist towns. Some communities have a shortage of workers and they requested schedules that could get workers from other communities to work in their community. There was some concern about homeless or intoxicated persons at the stops and on the bus. Some participants felt there was a
need for more awareness about the bus service and the routes. Those were our major findings.

Mr. Hosen said Task 3 is a needs assessment. We recently completed the analysis and are finishing up a review of existing services including each route and each system. From 2015 to 2018 ridership went up over 40%. Nationally when the economy goes up the ridership goes down and when the economy goes down ridership goes up. This service steadily gained ridership. With the new software that the service has we were able to look at maps showing where people live in the service area and where people get on and off the bus.

Task 4 is the preliminary options, alternatives and strategies. We are just now starting to think through service design and route design, service levels and other considerations.

Task 5 is the recommended plan. We will get to that in the next several months.

Councilor Maggiore commented that Los Alamos is in the midst of a large transportation planning effort with the Labs. He assumes you have been in contact with the Labs to iron out some of that.

Mr. Hosen said he and Tony met yesterday with the Labs. We are going to get with DOT and their Park and Ride Service, Atomic City Transit and the Labs and come up with some solutions for this.

Mr. Mortillaro said the Lab indicated they will provide the District with a letter asking us to review the service in Los Alamos County. They are projecting 1,600 new jobs that are not due to retirements and replacements. A good portion of those jobs are skilled technical and skilled trade craft workers that will come from outside the Los Alamos area. They want to see how public transit can work to transport those individuals up to Los Alamos. They want to look at not having to do capital infrastructure as well. If they were all driving to Los Alamos, where would they park them all is an issue as well as the impact on the roads and a variety of other issues that are environmental as well. There needs to be a lot of discussion and it has to be a regional discussion. You will be hearing more about that as we go forward.

Ms. Ladd said this was a good presentation. She was a little surprised at the low volume of people attending the public meetings.

Mr. Hosen said that is high. The best way to get a great turnout is to have lousy service. To get an average of eleven people per meeting is good.

Mr. Cordova said he has been doing this kind of thing for many years. A lot of our approach now is a community meeting followed by a focus group. Everyone in the country that does this is having an issue getting people. We feel like we got
representation from the communities.

Mr. Hosen said also we interviewed quite a number of people individually, including drivers.

Mr. Mortillaro said Ken met with other public transit systems as well to get their input. The only one that has not met with us is the Red River Miners system. We have reached out to them several times.

Chair Barrone commented that there was a request from the UNM campus in Taos. Did you get a letter from them.

Commissioner Fambro stated when we did the meeting in the Town of Taos the Chancellor came to the meeting and said they would like to see more frequency in the buses and would like a bus to go from Taos Pueblo to the school with a more direct route. The head of the Student Council attended as well.

Mr. Hosen said he met with Dr. Baily at Northern New Mexico College as well and we got great feedback.

Mr. Mortillaro said as the study moves forward we will continue to give you updates.

PUBLIC HEARINGS.

None

ACTION ITEMS

D. DISCUSSION AND CONSIDERATION OF ACCEPTANCE OF FISCAL YEAR 2019 COMPREHENSIVE ANNUAL FISCAL REPORT
Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director

MOTION A motion was made by Commissioner Fambro, seconded by Councilor Maggiore, to accept the CAFR.

VOTE The motion passed unanimously by roll call vote (14-0) as follows:
Village of Chama, Town of Edgewood, Los Alamos County, Pueblo of Nambe, Pueblo of Ohkay Owingeh, Pueblo of Pojoaque, Rio Arriba County, Pueblo of Santa Clara, City of Santa Fe, Santa Fe County, Taos County, Town of Taos, Taos Ski Valley and Pueblo of Tesuque voting in the affirmative and none voting against.

E. PRESENTATION ON THE SUSTAINABILITY PLAN FISCAL YEAR 2019
GOALS AND METRICS ANNUAL REPORT
Sponsor: Anthony J. Mortillaro, Executive Director and Delilah Garcia, Operations Director

Mr. Mortillaro stated that the rules they have require the presentation of this report annually. Delilah heads this group and will review the presentation.

Ms. Garcia reviewed the annual report which was included in the meeting packet.

Commissioner Jaramillo asked about the bus shelters in Rio Arriba County.

Ms. Garcia said we installed ADA enhancements for the Village of Chama bus stop and are looking at assessing the entire service area and the needs.

F. DISCUSSION AND CONSIDERATION OF RESOLUTION NO. 2020-01
APPROVAL TO DISPOSE OF ASSETS (TRANSFER TO ZIA THERAPY)
Sponsor: Anthony J. Mortillaro, Executive Director and Hector E. Ordoñez, Finance Director

Mr. Ordoñez explained that this request is related to the other request we had during September and November. Zia Therapy provides services to kids and young adults with special needs. With the approval of NMDOT we are able to transfer vehicles to them. We are asking for one more transfer. The value of the vehicle we want to transfer is $2,500. It’s useful life and mileage requirements have been exceeded.

MOTION A motion was made by Chair Barrone, seconded by Councilor Maggiore, to approve the vehicle transfer.

Chair Barrone asked if requests from other entities are being considered. There have been requests for vehicles and old bus shelters.

Mr. Ordoñez said there will be other vehicles to dispose of this fiscal year. He will bring the shelter requests to the Board in May.

VOTE The motion passed unanimously by roll call vote (14-0) as follows:
Village of Chama, Town of Edgewood, Los Alamos County, Pueblo of Nambe, Pueblo of Ohkay Owingeh, Pueblo of Pojoaque, Rio Arriba County, Pueblo of Santa Clara, City of Santa Fe, Santa Fe County, Taos County, Town of Taos, Taos Ski Valley and Pueblo of Tesuque voting in the affirmative and none voting against.

Mr. Wilson informed the Board that new committee assignments for City Councilors were made on Wednesday. Councilor Romero-Wirth has been replaced
with one of the new Councilors, Jamie Cassutt-Sanchez.

Mr. Wilson left the meeting at 10:36 am.

DISCUSSION ITEMS

G. REVIEW OF NOVEMBER 2019 FINANCIAL SUMMARY
   Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director

   Mr. Ordoñez reviewed the financial summary report.

   There were no questions.

H. FINANCE SUBCOMMITTEE REPORT
   Sponsor: Chair Ed Moreno and Anthony J. Mortillaro, Executive

   Commissioner Moreno said the Finance Subcommittee will be meeting on January 24th.

I. TRIBAL SUBCOMMITTEE REPORT
   Sponsor: Chair Charles Dorame and Anthony J. Mortillaro, Executive Director

   Mr. Mortillaro reported that the Tribal Subcommittee met in November and will be meeting again on February 6th.

J. SUSTAINABILITY SUBCOMMITTEE REPORT
   Sponsor: Anthony J. Mortillaro, Executive Director and Delilah Garcia, Operations Director

   Mr. Mortillaro stated that they are trying to schedule a meeting in February for this subcommittee.

K. EXECUTIVE REPORT AND COMMENTS FROM THE EXECUTIVE DIRECTOR

   Ms. Garcia reviewed the Executive Report

   Commissioner Jaramillo asked if the two stops in Chama were taken down.

   Ms. Garcia answered that the stops were not eliminated. We just took the shelters down.

   Mr. Mortillaro said we continue to work on our land acquisition for the facility in Taos. We hope to bring it up at the February Board meeting to get an authorization for negotiations. We sent a letter to the Governor requesting $1.3 million in capital outlay
Mr. Dwyer stated that at the request of the Board we did reach out to the plaintiffs council regarding the GRT litigation. If they recover money in that litigation, we will seek our portion and share. For whatever reason the Plains council has expressed simple litigation and did not want us to join the litigation. He said we would have to do it forcibly. We chose not to. We are following the case through the media. The Municipal League said they believe the litigation is getting to the point where it is passed procedural actions and are in the phase of discovery. It is an allegation that the State has not calculated the GRT reimbursements to local governments correctly and therefore there is an amount of money owed to cities and counties by the State. It is estimated at over $100 million. Our portion is not a huge amount of money, but it is enough to pursue if it is recovered.

Mr. Mortillaro informed the Board that they were notified that we did win the GFOA award for our budget. Hector came forward to receive the award.

Chair Barrone said he knows that Mr. Ordoñez is leaving us. He wishes him well in his new endeavors. This is the fourth year we have received this award and two of those years were under your direction. Thank you. It shows your awareness and capability. We received the GFOA award. This is a certificate of recognition for your budget preparation.

Mr. Ordoñez said it had been a privilege to serve all of the Board and the communities that you represent. He is proud to have worked at an organization that empowers its constituents.

Mr. Mortillaro said he wanted to recognize Mr. Ordoñez and his staff as well. Hector is working with us as a temporary employee until we bring on board a new Finance Director. We begin interviews this afternoon and will continue on Monday. We want someone who will measure up to the standards Hector set. Good luck on your future endeavors.

MATTERS FROM THE BOARD

None

MISCELLANEOUS

None

ADJOURN

The meeting was adjourned at 11:00 am by Councilor Maggiore, seconded by Commissioner Moreno.
NEXT BOARD MEETING
FEBRUARY 7, 2020 AT 9:00 AM

Approved by:

Mayor Daniel R. Barrone, Chair

Attest:

Commissioner Ed Moreno, Secretary/Treasurer

Submitted by:

Elizabeth Martin, Stenographer