NORTH CENTRAL REGIONAL TRANSIT DISTRICT
FINANCE SUBCOMMITTEE

November 18, 2016
9:00 AM - 11:00 AM

Executive Conference Room
1237 N. Riverside Drive
Espanola, NM 87532

CALL TO ORDER: Commissioner Miguel Chavez, Vice Chairman

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Audit Exit Conference - CLOSED SESSION
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director
   Attachment

   Pursuant to NMSA 1978, Section 14-2-1 (B) (9), NMSA 1978, Section 12-6-5, and NMAC 2.2.2.10 (J) (3) The NCRTD is scheduling the audit exit conference during a closed session in compliance with the Audit act and the Inspection of Public Records Act, in order to avoid disclosing audit information that is not yet public record, in a public meeting.

   Reconvene in Open Session: Possible action item(s) from closed session.

B. Resolution Adopting an Amended FTE Staffing Schedule and Positions
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director
   Attachment

C. Minutes from October 28, 2016
   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 Subcommittee  
From:  Troy Bingham, Finance Director  
Thru:  Anthony J. Mortillaro, Executive Director  
Date:  November 18, 2016  
Re:    FY2016 Audit Exit Conference  

Background: 
At the August Finance Committee Meeting the external audit firm Hinkle + Landers spoke with the committee about their overall objectives for this year’s audit. Farley Vener, the auditor’s representative, presented slides that covered the auditor’s responsibility and management’s responsibility along with what the Board could expect from an audit.

District staff has provided the following information to the auditors over the last 2 months:

- Schedule of Expenditures of Federal Awards
- All financial records requested
- Unrestricted access to all persons within the organization

The audit is now wrapping up and the auditors are now required to follow up with the governing body of the District to discuss their findings and overall opinion on the financial statements for FY2016.

Due to statutes and rules regarding the release and publishing of the annual financial report from the Office of the State Auditor, “DRAFT” copies of the report will be available at the meeting and any discussion of the draft report shall be maintained as confidential and discussed only in a closed meeting.¹

¹ NMSA 1978, Section 12-6-5 states “A copy of the report shall be sent to the agency audited or examined; five days later, or earlier if the agency waives the five-day period, the report shall become a public record.” NMAC 2.2.2.10 (J) (3) states: “[a]gency personnel and the agency’s IPA shall not release information to the public relating to the audit until the audit report is released by the office, and has become a public record. Agencies subject to the Open Meetings Act who wish to have a quorum of the governing board present at the exit conference will have to schedule the exit conference during a closed meeting in compliance with the act, in order to avoid disclosing audit information that is not yet public record, in a public meeting.”
**Recommendation:**
Review and discuss with the auditors the FY2016 Comprehensive Annual Financial Report (CAFR). Recommend approval of the audit to Office of the State Auditor.

Once the Office of the State Auditor has reviewed and released the CAFR for public inspection the document will be shared with the full Board at either the December or January Board meeting.

**Attachment:**
The FY2016 CAFR will provided at the Committee’s meeting.
Memorandum

To: Finance Subcommittee

From: Anthony J. Mortillaro, Executive Director

CC: Troy Bingham, Finance Director, Delilah Garcia, Transit and Facilities Operations Director and Dora Anaya, Human Resources Director

Date: January 11, 2016

Re: REVIEW AND DISCUSSION OF STAFFING REALLOCATION FISCAL YEAR 2017 BUDGET

Background: Due to route and weekend service additions as well as ongoing Intelligent Transportation Systems (ITS) expansion and maintenance and increasing FTA compliance requirements, ongoing poor contracted custodial services and Fair Labor Standards Labor Act (FLSA) requirements regarding exempt and non-exempt positions, Staff reviewed the current staffing allocations and current processes and have determined that the following modifications are necessary.

1. Request to add a fourth Transit Route Supervisor; currently the District has three Route Supervisors and has been attempting to provide weekend supervisory coverage through on-call coverage. After a year of utilizing the on-call process we have determined that such a process is insufficient considering the increase in weekend routes and service hours as well as the need to enhance overall supervisory coverage to span the District's operating hours. Furthermore, there are some practices that the District should address related to behind the wheel driver evaluations and trainings that would enhance employee performance, safe driving and compliance with best practices. Lastly, active review of the ITS system and usage of report information to improve driver evaluations and performance would require additional supervisory resources. Overall hours of coverage would increase from 5,760 hours to 7,680 hours. This will allow us to schedule supervision on weekdays to cover from 5:00 a.m. to 8:00 p.m. and on weekends from 7:00 a.m. to 6:00 p.m. A detailed Transit Route Supervisory duties matrix is attached.

The addition of this position would be accomplished by promoting a Driver III/Lead employee and reclassifying their prior position. Since the Driver III/Lead was assigned to a demand response service, this higher level position would be reclassified to a Driver II (CDL-P endorsement) position. Furthermore, savings would be realized by not having weekend on-call costs.
The total position count budgeted for FY 2017 would not increase, since a fifth Driver III/Lead position that was budgeted would be eliminated (this position is currently not filled and has deemed to be unnecessary in light of this proposed restricting). The total budgetary impact of these reclassifications is $2,318.00.

2. Request to reclassify the Regional Transit Planner position to Geographic Information System /Intelligent Transportation System Specialist (GIS/ITS). Proactive management of ITS has proven to require a greater time commitment than anticipated. To fully utilize and maximize the benefits of ITS, a dedicated Staffer would be most effective to oversee and ensure the data and information captured through ITS is used most optimally. In addition to providing better real-time information for passengers, ITS data and reports can be used to guide performance evaluation and better identify operational training opportunities. In addition to ITS oversight, the need for additional planning and geoinformational technology to assist and support overall NCRTD operations has been identified. The position reclassification focuses the responsibilities on GIS, which is a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographical data.

Staff has come to the understanding that having a full time dedicated staff member to perform these tasks will ensure that our ~$1 million investment in this system will be fully realized and that we will have the specialized capability to utilize GIS for transit planning activities. Currently, the maintenance of the ITS and updating it has been done on a part-time basis by allocating some of these duties to a Customer Service Representative II (CSR II). This position-sharing has resulted in less phone and dispatch coverage and less real-time oversight of service vehicles in the field by the CSR Staff. Staff feels that restoring full CSR functionality and phone and dispatch attendance is needed. Furthermore, some of the functions that were to be performed by the Regional Transit Planner will be retained by this GIS/ITS Specialist position as it relates to transit planning through the use of GIS. This position will be the responsible party for ensuring GIS and ITS are proactively managed and maximized, and will report to the Planning, Projects & Grants Manager. Furthermore, the Planning, Projects & Grants Manager will relinquish functions they performed in supporting the updating of the ITS system.

The proposed substitution of this position will not result in any additional costs, since the new position will be at the same pay range as the position it is replaces. This pay range was verified by a review of current salaries for similar GIS positions in New Mexico for an individual possessing at least one year of experience. Furthermore, there will be no increase in positions budgeted for FY 2017.

3. Replace contracted custodial services with a part-time (20 hours/week) custodial/maintenance position. The current process of contracting out custodial services has not been able to produce services from a contracted firm that meet the standards and cleaning functions outlined in the scope of work. We are currently on
our third firm since we moved into these facilities in August, 2012. Initially back in FY 2013 we had budgeted for a full-time custodian, however, we felt that we should first explore contracting to ascertain if it could be done for less than the cost of a fully budgeted position. Although, we did achieve a cost reduction, we found that quality of work and ongoing contract management issues required by the district diminished the cost savings. We have placed the current firm on a month-to-month contract, due to dissatisfaction with their work product and shortchanging the District on scope functions, regardless of the number of times staff has discussed these problems with the current contractor, the improve for a short time and then fall back to their former poor services. Following is a cost analysis related to this request:

The FY2017 Budget had $24,000 budgeted for Janitorial Services and the money was used for cleaning, carpet cleaning and vent cleaning. FY2018 Budget will need to continue budgeting for supplies but one-time purchases should be minimal.

<table>
<thead>
<tr>
<th>Hourly Rate</th>
<th>Weekly Hours</th>
<th>Pay</th>
<th>SS Taxes</th>
<th>Medicare</th>
<th>Total Weekly Pay</th>
<th>Total Yearly Pay</th>
<th>Carpet Cleaning Yearly</th>
<th>Duct Cleaning Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janitor</td>
<td>$12.00</td>
<td>20</td>
<td>$240.00</td>
<td>$14.88</td>
<td>$3.48</td>
<td>$258.36</td>
<td>$13,434.72</td>
<td></td>
</tr>
</tbody>
</table>

- PCS Contractor and Stanley Steamer
- Savings to Bring Janitorial Services In House: $6,757.92
- Savings to Bring Janitorial Services In House After Supplies: $757.92

4. The United States Department of Labor has issued final regulations making changes to exempt employee compensation under the Fair Labor Standards Act. The deadline for complying with these new regulations is December 1, 2016. The key provisions of the Final Rule focuses primarily on updating the salary and compensation levels needed for Executive, Administrative and Professional workers to be exempt.

Specifically, the Final Rule:

- Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South, which is $913 per week or $47,476 annually for a full-year worker;
- Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally, which is $134,004;
• Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption.

• Additionally, the Final Rule amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the new standard salary level. The Final Rule makes no changes to the duties tests.

The District’s Human Resources Director has reviewed our current positions that have been deemed to be exempt and based upon the final rules is recommending that the following positions no longer be deemed exempt based upon the salary test and duties tests: Transit Regional Planner (GIS/ITS Specialist) and Financial Analyst.

There is no immediate cost to the District provided that we limit these employees to only working 40 hours a week. However, this may not be practical due to the scope and functions of the duties performed by these positions. In addition, these positions are also involved in major District initiatives, which could be impacted due to level of work time restrictions. Lastly, not managing the work time over 40 hours for these positions may result in the incumbent earning additional compensation that in some cases could encroach on the earnings level of their supervisor or a peer, which could result in compaction and internal equity issues.

**Recommendation:** It is suggested that the Finance Subcommittee discuss the requested position reallocations/reclassifications and recommend an endorsement for Board consideration. If endorsed by the Finance Subcommittee an updated Compensation Plan will be presented to the Board for consideration as well as historical staffing plan.

**Attachments:**

Transit Route Supervisor Duties
Transit Route Supervisor Duties (TRS)

**Driver Management**
1. Check in all Drivers, check out vehicle keys and notify Drivers of new bulletins, detours, or other events that will affect routes or service for their shift. Answer questions from Drivers
2. Create daily cover sheet and update daily cover sheet as needed
3. Perform fitness for duty assessment: hygiene, uniforms, signs of fatigue, signs of drug or alcohol, etc.
4. Assign extra board and on-call Drivers to open work
5. Check voice mail for call-offs and call in Drivers to fill open runs
6. Notify other TRSs on duty or Operations Director if run cannot be filled before scheduled departure from base
7. Ensures that all routes have vehicles and Drivers and that the vehicles are fueled and safe to operate
8. Monitor Avail and notify TRSs of developing problems
9. Adjust trainee Driver schedule if assigned instructor is not available
10. Decides to use on-call or extra board Drivers or management to assist in control center when needed
11. Notifies PIO when there is a significant service interruption or newsworthy event to allow them to contact local media
12. Reschedules lunch breaks as needed due to operating problems
13. Be familiar and utilize fixed route operator scheduling (cover sheet) and para-transit service scheduling software
14. Conduct Driver behind the wheel assessments
15. Complete annual performance evaluations (ensure Drivers are trained on self-evaluations in Performance Pro)
16. Weekend TRS answer incoming weekend phone calls and all voice mails
17. Access Avail data to assess Driver performance on routes (i.e. on-time performance, route adherence, speed adherence, etc.)
18. If assigned to field, TRS to perform discrete field assessments of Driver performance
19. If assigned as weekend TRS, conduct pro-active fuel usage reviews of all vehicles on WEX report
20. Prepare daily email log and disperse to other TRSs, Fleet and Facilities and Operations Director
21. As scheduled, perform small group trainings on operational policies and procedures, CDL trainings and mandatory safety training
22. Randomly select vehicles and conduct live-view inspection or inspect on-board camera system recordings to ensure recorders functionality and Driver adherence to District policies and safe Driver operations
23. Administer Drug and Alcohol random testing procedure for custody of selected employee(s) and processing
24. Verify time checks (weekly) against atomic clock

**Service Management/CSR-Dispatchers**
1. Initiate investigation of customer complaints, includes assembling supporting videos and documents and making recommendations.
2. Answers radio calls from Drivers and provide assistance as needed, includes contacting other Staff and divisions of needed assistance
3. Maintains incident logs for events that occur where there is a mechanical failure, service delay, interruption, route cancelation, or other significant event
4. Maintains records of when late or lost service for any reason including overloaded buses
(5) Notifies Operations Director of accidents/events that need management attention
(6) Works with TRSs to dispatch bus from base when needed for late buses, overloads, collision/incident response
(7) Enters paratransit calls into paratransit software when CSRs/Dispatcher is not present
(8) Answers radio calls from Drivers when CSRs/Dispatcher is not present
(9) Supervise CSR/Dispatchers, ensure that Avail system is being utilized and route management is occurring
(10) Perform route running time checks when issues arise related to routing, vehicle and/or Driver performance
(11) Prepare and issue rider alerts when Public Information Office staff is unavailable

**Relationships with Other Divisions and Outside Agencies**
(1) Interacts with other Staff, divisions, and managers to resolve questions or concerns, prior to contacting outside agencies
(2) Interacts with police/fire dispatchers as needed for emergency situations
(3) Works with Operations Director when incident command center needed
(4) Interacts with City and County Public Works as needed to report road hazards
(5) Interact with City, County, and State agencies regarding traffic control devices
(6) Controls vehicle movements in emergencies as dictated by police, fire or incident commander
(7) Serve on NCRTD Accident Review Committee as needed or assigned
(8) Communicate with facilities division regarding field conditions of stops, shelters, trash, graffiti, etc.

**Collision/Incident Response**
(1) Determines who is available and will respond to scene to act as responder in charge
(2) Coordinates with TRSs and Operations Director to determine service restoration procedure
(3) Ensure drug testing is completed in compliance with policies
(4) May respond to scene to act as responder in charge
(5) Acts as responder in charge at scene as assigned by and as per procedures
(6) As responder in charge, escort or assign an escort for drug testing in compliance with policies
(7) As responder in charge, complete incident reports as necessary and ensure operators complete reports accurately and completely
(8) As responder in charge, enter accidents and incidents into Incident Database as needed and compile all paperwork, including Driver statement, witness cards, operations supervisor reports, etc. Follow protocols for filing original paperwork and copies as well as sending electronic copies to Accident Review Committee

**Administrative Duties**
(1) Maintains a variety of records such as (but not limited to):
   a. Time sheets, overtime controls, route/service performance, attendance, other fillable forms necessary for documenting accidents, incidents, injuries, etc.
   b. Ensure that all Drivers are fit for duty prior to operating a vehicle
   (3) Provide paper forms needed by Drivers. May provide guidance on use of electronic forms and systems as time allows.
   (4) Safely secure building and facilities at the end of the work day
   (5) Draft Standard Operating Procedures (SOPs) as assigned by Operations Director
   (6) Maintain driver/customer service representatives training records
   (7) Coordinate with Fleet Manager vehicle preventative maintenance needs

**Service Reliability**
(1) Fill-in portions of routes when buses are late as directed by Operations Director and procedure
(2) May operate as shadow bus for overloads
(3) Fill in for paratransit routes as needed
(4) May perform vehicle and/or passenger rescue procedures as defined by Operations Director
(5) May perform minor repairs, including but not limited to exchange fare collection components, head...
lights, wind shield wipers, seat cushions, etc. as directed. Assist Fleet maintenance by troubleshooting mechanical issues (before taking a bus out of service)
(6) If assigned weekend TRS assist Fleet Maintenance in remaining current on preventative maintenance functions
(7) When known service disruptions are anticipated, perform field assessment to determine the best detour routing; create detour and implement; share with all departments

Driver Assistance
(1) Assist, coach, and direct transit Drivers while in the field, pre-tripping vehicles, and completing work records and reports
(2) Responds to unruly or difficult customers and follows District policy for removal, warning and/or suspension
(3) Documents removal or suspension process and acquires name of individuals removed in accordance with District policy
(4) Notifies Dispatch if police are needed
(5) Wash exteriors/clean interiors of vehicles in times of need

Customer Assistance
(1) Provide assistance and information to customers regarding trip planning, routes, fares, rider policies/rules, and employment opportunities as needed
(2) Provide positive organizational image
(3) Provide security for passengers and employees in, on, and around District property
(4) May pick up customers who have been passed up as per appropriate District policy
(5) May return lost and found to customers in the field
ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

A regular Finance Subcommittee meeting was called to order on the above date by Mr. Sheehey.

ITEMS FOR DISCUSSION/RECOMMENDATION

Mr. Mortillaro requested to remove Closed Session (Item E) from the agenda and asked if members can meet for a private meeting after the Finance Subcommittee meeting.

All members agreed.

A. FY2016 Year-End Budget Review

Mr. Mortillaro stated the year-end budget review is a requirement by the Adopted Financial Policies and that the Executive Director provide the Board with an actual performance report at the end of the fiscal year, stating that the financial books are not officially closed until the audit is completed. He then turned it over to Mr. Bingham to go over the actual revenues and actual expenses for fiscal year 2016.

Mr. Bingham noted this report is based off of the audit expenditures and revenues for the year. Referring to page 5; he explained the actuals came in as the highest actuals budget at 96.7%; gross receipt tax were well over what was budgeted at 6.9 million, bringing in over 7.6 million dollars; federal grants are up this year due to receiving the capital busses, having a 80/20 match, 80% coming back from federal grant; federal grants we couldn’t get to are the TAP funds; having 3 phases of TAP funds that were outstanding as of fiscal year end; State Capital Outlay, all monies have been spent as of June 30th.

Ms. Van Buren asked if any of the grant money had been reverted.

Mr. Bingham replied we did not have grant money reverted.

He continued to explain the Local Match: Los Alamos contribution is $350,000; member contributions for Mountain Trail are higher, being conservative on who is paying for the Mountain Trail Route and who is participating in Taos Ski Valley; as the final agreements were put in place it brought in $156,000 as
compared to the $80,000 budgeted; cash balance was not used, leaving a balance of $703,000. Non-cash transactions, referring to the Town of Taos contribution, we were given $600,000 contribution in busses and shelters, not including the building and land. Miscellaneous revenues are fares and insurance proceeds; $161,000 is from an insurance proceeds from a shelter accident that paid out.

Mr. Bingham moved on to reference page 6, Grant Revenues. Referring to graph, pointing out the blue line shows the District is bringing in grant revenues mostly at the year-end; 78% of the total federal grants were brought in this year. Moving on to page 7, he explained a month to month gross receipt tax; noting every month we have exceeded our budget at a 111% for the year.

Mr. Bingham went on to reference page 8, stating Los Alamos County is one of the top performers at 129%; in May showing 87%, although they had outstanding receipts with 248 thousand dollars in April one of the highest receipt we had for Los Alamos. Noting we were shooting for a small growth at 6% and they came at a 129%.

Mr. Mortillaro noted if FY2011 was on the graph it would show that it was close to 2 million dollars and are still below the prior year, adding this reflects the Labs spending patterns.

Further discussion continued on this topic.

Mr. Bingham proceeded to the Rio Arriba County graph on page 9, the smallest tax collector of GRT, showing a 5% growth; they are steady bringing in 40 to 50 thousand dollars a month.

Moving on to Santa Fe County, one of our largest; a half of what we receive from GRT is coming from Santa Fe County with a growth of 4%; being that it is a large county, their percentage will take a while to grow. Noting half of the growth is split in half with Rail Runner. Noting there was nothing outstanding did have a few months that were below projected; they will continue to be the same amount every month.

Mr. Bingham went on to go over Taos County GRT Revenue on page 11; showing a large growth at 125%, they are showing a large growth; TDD is one of the largest GRT contributors for this year; he went on to state that TDD is for the development of hotels for the Taos Ski Valley.

Moving on to Expenses by Type on page 12; revenues came in well over projected, expenses came in under projected on budget; pointing out the areas and the differences in cash and depreciation bases. The most spent was in Capital Outlay for busses that were accumulating for FY15 and FY16 and for taking on more projects then we have in the past. Fuel came in lower then it was in FY13 and FY14; fuel is based on fuel prices as our fleet uses mostly unleaded and not diesel. Vehicle maintenance budget is at 312 thousand dollars; fleet is at our largest with 55 busses.

Moving on to Capital Expenses; listed are the assets bought for this year.

Mr. Bingham referred to page 4 on packet; noting revenues were at 11.6 million dollars, less than non-cash due to this not being real revenue, they are buses we brought in; expenditures are at 10.9 million dollars and adding 722 thousand dollars to the fund balance. We are now at 8 million dollars with cash investments and with the amount that is in the bank account.

Mr. Bingham asked if there were any questions or concerns about the report.

Ms. Van Buren commended staff, stating that they had done a great job.

Councilor Sheehey asked if there were any questions.

There were none.
B. Investment of District Funds and the State of New Mexico Local Government Investment Pool Report Summary as of September 30, 2016

Mr. Bingham referenced page 16 on the packet, stating the Investment Report lists the different investments. Noting four (4) new CD’s were added in the beginning of this year, Ever Bank, Santander Bank, Alley Bank, and SAFRA National Bank; these are broker CD’s that the District is buying through LANB’s, LPL Financial. He went on to give a brief overview of the banks; Alley does vehicle financing, Santander is a bank on the east coast, SAFRA is a bank out of San Francisco. They give better rates then New Mexico; going out of state we are able to double our actual basis points. Noting they are at 75 to 80 bases points. First National Bank has changed to give us an eleven-month CD for 100 basis points matching Guadalupe Credit Union at 100 basis points CD for one year.

He stated the biggest fluctuation is the bank account; District tries to keep 1.2 million dollars in the account, according to the report the balance is at a 1.3 million dollars’ balance as of the end of September; referring to the last conversation about CD’s, he had mentioned that the strategy was to move out of the low ten basis point accounts and move them into a more aggressive broker CD’s. Pointing out the average rate of return is 0.46%; Treasury market is at 60 to 71 basis points; Los Alamos National Bank that are at 40 basis points are moved from month to month turning them into broker CD’s at different banks.

Mr. Bingham asked if there were any suggestions for investments; what we should be doing in the future.

Councilor Sheehy asked if the rates shown for Broker’s CD’s are they rates after expenses and commissions.

Mr. Bingham confirmed they are. Adding the bank is getting 100 basis points taking 25 bases points and selling it to us at 75 basis points.

Ms. Van Buren asked if Mr. Bingham had any suggestion about the cash on hand.

Mr. Bingham replied he would suggest the account balances should be under a million dollars, staying at 900 thousand dollars. This would make two CD’s available.

Further discussion continued on this topic.

C. Revised District Financial Policy

Mr. Mortillaro stated couple of years ago the Finance Subcommittee recommended to the Board authorize for an approval for staff to start using electronic payment to vendors. Noting there are some policy issues that need clarification from the Subcommittee, these items will then be put on the November 4th Board meeting. He then turned it over to Mr. Bingham to go over the discussion points.

Mr. Bingham referred to pages 20 and 21, pointing out the modifications made to the policy. He went on to mention in 2013 a resolution was passed that allowed for ACH, which took some time getting it implemented. During the process in the Finance Subcommittee agenda it is mentioned that a second signature is needed for checks over 20 thousand dollars, although there is no official policy; it does ask for a second signature on the checks. He went on to say the process for signing checks over 20 thousand dollars is Mr. Mortillaro signs the check then the Chairman or the Treasurer signs as the second signature. He went on
to say it does become cumbersome to get a signatures due to the Treasurer is no longer employed with Rio Arriba County.

Mr. Dwyer asked if Mr. Bingham would clarify what ACH stands for.

Mr. Bingham explained ACH is “Automatic Clearing House”, we gather the vendor’s bank information, and we make a deposit to the Federal Reserves they then deposit a check into the vendor’s bank account; process for an ACH payment occurs on a Thursday or Friday and will be deposited into the vendor’s account on the following Tuesday; policy eludes to Mr. Mortillaro signs and currently Mr. Bingham signs the ACH.

Mr. Bingham asked the committee if they felt the need to still have the Treasures and Chairman to sign off on ACH payments; noting the ACH would have processed before signature, meaning they would just be verifying and substantiating the payment.

Mr. Mortillaro stated this would be for amounts over 20 thousand dollars, mirroring what is currently being done with the paper check.

Councilor Sheehay noted he did not see a need for a second signature; having monthly review of expenditures by the Board Chair and Secretary Treasurer seems reasonable.

Mr. Mortillaro added the resolution that was adopted indicated that once the process started, a summary of all ACH payment would be on the quarterly report and presented to the Finance Subcommittee.

Further discussion continued on this topic.

Ms. Van Buren made a motion to implement the policy as discussed. Commissioner Chavez seconded the motion and it passed by unanimous voice vote.

Mr. Mortillaro indicated to add provisions for quarterly reporting to the Finance Subcommittee with referral to the full Board with a double signature requirement.

D. Amended Personnel Rules and Regulations

Mr. Mortillaro stated Personnel Rules and Regulations were last revised in 2013, since then he has been keeping notes on changes or adjustments needing to be made through our practical experience and day to day activities we have encountered. He then turned it over to Mr. Dwyer to explain changes.

Mr. Dwyer referred to the memo on page 37. He stated the District is trying to comply with a series of legal changes; rules were last adopted in 2013 noting we are on schedule to do updates which are done every three years; biggest change on the federal level is the president by executive order is making drastic changes to the Fair Labor Standards Act, scheduled to come into effect in December. Changes are if an employee is paid under 20 thousand dollars they are entitled to over time compensation. The threshold is doubling going to 42 thousand dollars, meaning most organizations across the country will have to compensate for over time for a larger pool of employees. He noted we are trying to accommodate these changes in the rules.

Referenced another change is we looking into the state laws and we have come to the realization we do not have provisions in the existing rules about Domestic Abuse Leave; law that came in 2009 adopted by the State Legislature and opposes upon all employers the obligation to allow up to two weeks of paid or unpaid leave for persons who are aversely affected by domestic abuse.

Another change is we are trying to implement a parallel system for sick leave sell back, this has been put into place for the represented employees, they are impacted by the personnel rule changes in a limited way because the Collective Bargaining Agreement will supersede these rules. These rule changes will take affect
for the non-bargaining employees. An existing sick leave to annual leave is in place, this would be adding the other element of adding sell back.

Mr. Dwyer went on to go over the substantive changes as listed;

1. Provisions regarding the work environment and non-discrimination, non-violence and harassment have been updated and consolidate with a uniform reporting requirement.
2. There is a new rule “Out of classification/temporary assignment pay” permitting temporary pay increases for employees who are placed in an “acting” position, but not necessarily performing all of the functions of the position. On April 28, 2016 the Executive Director provided the Board of Director’s with a memo as required by the Personnel Rules and Regulations regarding a temporary modification of the rules to address this topic.
3. Rules on nepotism were revised to require affirmative disclosures by employees and prospective employees to ensure the District does not find itself in the untenable position of having supervisors that manage family members.
4. Revisions were made to ensure that the District’s Drug and Alcohol policy clearly addresses prescription and over the counter drug use as suggested by the most recent Drug and Alcohol NMDOT compliance audit.
5. The rules on advertising and hiring for vacant positions have been updated to address accretion of employees from other transit systems.
6. Provision on performance evaluations were clarified to indicate that performance reviews are done annually.
7. The rules on retention pay have been extended so that seasonal employees can be induced to come back to work for the District annually.
8. Overtime, standby pay, and callout pay rules have been revised in light of changes to the Fair Labor Standards Act which are coming into effect in December of 2016.
9. Work week and schedule requirements have been revised to ensure that administrative workers are normally available to the public Monday through Friday between 8:00 A.M. and 5:00 P.M.
10. Clarification have been made to ensure the district optimizes its ability to obtain high productivity from “exempt” salaried employees while avoiding liability for overtime pay to “classified” employees.
11. Rules on eligibility for rehire and reemployment following separation from employment have been revised to ensure proper vetting of employees.
12. Holidays were updated to reflect previous changes which eliminated the personal holiday and established eleven annual paid holidays consistent with the current Collective Bargaining Agreement with represented employees.
13. Domestic Violence and Critical Incident related leave has been added to the categories of authorized leave.
14. The section on Jury and Court leave were updated to ensure that District employees are compensate properly when they are required to attend Court either on behalf of the District or as required by the courts.
15. Sick Leave Incentive Transfer Program has been modified to allow for a “sell back” of sick leave on an annual basis as well as retaining the current transfer of sick leave to vacation leave.
16. Family and Medical Leave Act provisions were updated to expressly require fitness for duty certification as a pre-requisite for employees returning to work and to ensure designation letters and tracking of FMLA leave are implemented.
17. Sections on disciplinary proceedings and appeals have been reorganized to make the process more uniform.
18. Definitions have been consolidated into the final section of the Rules and have been amended to ensure uniform use of terminology.
Councilor Sheehey and Ms. Van Buren were satisfied with the changes to the amended personnel Rules and Regulations.

Mr. Mortillaro stated the changes will be reflected on the board agenda as a recommendation from the Finance Subcommittee members and ask the Board to consider changes.

E. Minutes from October 28, 2016

Ms. Van Buren noted after reviewing the minutes from the August 26, 2016 meeting she was listed as being present and absent. Correction was made marking her as being present for the meeting.

Councilor Sheehey noted it is agreeable that the minutes are good, noting we will have to make a formal motion to approve minutes and will be made at the next meeting.

Mr. Mortillaro asked to have the minutes to be included at the Board packet.

Councilor Sheehey approved.

MATTERS FROM THE SUBCOMMITTEE

Mr. Mortillaro mentioned the next Finance Subcommittee meeting is listed to be held on a November 25 (Thanksgiving Holiday). He asked for a recommended date to move the meeting.

It was agreed to have the next meeting on November 18, 2016 at 9:00 a.m.

ADJOURN