NORTH CENTRAL REGIONAL TRANSIT DISTRICT
FINANCE SUBCOMMITTEE

October 28, 2016
9:00 AM - 11:00 AM

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

CALL TO ORDER: Councilor Pete Sheehy, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. FY2016 Year-End Budget Review
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director
   Attachment

B. Investment of District Funds and the State of New Mexico Local Government Investment Pool Report Summary as of September 30, 2016
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director
   Attachment

C. Revised District Financial Policy
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Troy Bingham, Finance Director
   Attachment

D. Amended Personnel Rules and Regulations
   Sponsor: Anthony Mortillaro, NCRTD Executive Director and Peter Dwyer, Legal Counsel
   Attachment

E. CLOSED SESSION

   Closed session of the meeting pursuant to NMSA 1978, Section 10-15-1 (H) (7) regarding Attorney-client privileged matters pertaining to threatened or pending litigation in which the District may become a participant.
Reconvene in Open Session: Possible action item(s) from closed session.

F. Minutes from August 26, 2016

Draft Minutes

MATTERS FROM THE SUBCOMMITTEE

Next Meeting: November 18 or 23, 2016 (Committee to discuss since November 24 and 25 is Thanksgiving Holiday)

ADJOURN

If you are an individual with a disability who is in need of a reader, amplifier, qualified Sign Language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.
North Central Regional Transit District
FY2016 Year-end Budget Review

Summary:

Section 8 of the Adopted Financial Policies requires that the Executive Director provide the District Board with an annual report on the District’s actual versus budget performance at the end of the fiscal year once the books have closed. This Year-end budget review is prepared in compliance with that requirement.

The North Central Regional Transit District (NCRTD) has completed its FY16 Audit of 12 months of financial activity ending June 30, 2016. The standard for expenses and revenue is at 100% of the budget for FY16.

At mid-year the NCRTD anticipated a modest surplus in Gross Receipt Tax (GRT) revenue and expenditures to perform as budgeted. The intent of this review to apprise the Board of the end result for the fiscal year in relation to actual budgetary performance before preparations of the FY2018 Budget are commenced.

Financial Facts and Projections

Revenue:
NCRTD is reporting year-to-date actuals for expenditures and revenues as of June 30, 2016. The District had anticipated a total deficit in federal revenues of -$401,955 during the mid-year review related to slow capital project expenditures on grants leading to slow reimbursement by the grants. The year to date year ending actual federal revenue deficit was -$859,749, as a result the District revenues deficit was similar to the prior year estimation.

Gross Receipt Tax (GRT):  This revenue surplus was mainly due to conservative estimates for GRT during the FY2016 budget preparation. The actual revenues at the time of projection were less than ideal indicators of future performance but were the best information available in December 2015. By December 2015, all four counties were above their GRT estimates so a surplus was projected for overall GRT revenues in the amount of $471,971. At year end the total surplus was $629,265, a difference of $157,294.

The following counties projected GRT as compared to actuals were as follows:
- Santa Fe County – anticipated increase was +3% or $133,941, the actual increase was $181,779 or +4%, which was $47,838 higher than projected. Per our contractual commitment with Santa Fe County and with the Rio Metro RTD, 50% of these funds are dispersed to support the operation of the Rail Runner.
- Taos County – anticipated increase was +9% or $131,568, the actual increase was $206,467 or +25%, which was $74,899 higher than projected.
- Los Alamos County – anticipated increase was +10% or $190,852, the actual increase was $356,242 or +29%, which was $165,390 higher than projected.
- Rio Arriba County – anticipated increase was +3% or $15,611, the actual increase was $25,666 or +5%, which was $10,055 higher than projected.
Miscellaneous Revenues: NCRTD received $161,238 in proceeds from transit fares, bank interest, insurance proceeds, and proceeds from sales activities. Total projected revenue was $443,296.

Expenditures:
The NCRTD has recorded all the expenditures year-to-date as of June 30, 2016. NCRTD reports monthly to the Board on expenditures trends and causal relationships.

The breakdown of expenditure savings vs. budget are as follows:
- Attrition savings from open positions was a salary and benefit savings of $635,766
- Vehicle Maintenance overage of $52,105 was covered by the fuel savings of $161,107 in the same department
- RTD Partner payments paid to Rio Metro-Rail Runner were higher than budgeted due to our contractual arrangement of sharing 50% the Santa Fe County Transit GRT revenue surplus or an additional $140,889 for the year
- Capital Outlay was projected to have budget savings of $727,148, the actual savings $969,456 due to stalled capital projects and unused capital replacement items in the budget. The actual amount spent for the year $1,588,962.

The total projected savings from expenditure was $1,734,020 and the actual savings came in at $1,737,044 a difference of $3,024 more in overall savings.

Overall Summary:
Overall revenues were less than budgeted and expenditures were less than budgeted. The actual revenues of $11,684,148 (less Non-Cash Transactions of $591,109) exceeded expenditures of $10,961,499 by $722,649 for FY2016.

Plan of Action:
Recommend this year-end review be presented to the full Board for discussion and acceptance at the November 4th meeting.
### Year-end Budget Review

**FY2016 (July 1, 2015 to June 30, 2016)**

**NCRTD Revenue by Sources**

As of October 18, 2016 (End of Audit Fieldwork)

<table>
<thead>
<tr>
<th>Source</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Budget</th>
<th>2016 Projected</th>
<th>2016 Actual</th>
<th>% of Actual vs budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Receipt</td>
<td>$6,871,271</td>
<td>$6,941,122</td>
<td>$7,246,641</td>
<td>$6,903,500</td>
<td>$7,375,471</td>
<td>$7,673,654</td>
<td>111.2%</td>
</tr>
<tr>
<td>Fed Grant</td>
<td>$1,957,128</td>
<td>$1,902,036</td>
<td>$1,840,120</td>
<td>$3,901,539</td>
<td>$3,499,584</td>
<td>$3,041,790</td>
<td>78.0%</td>
</tr>
<tr>
<td>State Capital Outlay</td>
<td>$500,000</td>
<td>$450,000</td>
<td>$400,000</td>
<td>$365,000</td>
<td>$350,000</td>
<td>$301,312</td>
<td>100.0%</td>
</tr>
<tr>
<td>Local Match</td>
<td>$0</td>
<td>$161,188</td>
<td>$0</td>
<td>$301,312</td>
<td>$301,312</td>
<td>$301,312</td>
<td>95.9%</td>
</tr>
<tr>
<td>Member Contributions</td>
<td>$80,344</td>
<td>$67,725</td>
<td>$92,909</td>
<td>$703,552</td>
<td>$105,036</td>
<td>$161,238</td>
<td>194.4%</td>
</tr>
<tr>
<td>Cash Balance Budgeted</td>
<td>$33,600</td>
<td>$0</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$591,109</td>
<td>0.0%</td>
</tr>
<tr>
<td>Non-cash Transactions</td>
<td>$24,312</td>
<td>$67,725</td>
<td>$92,909</td>
<td>$443,296</td>
<td>$105,036</td>
<td>$161,238</td>
<td>36.4%</td>
</tr>
</tbody>
</table>

**Total**                      | $9,352,711  | $9,522,071  | $9,613,270  | $12,698,543 | $11,787,557    | $12,275,257 | 96.7%                 |
Federal revenues that were not received relate to our multiple TAP construction phases, tribal transit funds from the Pueblo of Santa Clara, and the consolidation study.
### Year-end Budget Review
**FY2016 (July 1, 2015 to June 30, 2016)**

**Gross Receipts Revenue**

*As of October 18, 2016 (End of Audit Fieldwork)*

<table>
<thead>
<tr>
<th>Month of Activity</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Actual</th>
<th>FY16 Budget</th>
<th>FY16 Projection</th>
<th>FY16 Actual</th>
<th>Actual Revenue % of Monthly Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>592,835</td>
<td>590,847</td>
<td>631,877</td>
<td>640,624</td>
<td>606,288</td>
<td>666,453</td>
<td>666,453</td>
<td>110%</td>
</tr>
<tr>
<td>August</td>
<td>696,792</td>
<td>645,616</td>
<td>628,640</td>
<td>586,498</td>
<td>614,947</td>
<td>637,587</td>
<td>637,587</td>
<td>104%</td>
</tr>
<tr>
<td>September</td>
<td>832,940</td>
<td>717,978</td>
<td>716,096</td>
<td>711,748</td>
<td>702,810</td>
<td>812,130</td>
<td>812,130</td>
<td>116%</td>
</tr>
<tr>
<td>October</td>
<td>476,325</td>
<td>390,334</td>
<td>513,319</td>
<td>524,100</td>
<td>498,800</td>
<td>532,939</td>
<td>532,939</td>
<td>107%</td>
</tr>
<tr>
<td>November</td>
<td>538,683</td>
<td>520,528</td>
<td>518,926</td>
<td>524,404</td>
<td>521,260</td>
<td>571,419</td>
<td>571,419</td>
<td>110%</td>
</tr>
<tr>
<td>December</td>
<td>655,468</td>
<td>614,240</td>
<td>606,606</td>
<td>658,102</td>
<td>636,126</td>
<td>666,195</td>
<td>653,420</td>
<td>103%</td>
</tr>
<tr>
<td>January</td>
<td>536,416</td>
<td>537,863</td>
<td>528,397</td>
<td>557,753</td>
<td>513,770</td>
<td>539,846</td>
<td>638,952</td>
<td>124%</td>
</tr>
<tr>
<td>February</td>
<td>392,583</td>
<td>504,470</td>
<td>498,296</td>
<td>442,098</td>
<td>468,496</td>
<td>490,455</td>
<td>541,493</td>
<td>116%</td>
</tr>
<tr>
<td>March</td>
<td>562,713</td>
<td>561,238</td>
<td>569,093</td>
<td>568,670</td>
<td>568,012</td>
<td>596,115</td>
<td>640,114</td>
<td>113%</td>
</tr>
<tr>
<td>April</td>
<td>669,266</td>
<td>647,379</td>
<td>656,754</td>
<td>725,955</td>
<td>599,241</td>
<td>632,001</td>
<td>712,795</td>
<td>119%</td>
</tr>
<tr>
<td>May</td>
<td>598,734</td>
<td>561,423</td>
<td>503,533</td>
<td>602,505</td>
<td>559,422</td>
<td>586,928</td>
<td>579,985</td>
<td>104%</td>
</tr>
<tr>
<td>June</td>
<td>575,421</td>
<td>579,356</td>
<td>569,584</td>
<td>704,185</td>
<td>614,328</td>
<td>643,404</td>
<td>686,367</td>
<td>112%</td>
</tr>
</tbody>
</table>

| Total             | 7,128,176   | 6,871,271   | 6,941,122   | 7,246,641   | 6,903,500   | 7,375,472      | 7,673,654   | 111%                              |

The projected overall revenue surplus for FY2015 GRT was anticipated to be $92,441. The actual revenue surplus was $437,541 of which $96,109 was obligated to RailRunner, so NCRTD retained $341,432 as a fund balance contribution for FY2015.
## Year-end Budget Review

**FY2016 (July 1, 2015 to June 30, 2016)**

**Gross Receipts Revenue By County**

**LOS ALAMOS COUNTY**

### Gross Receipts Revenue By Month

<table>
<thead>
<tr>
<th>Month</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Actual</th>
<th>FY16 Budget</th>
<th>FY16 Projected</th>
<th>FY16 Actual</th>
<th>Budget %</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>130,018</td>
<td>124,560</td>
<td>144,054</td>
<td>118,858</td>
<td>106,697</td>
<td>116,870</td>
<td>116,870</td>
<td>110%</td>
</tr>
<tr>
<td>September</td>
<td>367,025</td>
<td>263,631</td>
<td>232,251</td>
<td>218,509</td>
<td>212,660</td>
<td>279,213</td>
<td>279,213</td>
<td>131%</td>
</tr>
<tr>
<td>October</td>
<td>51,498</td>
<td>(65,391)</td>
<td>33,137</td>
<td>29,878</td>
<td>24,500</td>
<td>28,496</td>
<td>28,496</td>
<td>116%</td>
</tr>
<tr>
<td>November</td>
<td>120,772</td>
<td>98,601</td>
<td>89,812</td>
<td>81,023</td>
<td>93,423</td>
<td>93,942</td>
<td>93,942</td>
<td>113%</td>
</tr>
<tr>
<td>December</td>
<td>140,847</td>
<td>106,557</td>
<td>81,243</td>
<td>82,075</td>
<td>90,283</td>
<td>101,662</td>
<td>101,662</td>
<td>124%</td>
</tr>
<tr>
<td>January</td>
<td>139,742</td>
<td>132,435</td>
<td>133,450</td>
<td>100,450</td>
<td>110,495</td>
<td>174,873</td>
<td>174,873</td>
<td>174%</td>
</tr>
<tr>
<td>February</td>
<td>3,770</td>
<td>129,189</td>
<td>65,134</td>
<td>59,045</td>
<td>64,950</td>
<td>82,322</td>
<td>82,322</td>
<td>139%</td>
</tr>
<tr>
<td>March</td>
<td>118,403</td>
<td>109,903</td>
<td>105,475</td>
<td>95,550</td>
<td>105,105</td>
<td>112,842</td>
<td>112,842</td>
<td>118%</td>
</tr>
<tr>
<td>April</td>
<td>280,600</td>
<td>236,761</td>
<td>229,085</td>
<td>238,319</td>
<td>161,455</td>
<td>248,959</td>
<td>248,959</td>
<td>154%</td>
</tr>
<tr>
<td>May</td>
<td>176,478</td>
<td>108,859</td>
<td>77,439</td>
<td>116,229</td>
<td>101,185</td>
<td>111,304</td>
<td>88,475</td>
<td>87%</td>
</tr>
<tr>
<td>June</td>
<td>93,134</td>
<td>95,990</td>
<td>88,084</td>
<td>153,897</td>
<td>89,915</td>
<td>98,905</td>
<td>114,900</td>
<td>128%</td>
</tr>
</tbody>
</table>

| Total    | 1,838,146   | 1,509,468   | 1,380,501   | 1,367,132   | 1,225,000   | 1,415,852      | 1,581,242   | 129%     |

The revenues for the remainder of the fiscal year were projected to be 10% below budget due to low actuals for the first 4 months of FY2015. Actuals ended the fiscal year 6% greater than budgeted because early months were not good predictors of eventual spending in Los Alamos County. Overall GRT revenues have declined since FY2012, so the District should remain conservative on its predictions for the upcoming budget.
### Year-end Budget Review

**FY2016 (July 1, 2015 to June 30, 2016)**

**Gross Receipts Revenue By County**

#### RIO ARRIBA COUNTY

<table>
<thead>
<tr>
<th>Month of Activity</th>
<th>FY12 Actual</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Actual</th>
<th>FY15 Budget</th>
<th>FY15 Projection</th>
<th>FY15 Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>55,408</td>
<td>51,622</td>
<td>49,128</td>
<td>48,852</td>
<td>51,108</td>
<td>53,233</td>
<td>53,233</td>
<td>104%</td>
</tr>
<tr>
<td>August</td>
<td>58,814</td>
<td>55,703</td>
<td>49,535</td>
<td>49,585</td>
<td>52,473</td>
<td>45,322</td>
<td>45,322</td>
<td>86%</td>
</tr>
<tr>
<td>September</td>
<td>56,781</td>
<td>52,600</td>
<td>49,826</td>
<td>49,585</td>
<td>51,506</td>
<td>53,311</td>
<td>53,311</td>
<td>104%</td>
</tr>
<tr>
<td>October</td>
<td>54,911</td>
<td>53,009</td>
<td>49,363</td>
<td>55,224</td>
<td>51,790</td>
<td>50,632</td>
<td>50,632</td>
<td>98%</td>
</tr>
<tr>
<td>November</td>
<td>51,363</td>
<td>48,144</td>
<td>47,047</td>
<td>44,952</td>
<td>44,968</td>
<td>56,629</td>
<td>56,629</td>
<td>123%</td>
</tr>
<tr>
<td>December</td>
<td>54,028</td>
<td>51,452</td>
<td>46,846</td>
<td>57,339</td>
<td>52,643</td>
<td>54,222</td>
<td>52,583</td>
<td>100%</td>
</tr>
<tr>
<td>January</td>
<td>40,611</td>
<td>42,472</td>
<td>40,853</td>
<td>50,584</td>
<td>42,353</td>
<td>43,624</td>
<td>42,699</td>
<td>101%</td>
</tr>
<tr>
<td>February</td>
<td>38,417</td>
<td>39,752</td>
<td>40,153</td>
<td>41,671</td>
<td>38,715</td>
<td>39,876</td>
<td>49,951</td>
<td>129%</td>
</tr>
<tr>
<td>March</td>
<td>41,602</td>
<td>42,612</td>
<td>41,156</td>
<td>47,158</td>
<td>43,092</td>
<td>44,385</td>
<td>56,037</td>
<td>130%</td>
</tr>
<tr>
<td>April</td>
<td>40,766</td>
<td>40,315</td>
<td>41,493</td>
<td>48,159</td>
<td>42,240</td>
<td>43,507</td>
<td>41,784</td>
<td>99%</td>
</tr>
<tr>
<td>May</td>
<td>46,478</td>
<td>44,368</td>
<td>47,047</td>
<td>44,952</td>
<td>44,968</td>
<td>46,317</td>
<td>41,869</td>
<td>93%</td>
</tr>
<tr>
<td>June</td>
<td>53,981</td>
<td>45,151</td>
<td>46,230</td>
<td>53,912</td>
<td>51,507</td>
<td>53,053</td>
<td>50,116</td>
<td>97%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>593,160</strong></td>
<td><strong>567,199</strong></td>
<td><strong>548,414</strong></td>
<td><strong>595,907</strong></td>
<td><strong>568,500</strong></td>
<td><strong>584,111</strong></td>
<td><strong>594,166</strong></td>
<td><strong>105%</strong></td>
</tr>
</tbody>
</table>

The revenues for the remainder of the fiscal year were projected at 100% of the budget or to have revenue surplus of $1,594 by the end of FY15. The actual revenue surplus was 10% and GRT looks to have rebounded to FY2012 levels.
The revenues were projected to be 3.5% above the budget for FY15, which would translate into a revenue surplus of $156,761. The actual revenue surplus was 5% above budget which translates to a $192,219 revenue surplus in which NCRTD retains half due to its contractual obligations to the RailRunner.
The revenues were projected to be 8% above the budget for FY15, which would translate into a revenue surplus of $68,533. The actual revenue surplus was 16% above budget which translates to a $119,883 revenue surplus. Actuals for the last four years have seen steady increases which should be accounted for in the FY2017 budget, if FY2016 continues the same pattern.
### Year-end Budget Review
#### NCRTD Expenses by Type

**FY2016 (July 1, 2015 to June 30, 2016)**

**As of October 18, 2016 (End of Audit Fieldwork)**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY13 Actual</th>
<th>FY14 Actual</th>
<th>FY15 Actual</th>
<th>FY16 Budget</th>
<th>FY16 Projection</th>
<th>FY16 Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,699,079</td>
<td>1,764,308</td>
<td>1,800,202</td>
<td>2,773,718</td>
<td>2,199,516</td>
<td>2,465,780</td>
<td>307,938</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>550,997</td>
<td>709,864</td>
<td>810,898</td>
<td>1,245,195</td>
<td>1,028,444</td>
<td>917,367</td>
<td>327,828</td>
</tr>
<tr>
<td>Health &amp; Wellness/Promotions</td>
<td>-</td>
<td>-</td>
<td>2,555</td>
<td>7,500</td>
<td>1,506</td>
<td>3,676</td>
<td>2,100</td>
</tr>
<tr>
<td>Vehicle Maintenance, Repairs</td>
<td>198,587</td>
<td>209,603</td>
<td>306,401</td>
<td>260,700</td>
<td>300,786</td>
<td>312,805</td>
<td>(35,928)</td>
</tr>
<tr>
<td>Utilities (phone, gas, electric, cell)</td>
<td>41,118</td>
<td>36,053</td>
<td>35,973</td>
<td>51,751</td>
<td>37,966</td>
<td>44,412</td>
<td>6,446</td>
</tr>
<tr>
<td>Advertising</td>
<td>35,137</td>
<td>70,706</td>
<td>83,882</td>
<td>100,842</td>
<td>110,930</td>
<td>87,290</td>
<td>23,642</td>
</tr>
<tr>
<td>Insurance (property, gen lab, vehicle, civil rights)</td>
<td>196,836</td>
<td>87,589</td>
<td>102,076</td>
<td>115,196</td>
<td>115,196</td>
<td>119,953</td>
<td>(4,757)</td>
</tr>
<tr>
<td>Equipment &amp; Building Expense</td>
<td>24,986</td>
<td>31,124</td>
<td>31,203</td>
<td>76,735</td>
<td>76,735</td>
<td>95,066</td>
<td>(18,331)</td>
</tr>
<tr>
<td>Misc. Expense</td>
<td>-</td>
<td>-</td>
<td>116</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>27,427</td>
<td>59,286</td>
<td>50,928</td>
<td>67,163</td>
<td>59,414</td>
<td>68,195</td>
<td>(1,032)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>35,014</td>
<td>31,124</td>
<td>31,203</td>
<td>76,735</td>
<td>76,735</td>
<td>95,066</td>
<td>(18,331)</td>
</tr>
<tr>
<td>Travel, meetings, lodging and per diem</td>
<td>17,789</td>
<td>29,654</td>
<td>34,222</td>
<td>41,245</td>
<td>41,245</td>
<td>41,245</td>
<td>0</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>186,358</td>
<td>311,414</td>
<td>245,445</td>
<td>396,603</td>
<td>217,088</td>
<td>253,903</td>
<td>142,700</td>
</tr>
<tr>
<td>Dues, Licenses and Fees</td>
<td>12,263</td>
<td>8,597</td>
<td>15,961</td>
<td>15,765</td>
<td>15,765</td>
<td>20,155</td>
<td>(4,390)</td>
</tr>
<tr>
<td>Fuel</td>
<td>406,653</td>
<td>410,199</td>
<td>352,857</td>
<td>495,903</td>
<td>368,340</td>
<td>334,796</td>
<td>161,107</td>
</tr>
<tr>
<td>Training &amp; Registration fees</td>
<td>6,465</td>
<td>9,024</td>
<td>9,087</td>
<td>20,799</td>
<td>20,799</td>
<td>7,590</td>
<td>13,209</td>
</tr>
<tr>
<td>Railrunner, City of SF and Los Alamos</td>
<td>4,327,824</td>
<td>4,387,272</td>
<td>4,511,203</td>
<td>4,447,190</td>
<td>4,514,161</td>
<td>4,588,079</td>
<td>(140,889)</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>692,793</td>
<td>713,439</td>
<td>480,734</td>
<td>2,558,418</td>
<td>1,831,270</td>
<td>1,588,962</td>
<td>969,456</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>571,596</td>
<td>570,321</td>
<td>878,263</td>
<td>727,836</td>
<td>830,582</td>
<td>830,582</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,459,506</strong></td>
<td><strong>8,858,080</strong></td>
<td><strong>8,896,305</strong></td>
<td><strong>12,698,543</strong></td>
<td><strong>10,964,523</strong></td>
<td><strong>10,961,499</strong></td>
<td><strong>1,737,044</strong></td>
</tr>
</tbody>
</table>

*The NCRTD has a budget surplus at the end of the year in expenditures in the amount of $1,122,302. The deficit in the Non-RTD expenditures of $96,109 is offset from the additional revenue that comes in from Santa Fe County. Regardless of what NCRTD budgets for RailRunner, the agreement is that half of GRT revenue automatically goes to the Rail Runner.*
Year-end Budget Review
FY2016 (July 1, 2015 to June 30, 2016)
Capital Expense Summary
As of October 18, 2016 (End of Audit Fieldwork)

Capital Assets purchased in FY2016 were as follows:
- Avail System $123,179
- Skid Steer $47,625
- 14-Passenger Bus $75,245
- On Demand Vehicle $54,185
- 29-Passenger Bus from the Town of Taos $15,000
- Security Cameras $5,635
- Admin Vehicle $28,405
- Long Range Plan $78,196
- ADA Transition Plan $53,264

Year-end Budget Review
FY2016 (July 1, 2015 to June 30, 2016)
Capital Expense Summary
As of October 18, 2016 (End of Audit Fieldwork)

Capital Assets purchased in FY2016 were as follows:
- Avail System $123,179
- Skid Steer $47,625
- 14-Passenger Bus $75,245
- On Demand Vehicle $54,185
- 29-Passenger Bus from the Town of Taos $15,000
- Security Cameras $5,635
- Admin Vehicle $28,405
- Long Range Plan $78,196
- ADA Transition Plan $53,264
Memorandum

To: Finance Committee
From: Troy Bingham, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: October 28, 2016

Background:

The NCRTD establishes investments throughout various FDIC insured institutions in the District’s service area. The investment portfolio has decreased from $8,218,425 in the 4th quarter of FY2016 to $7,940,897 in the 1st quarter of FY2017. This decrease in investment solely attributed to fluctuation of the checking account from $1,925,504 at year end to $1,381,409 at the end of 1st quarter in FY2017.

In June, the Board voted to change the investment policy to allowed for brokered CDs. The District has added another 4 brokered CD’s to the portfolio this quarter with the help of LANB. As of June the investment portfolio is under preforming the one-year Treasury Certificate. Having access to broker CD market 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 September 30, 2016, the total investment exclusive of interest revenue was $7,933,129.
- Total earnings from interest total $7,768 since the start of the fiscal year.
- The average rate of return is .46%.
- The highest earned income is 1.00% with Guadalupe CU (12-month term) earning the District a total of $621.21 in interest this fiscal year.
- The current quarter from July through September of 2016 earned a total of $7,768 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 September 30, 2016 the six month treasury was 0.432% and the one-year treasury rates was .705%, the District is averaging a rate of return at .46% with an average length of maturity of about 7.6 months.
**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 September 30, 2016
### Certificate of Deposit Report
#### 30-Sep-16

<table>
<thead>
<tr>
<th>Date opened</th>
<th>Term / months</th>
<th>Expiration Date</th>
<th>Rate</th>
<th>Amount invested</th>
<th>Earnings 7-1-2015 thru 9-30-2015</th>
<th>Earnings 10-1-2015 thru 12-31-2015</th>
<th>Earnings 1-1-16 thru 3-31-16</th>
<th>Earnings 4-1-16 thru 6-30-16</th>
<th>YTD Total Earnings</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/4/2014</td>
<td>12</td>
<td>7/4/2016</td>
<td>0.40%</td>
<td>-</td>
<td>79.90</td>
<td>79.90</td>
<td>79.90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7/14/2016</td>
<td>12</td>
<td>7/14/2017</td>
<td>0.75%</td>
<td>245,000.00</td>
<td>397.70</td>
<td>454.60</td>
<td>397.70</td>
<td>245,397.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/3/2014</td>
<td>12</td>
<td>8/3/2016</td>
<td>0.40%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/30/2015</td>
<td>11</td>
<td>7/28/2017</td>
<td>1.00%</td>
<td>245,956.78</td>
<td>317.76</td>
<td>317.76</td>
<td>317.76</td>
<td>246,314.54</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Memorandum

To: Finance Committee  
From: Troy Bingham, Finance Director  
Thru: Anthony J. Mortillaro, Executive Director  
Date: October 28, 2016  
Re: Revised District Financial Policy

Background:

The NCRTD last updated the District’s Financial Policies in October 2015 to provide for separate stand-alone investment policy. The current policy does not outline authorized methods and high level procedures for paying vendors. However, the NCRTD Board passed a resolution in November 2013 to allow for ACH payments, but that resolution was never integrated into the current Financial Policies. The Finance Director recently implemented direct deposit payments to vendors in July 2016 and the program has been very successful. This policy discussion is to codify prior authorization and define expectation for the program going forward.

Summary:

This policy discussion is to codify prior authorization and define expectation for the program going forward.

Recommendation:

It is recommended that the Finance Committee discuss and review the information about the “Vendor Direct Deposit Program” and recommend approval of incorporating this program into the Financial Policies of the District.

Attachment:

- North Central Regional Transit District-Financial Policy #1 REDLINED
Purpose

The Financial Policies described herein are designed to provide a comprehensive framework for the management of financial resources for the North Central Regional Transit District (NCRTD). They provide guidelines for decision making by the NCRTD Board and management on how financial resources shall be utilized to fulfill the mission of the transit system, meet obligations and protect the public interest.

Objectives:

- Cost effective allocation and use of NCRTD financial resources in achieving the Districts mission.
- Compliance with applicable Federal and State laws, regulations and guidelines governing transit funding.
- Use of sound business and accounting practices in managing NCRTD financial affairs.
- Consistent financial practices, operational efficiencies and best practices.

---

Vendor Payment Policies
The District has implemented “Vendor Direct Deposit Program”. The program allows for vendors to elect to receive an Automated Clearing House (ACH) payment for services provided to the District. Automated Clearing House (ACH) is an electronic network for financial transactions. The NCRTD Finance Director is authorized to add vendors and develop procedures to insure appropriate accounting and maximum accountability in accordance with GASB and Internal Controls set by the District.

Payments to vendors over $20,000 require two authorized check signors (i.e., Board Chairman, Executive Director, or Board Treasurer). The Finance Director is also a signor for the District for purposes of maintaining bank relationships and handle issue with bank directly, but only under extenuating circumstances should the Finance Director sign as check issued by the Finance Department (i.e., Executive Director is out of town, or unable to contact for signature). Payments made through the “Vendor Direct Deposit Program” will have a second signature, but the Finance Director is authorized to sign for those payments along with the Executive Director.

1. Budgetary Policies

The adopted budget represents the ongoing commitment of the management and staff to operate and maintain the NCRTD in a fiscally sound manner according to the guidelines, policies and direction set forth herein. The Budget spans a fiscal year (beginning July 1 and ending June 30) and contains operating and non-operating revenues and expenses, grants, capital expenditures and reserves for the District. The budget is an appropriation document that gives the District the authority to spend funds for operating expenses, other expenditures such as contracts and capital and reserves.

Each year, the District staff will develop a budget plan that will lead to the Board’s review and adoption of the subsequent year’s budget. The timing of this process will be consistent with the established strategy and priorities at the District and with statutory requirements.

The District will also prepare a ten-year Long Term Financial plan for the purpose of identifying future financial challenges. It will be updated annually concurrent with the development of the annual budget.

A budget calendar for the fiscal year is to be established to make clear deliverables and deadlines.

Each year the District will establish a budget by:

- Providing a comprehensive review of the Districts sources and uses of funds for operating and capital expenditures.
- Tailoring the budget process into an effective management tool for setting financial priorities and meeting strategic objectives.
• Ensuring that the budget manages financial resources in a manner that:
  o Is prudent and sustainable
  o Meets financial requirements of medium and long-term capital needs
• Producing budget information that is:
  o Clear, comprehensible and transparent to employees and constituencies
  o Accurate, timely, and easy to access
• Monitoring and analyzing revenues and expenditures throughout the fiscal year for compliance and accountability.
• A quarterly cash and investment report and monthly one-year cash flow forecast report will be prepared.
• Current appropriations for all funds are limited to the sum available, unrestricted cash balances and revenues estimated to be received in the current budget year.
• All District divisions will operate within the adopted budget. From time to time, the District will consider spending requests for new or expanded programs during the course of the fiscal year and, to the extent possible, such increases to current operations will be funded by reoccurring current revenues unless the request is for a one-time activity that does not require an ongoing funding allocation. On occasion, there may be a need for Board action to draw funds from the Districts un-appropriated balance in order to meet unforeseen financial requirements.
• Capital assets owned by the District shall be maintained on a regular schedule. The District will recognize the impact of wear and tear of existing capital assets in the operating budget. Maintenance costs will be identified and incorporated into the annual operating budget as necessary. These costs include items such as renovations, maintenance and service contracts.
• District funds will be reconciled at the close of the fiscal year to determine the available cash balance at year end.
• Reports to the Board shall include Fiscal Impact discussions as to how they may affect the budget plus the estimated cost and benefit of the program or service in the current and future years.

2. Budgetary Control:

Budget control is maintained at the departmental/divisional level. The Executive Director has the authority to approve appropriation transfers between programs, divisions or departments. In no case may total expenditures adopted for the fiscal year exceed that which is appropriated by the District Board without budget amendment.

3. Vendor Payment Policies

The District’s policy is to make prompt payment to vendor’s who have provided services or goods in compliance with a valid written agreement. The District seeks to ensure that all goods and services are received and conform to contractual requirements prior to making
payment. Thereafter, payments should be made in the most efficient, timely and cost effective manner possible.

To this end, The District has implemented a “Vendor Direct Deposit Program”. The program allows for vendors to elect to receive an Automated Clearing House (ACH) payment for goods and services provided to the District. Automated Clearing House (ACH) is an electronic network for financial transactions. Payments are made instantaneously upon initiation of an ACH transfer. Therefore, any approval of a transfer comes after the transfer occurs and payments over $20,000 will occur prior to receipt of confirming signatures. Payments made through the “Vendor Direct Deposit Program” in excess of $20,000.00 will be confirmed as authorized by obtaining hard copy, written approvals with the signature of the Executive Director and the Board Chair or Secretary/Treasurer and placing a copy of the written confirmation in the appropriate District files.

The NCRTD Finance Director is authorized to add vendors and develop procedures to insure appropriate accounting and maximum accountability in accordance with GASB and Internal Controls set by the District.

Non-ACH Payments to vendors over $20,000.00 require two authorized check signors (i.e. Board Chairman, Executive Director, or Board Secretary/Treasurer). The Finance Director is also a signor for the District for purposes of maintaining bank relationships or in cases where the Finance Director is handling issues directly with the bank, but only under extenuating circumstances should the Finance Director sign a check issued by the Finance Department (i.e. Executive Director is out-of-town, the Board Chair or Secretary/Treasurer are unavailable or unable to contact the aforementioned signors for signature). Payments made through the “Vendor Direct Deposit Program” in excess of $20,000.00 will have a second signature as follows: the Finance Director is authorized to sign for those payments along with the Executive Director.

4. Operating Program:

The District utilizes a general operating fund, which will be used to account for all financial transactions required for the current operation of the public transportation system. The two primary components of this fund are:

A. Operating Income (Income Sources)
   - Operating income includes revenues derived from the Regional Transit Gross Receipts Transit tax (RT GRT), operating and capital assistance (federal and state funds), passenger fares, contractual reimbursements or contributions, interest income, and other miscellaneous sources of revenue.
     - For all federal transit grants awarded from New Mexico Department of Transportation (NMDOT), adherence to financial rules, regulations, and reporting will be complied with by NCRTD as per the New Mexico State Management Plan for the Administration of Federal
Transit Grants, the annual Federal Transit Administration (FTA) Certifications and Assurances, and any subgrantee federal funding contract/memorandum of agreement with NMDOT.

- The District will continuously seek new revenues and will, to the extent consistent with its public transit objectives, pursue a diverse revenue base in an effort to maintain a stable revenue stream. Seeking revenue diversity will help shelter the District from short-term fluctuations in any one revenue source.

- Revenues from the RT GRT are tracked in a line item dedicated to that purpose. According to the ballot initiative that created the RT GRT, the funds are to be used to expand regional public transit in the four-county area. The District interprets this to mean that RT GRT funds should be used to implement approved service plans per Board adopted resolutions. Approved service plans may include, but are not limited to, establishing entirely new regional routes; increasing the frequency of service on existing routes; purchasing more and larger vehicles so more riders may avail themselves of public transit; acquiring fixed capital assets and technology to solely be utilized on those approved regional routes, converting pilot projects to regular services; and coordinating with other service providers, such as Santa Fe Trails, Taos Chili Line, Atomic City Transit, the Rail Runner, and Park & Ride to improve services and strive to provide a seamless transit experience to those in the District’s service area.

The following definition has been adopted by the Board and will be utilized to ascertain whether a proposed regional route is eligible to be funded by RT GRT:

1. It connects to a service that leaves the district such as the Rail Runner or Park & Ride; or
2. It crosses a jurisdictional line between Members;
3. It connects two or more Members;
4. It is solely within a single Member’s local area but directly connects both in time and location with a service or route that makes possible travel outside the local area to another Member’s area;
5. It connects two distinct and separate communities within one Member’s area such as Questa and Red River in Taos County or Los Alamos and White Rock in Los Alamos County;
6. The Board of Directors will annually review all service plans within the region in order to determine regional routes by the qualification stated above. The board will have the ability to add or eliminate routes based on criteria for efficiency within the District.
The following funding allocation method will be used to determine the amount of RT GRT that will be allocated toward Board approved services on an annual basis, as provided below.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Percentage of Total Fiscal Year Projected NCRTD Transit GRT Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Santa Fe</td>
<td>14%</td>
</tr>
<tr>
<td>Los Alamos County</td>
<td>20%</td>
</tr>
<tr>
<td>Rail Runner</td>
<td>26%</td>
</tr>
<tr>
<td>NCRTD (Santa Fe County, Rio Arriba County, and Taos County)</td>
<td>40%</td>
</tr>
</tbody>
</table>

In the event that RT GRT revenue(s) do not materialize as projected in the adopted fiscal year budget, it is the Board’s stated desire that funding for services will be retained to the extent feasible. In order to achieve this priority the Board will consider the adjustment of the percentage allocations described in the above allocation methodology excluding the Rail Runner whose funding is prescribed through an Intergovernmental Agreement dated February 2009. The modification in the revenue percentage allocations will be proportionate to the reduction in the RT GRT revenue.

It is also the Board’s priority that as a last resort, transit services provided solely and directly by the NCRTD should not be reduced. In the event that such a reduction is likely, the Executive Director may recommend to the Board for its consideration the use of operating reserves to the extent necessary and without violating the Reserve Policy requirements herein.

RT GRT revenue that is deemed to be reoccurring revenue and not allocated for regional routes is placed in the operating reserve balance and reserve for service enhancements and as such maybe be available for allocation in the following year for expanded service of regional routes as recommended by the Executive Director and adopted by the Board on the bases of the methodology for the allocation of RT GRT as described above. Prior to commitment of any remaining RT GRT reserve operating balance in the ensuing fiscal year to expanded regional service routes, these routes must be included in the requesting entities annual service plan and adopted by the NCRTD Board as well. In no event will these funds be allocated for new or expanded service regional routes if it will result in the diminishment of the reserve operating balance requirements as described within these policies or if it will impact the Districts ability to meet its capital equipment and infrastructure requirements.

The District is responsible for seeing that RT GRT funds are spent appropriately. For those entities operating their own transit services an invoice shall be submitted quarterly to the District requesting reimbursement of funds spent in accordance with RT GRT funded service plans and adopted cost allocation methodology. Invoices shall contain
sufficient line-item detail to support the appropriateness of the expenditure and concurrence with the intended use of the funds. Upon receipt and review of the invoice, the District will reimburse the entity, provided sufficient RT GRT funds have been received.

B. In reference to Tribal Transit Funds if awarded by the Federal Transit Administration (FTA) to a Tribal Entity, the Tribal Entity maintains the authority to 1) utilize all Tribal Transit Funds received for Tribal Transit / Transportation Initiatives; 2) allocate through an agreement a portion of Tribal Transit Funds to the NCRTD; 3) allocate through an agreement all Tribal Transit Funds received to the NCRTD.

1) Tribe utilizes all FTA Tribal Transit Funds for Tribal Transit / Transportation Initiatives.
   a. No Agreement with the NCRTD.

2) Tribe allocates through an agreement a portion of FTA Tribal Transit Funds to the NCRTD. The process for managing these funds includes the following steps:
   a. Tribe determines a need for additional services requiring a portion of Tribal Transit funds be allocated through an agreement to the NCRTD to provide contracted transit services.
   b. The NCRTD will assess the additional services requested by the Tribe and provide the Tribe with a Scope of Work, Budget & Budget Narrative.
   c. The Tribe will review and make any necessary changes to documents and return to NCRTD for review and re-submittal.
   d. Upon agreement of transit services to be contracted to the NCRTD, the Tribe and NCRTD will sign a Professional Services Contract detailing agreement between Tribe as the recipient of FTA Tribal Transit Funds and the NCRTD as the sub contractor to include: Scope of Work, Budget, and Budget Narrative.
   e. Contract, Scope of Work, Budget and other Program Information will be entered into the Federal Transit Authority’s (FTA) TEAM web system by the Tribe or authorized NCRTD personnel if stated in agreement.
   f. Reports: Quarterly Financial, Monthly Progress, Monthly Ridership Reports are submitted to the FTA / FederalReporting.gov / TEAM web portal and will be completed by Tribe or authorized NCRTD personnel. Copies of all reports will be sent to Tribe for record keeping if the NCRTD personnel perform the reporting requirements.
   g. Any changes or modifications to the Scope of Work, Budget, and Budget Narrative must be approved and documented by the Tribe prior to NCRTD changing services or requesting reimbursement or payment for services provided under agreement.
   h. The NCRTD will advances funds to cover operating costs of contracted transit services.
i. NCRTD will submit a detailed “Invoice” of work, services performed and provided to the Tribe per Scope of Work and Agreement for approval and processing.

j. Tribe will approve “Invoice” of work and services performed and provided by the NCRTD and request a drawdown from the FTA.

k. Upon receipt of funds from the FTA, the Tribe within 7 days will process payment to the NCRTD.

l. The Tribe and the NCRTD will meet periodically to evaluate the effectiveness of the services being provided, available budget, and discuss any necessary changes.

3) Tribe allocates through an agreement all FTA Tribal Transit Funds received to the NCRTD for the provision of contract transit services. The process for managing these funds includes the following steps:

   a. Tribe determines a need to allocate through an agreement all FTA Tribal Transit funds to the NCRTD for the provision of FTA funded contractual transit services to be continued.

   b. The NCRTD and the Tribe will assess current FTA funded services being provided to the Tribe and provide the Tribe with a Scope of Work, Budget and Budget Narrative of the FTA funded current services and how these funds will be utilized to continue transit services.

   c. The Tribe will review and make any necessary changes to documents and return them to the NCRTD for review and re-submittal.

   d. Upon agreement of transit services to be contracted to the NCRTD, the Tribe and NCRTD will sign a Professional Services Contract detailing agreement between Tribe as the recipient of FTA Tribal Transit Funds and the NCRTD as the sub contractor to include: Scope of Work, Budget, and Budget Narrative.

   e. Contract, Scope of Work, Budget and other Program Information will be entered into the Federal Transit Administration’s (FTA) TEAM web system by the Tribe or authorized NCRTD personnel if stated in agreement.

   f. Reports: Quarterly Financial, Monthly Progress, Monthly Ridership Reports are submitted to the FTA / FederalReporting.gov / TEAM web portal and will be completed by Tribe or authorized NCRTD personnel. Copies of all reports will be sent to Tribe for record keeping if the NCRTD personnel perform the reporting requirements.

   g. Any changes or modifications to the Scope of Work, Budget, and Budget Narrative must be approved and documented by the Tribe prior to the NCRTD changing services or requesting reimbursement or payment for services provided under agreement.

   h. The NCRTD will advances funds to cover operating costs of contracted transit services.
i. NCRTD will submit a detailed “Invoice” of work, services performed and provided to the Tribe per Scope of Work and Agreement for approval and processing.

j. Tribe will approve “Invoice” of work and services performed and provided by the NCRTD and request a drawdown from the FTA.

k. Upon receipt of funds from the FTA, the Tribe within 7 days will process payment to the NCRTD.

l. The Tribe and the NCRTD will meet periodically to evaluate the effectiveness of the services being provided, available budget, and discuss any necessary changes.

Application Process:

1) When requested by Tribe, the NCRTD will assist with the Grant Application to include a set percentage (5%) for Administrative costs. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

2) The NCRTD, if requested and there is a signed agreement by all the Tribe’s, will submit a Joint Application on behalf of the Tribe’s in agreement. Prior to submittal of Joint Application, the Tribes will review and approve the Application, Scope of Work, Budget, and Budget Narrative being submitted on their behalf. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

3) The Tribe’s on their own behalf may apply for Tribal Transit Funds. If the Grant is awarded the Tribal Transit Funds Policy will be utilized to manage these funds.

C. Operating Expenses

Operating expenses are defined as the day-to-day costs incurred for public transit delivery, administrative overhead, and other common and normal expenses.

D. Operating Balance (difference between operating income and operating expenses)

The operating balance is utilized to fund the capital program and reserve requirements.

E. Administrative Overhead Costs

Direct and Indirect costs that are incurred for common or joint purposes in support of transit service or capital programs. Costs are allocated to programs based on allocation methods which comply with Federal and State guidelines.

5. 3. Reserve Policy
This Financial Reserve Policy contains practices that govern the management of the District’s financial reserves in order to:

- Maintain access to capital markets and other sources of capital funding at the most efficient cost of funds for the District;
- Manage financial risks prudently by maintaining required and additional financial reserves to meet the District's financial needs;
- Meet New Mexico State Department of Finance and Administration (DFA) requirements for minimum reserve balance requirements and any Board requirements;
- Provide the District with the ability to withstand national, regional and local major economic disruptions, unanticipated expenditure demands and meet the need for other non-recurring expenses except for as provided within the reserve policies.
- Meet or exceed all debt coverage requirements, if any; and
- Establish prudent levels of liquidity.

The District will maintain at all times one month of operating revenue as a cash reserve to meet DFA requirements.

The District will seek to maintain at all times an amount equaling 25% of its operating revenue as an unrestricted cash reserve which is inclusive of the DFA requirement distributed as follows:

A. Reserve for Operations (budget stabilization): It is the goal of the Board of Directors to annually direct 15% of the unrestricted reserves into this fund to meet unexpected decreases of more than 5% in the levels of total revenues and subsidies, as well as unexpected increases of more than 5% in total operating costs such as unanticipated and unbudgeted increases in fuel costs or other operating materials that cannot be rebalanced within existing budgeted resources in any given year in order to protect against reducing service levels when these fluctuations occur. This reserve will be maintained at a maximum of twenty percent (25%) of the annual operating revenues.

B. Reserve for Capital and Capital Replacement: It is the goal of the Board of Directors to annually direct 5% of the unrestricted reserves into this fund. In addition, revenues from the sale of surplus property or fixed assets will be directed towards this reserve fund. This reserve fund will provide the District with funds to meet matching requirements or non-matched purchases for fleet replacement, new fleet and replacement or acquisition of fixed assets. This reserve will be maintained at a maximum of fifteen percent (15%) of the annual operating revenues.

C. Reserve for Service Enhancements: This fund will be developed to build up fiscal resources in anticipation of future service enhancements. The intent is to build up...
a reserve of operating funds before potential service enhancements would be enacted in order to smooth the impact on the operating budget of a higher level of service and operating costs. When the Board has authorized existing service enhancements or new service enhancements then the Resolution approving such may also include the authorization to use this reserve fund for that purpose as required by section “E” below. The targeted balance of this reserve fund should be sufficient to cover operating expense of the proposed service enhancement for a three-year period.

D. Reserve for Debt Service: When the District issues debt this reserve will be funded through bond proceeds equal to the highest year debt service obligation of the District. These funds are held by the trustee for payment of related debt service.

E. Approval for Use of Reserve Fund: Each proposed use of the reserve fund will be subject to Board approval. For each use of the aforementioned reserve funds, the Board will approve a resolution which will describe the need to use the reserve fund, and the uses for which reserve funds will be expended. By Resolution of the Board the Board upon recommendation of the Executive Director may consider the modification of the allocations herein in order to avoid any service reductions.

6. 4. Capital Program

The NCRTD Capital Investment Plan (CIP) shall describe capital expenditures to be incurred to meet capital needs arising from long-term plans, asset maintenance or other capital needs. It sets forth each project in which the NCRTD will be involved and specifies the resources estimated to be available or required to finance the projected expenditures. The Executive Director shall submit to the NCRTD Board a proposed Capital Investment Plan prior to or in conjunction with the annual proposed budget. The Board shall approve the CIP no later than June 1 of each year. In the event that this date falls on a weekend, the preceding Friday shall prevail.

A. The Executive Director reviews all District capital projects to be recommended for inclusion in the CIP subject to the oversight and approval of the Board. In this capacity the Executive Director or a designee will:

   a. Affirm the linkage between proposed Capital Projects and the Districts strategic goals and objectives;
   b. Asses the linkage between the capital and operating budgets to ensure appropriate allocation of resources;
   c. Reaffirm the validity of a proposed CIP for annual approval by the District Board;
   d. Provide discipline and enforcement to the approved CIP;
   e. Monitor the progress of Capital Projects. Major changes in project scope or direction shall be presented to the Board for approval;
f. Review the qualitative and quantitative (including financial analysis) evaluation of Capital Projects to determine the priority of projects;
g. Review, assess and approve or deny the placement of proposed Capital Projects on the CIP;
h. Review CIP policies and procedures periodically and implementing changes as necessary;
i. Provide a mechanism for financial and resource planning for the District;
j. Authorize total project cost and fiscal year cost allocation changes.

B. The CIP is a planning document only. Any appropriations for specific project must be approved by the Board during the annual budget process.

C. The Districts CIP either creates a new asset or significantly extends the life of an existing asset.

D. Large Capital equipment purchases may be included in the CIP.

E. The Districts Capital Program will be used to account for the planning/design, acquisition, construction and reconstruction/rehabilitation of major capital facilities and equipment. It may include Federal and State grants as well as local funds to be used for capital acquisition and construction with and without benefit of grant funding including transfers from the Annual Operating Reserve Balance, project-related reimbursements, debt financing or other sources of capital funding.

F. Capital Expenditures are defined as expenditures incurred to meet capital needs arising from the District CIP, asset capital maintenance or other capital needs.

G. Capital Expenditure
   a) Items/acquisitions that have a useful life in excess of one year and an acquisition cost of greater than or equal to $5,000.

   b) Direct and eligible indirect costs, which are related and add value to a capital project, shall also be defined as capital expenditures.

H. Capital Performance Policy Objectives
   a. The NCRTD will seek to obtain maximum Federal and State financing by pursuing all appropriate funding available for public transportation systems.

   b. A portion of the annual CIP will be allocated to the proper maintenance of the Districts capital assets including regular replacement of the fleet and equipment and the rehabilitation or replacement of facilities.
I. Capital Investment Plan Funding

Funding of the CIP will endeavor to fund capital needs from a combination of sources including:

- Pay-as-you–Go (cash funded, PAYGO)
- Grants from Federal/State/Other Sources
- Debt Financing and special loans

The CIP funding strategy will emphasize the use of PAYGO as a means to meet transit funding requirements with debt used as a secondary source. The level of PAYGO funding will be dependent on a number of factors including availability of funds from the RT GRT and other sources, the appropriate levels of retained fund balances, economic and other factors.

5.7. Debt Policy

The purpose of the Debt Policy is to establish guidelines for the issuance and management of the Districts debt. The District has the ability to issue debt under its statutory authority. This Debt Policy confirms the commitment of the Board, management, staff, advisors and other decision makers to adhere to sound financial management practices, including full and timely repayment of all borrowings, and achieving an appropriate level of capital within prudent risk parameters. The following objectives of the Debt Policy include the following:

- Obtain and maintain a high credit rating;
- Provide for an efficient overall cost of borrowing for the District;
- Provide specific guidelines with respect to the overall management of debt if incurred;
- Set forth a process for selecting various consultants who will assist the District in the issuance and management of the Districts debt;
- Support for the District’s strategic plan objectives;

This Debt Policy shall govern the issuance and management of all debt and lease financings (excludes small item leasing such as copiers, etc…) funded from the capital markets, and shall include all obligations including investment of bond proceeds.

While adherence to this Debt Policy is required in applicable circumstances, the District recognized that changes in capital markets and unforeseen circumstances may produce situations that are not covered by the Debt Policy or require modifications or exceptions to achieve Debt Policy goals. In these cases, specific authorization from the Board is necessary to provide management appropriate flexibility. However, long term debt will be used on an as needed basis to fund the Districts capital investment needs.
The Debt Policy requires that each debt be specifically authorized by the District Board.

Debt Financing:

i. Principal maturity for debt will be linked to asset life and will not exceed thirty (30) years.

ii. Variable rate or other short term maturing debt may be issued for capital purposes in anticipation of receipt of approved Federal and/or State grants, with the goal of repaying a portion or all of the debt issued upon receipt of funds.

iii. Issuance of debt must be linked to:
   1. Adequate encumbrance capacity to let contracts for the entire capital program in the most effective sequence.
   2. Cash flow requirements.
   3. Fund balance to guard against anticipated/unanticipated risks.

iv. RT GRT will be used for the payment of annual debt service costs.

v. Debt will not be used for annual operating costs.

Lease Financing:

Lease obligations are a routine and appropriate means of financing capital equipment. These types of obligations may be considered for equipment or assets that are not financed as a cost item under normal operating expenditures. The useful life of the equipment, the terms and conditions of the lease, and the direct impact on debt capacity and budget flexibility will be evaluated prior to the implementation of a lease program. Efforts will be made to fund capital equipment with a pay-as-you-go financing when feasible. Cash flow sufficiency, capital program requirements, lease program structures, and capital and market factors will be considered in conjunction with a pay-as-you-go strategy in lieu of financing. Short-term equipment leases that do not access the capital markets are not covered by this policy.

Debt Service Coverage Ratios:

Debt Service coverage ratios establish a guideline for levels of annual operating costs relative to current and future debt service costs. This performance objective for Net debt service coverage is that the Operating Balance shall be greater than 1.25 times the annual debt service cost; however, the actual terms and conditions specific to each bond issue are controlled by the bond documents.

The net debt service coverage ratio is calculated as follows:

i. Operating income less operating expense equals the operating balance
ii. Operating balance divided by the annual debt service costs equals net debt service coverage ratio

The performance objective for Gross debt service coverage ratio (i.e. annual regional transit gross receipts tax/annual cumulative debt service cost) shall be maintained at a minimum of 3.0 times.

The maintenance of a debt service coverage ratio together with other performance measures provides multiple measures for the financial soundness of the NCRTD.

Refunding Bonds:

A present value analysis must be prepared that identifies the economic effects of any refunding to be proposed to the Board. It is acknowledged that some refunding may be executed for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to achieve more desirable covenants. Approval by the Board is required for any refunding.

Method of Bond Sale:

The District will generally utilize a competitive sale process when complex bond structuring and marketing requirements are not an issue and the perceived pricing differential between competitive and negotiated sale is negligible. There are three potential methods of sale: competitive, negotiated, and private placement. Each type of bond sale has the potential to provide the lowest cost given the right conditions. The conditions under which each type of bond sale is best used are provided below. All or some of the conditions discussed will affect the method of sale.

A. Competitive Sale

1. Bond prices are stable and/or demand is strong.
2. Issuer has a strong credit rating.
3. Issuer is well known to investors.
4. There are no complex explanations required during marketing, regarding: issuer’s projects, media coverage, political structure, political support, funding, or credit quality.
5. The bond type and structural features are conventional.
6. Bond insurance is included or pre-qualified (available).
7. Manageable transaction size.
8. Market timing and interest rate sensitivity are not critical to the pricing.

B. Negotiated Sale
1. Bond prices are volatile and/or demand is weak or supply of competing bonds is high.
2. Market timing is important, such as for refunding.
3. Coordination of multiple components of the financing is required.
4. Issuer has lower or weakening credit rating.
5. Issuer is not well known to investors.
6. Sale and marketing of the bonds will require complex explanations about the issuer’s projects, media coverage, political structure, political support, funding, or credit quality.
7. The bond type and/or structural features are non-standard, such as for a forward bond sale, issuance of variable rate bonds or where there is use of derivative products.
8. Bond insurance is not available or not offered.
9. Early structuring and market participation by underwriters desired.
10. Pre-qualified underwriter’s pool.
11. Large transaction size.
12. Expected high retail demand.

C. Private Placement

A Private Placement is a sale that is structured specifically for one purchaser such as a bank. The District reserves the right to privately place its securities if the need arises. Furthermore, any member of the active underwriting pool who presents the District with a cost savings financing plan, will be awarded to manage the financing/restructuring transaction.

Bond Consultants:

The District will select its financial advisors and its bond counsel by competitive process through a Request for Proposals (RFP). The District’s contracting policies, which are in effect at the time, will apply to all contracts with finance professionals. Selection may be based on a best value approach for professional services or the lowest responsive cost effective bid based upon pre-determined criteria.

All financial advisors, bond counsel and underwriters will be selected through a Request for Proposals (RFP) or Request for Qualifications (RFQ) process, whichever is most appropriate given the circumstances. In isolated instances, such contracts may be awarded on a sole source basis if it is clear that a RFP/RFQ process would not be feasible or in the District's interests.

Financial Advisors:
The District may retain one or more financial advisory firms to provide general advice on the District's debt management program, financial condition, budget options, arbitrage rebate review, and rating agency relations. Additionally, a financial advisor may assist with the structuring of the District's Revenue Bond issuances and may be used on an as-needed basis to provide financial advisory services that do not fall into the other categories of District debt obligations.

**Financing Teams:**

Financial advisors, bond counsel, and underwriters, where applicable, will be selected through a competitive process. Depending on particular expertise and consultant availability, some firms may be used on more than one program. However, efforts will be made to establish different teams to provide a number of firms the opportunity to participate in District contracts.

**Bond Counsel:**

The District debt will include a written opinion by legal counsel affirming that the District is authorized to issue the proposed debt, that the District has met all constitutional and statutory requirements necessary for issuance, and a determination of the proposed debt's federal and state income tax status. An appropriately experienced bond counsel firm (or firms) will prepare this approving opinion and other documents relating to the issuance of debt with extensive experience in public finance.

**Disclosure Counsel:**

The District will hire Disclosure Counsel(s) to prepare official statements in the event of any debt restructuring/refinancing or new bond issue. Disclosure Counsel(s) will be responsible for ensuring that the official statement complies with all applicable rules, regulations and guidelines. Disclosure Counsel(s) will be a well recognized firm(s) with extensive experience in public finance.

**Disclosure by Financing Team Members:**

The District expects that all of its financial advisory team will at all times provide the District with objective advice and analysis, maintain the confidentiality of the financial plans if required, and be free from any conflicts of interest. All financing team members will be required to provide full and complete disclosure, under penalty of perjury, relative to any and all agreements with other financing team members and outside parties that could compromise any firm’s ability to provide independent advice that is solely in the best interests of the District or that could be perceived as a conflict of interest. The extent of disclosure may vary depending on the nature of the transaction.
Note: The aforementioned financial performance measures are established as policy objectives for the District management to strive to achieve in managing the affairs of the District and may be temporarily suspended, modified or amended upon management review and Board approval.

8. 6. Risk Management Policy

The District is to be protected to a prudent extent against liability or loss, which could significantly affect personnel, property, finances or the ability of the District to continue to fulfill its responsibilities as a regional transit entity. This is to be accomplished through the continuous identification, analysis, and control of risk exposures, the determination of the best methods of preventing or limiting losses and the section of the most economical method of insurance or other means.

Policy

I. After identification of loss potential and development of loss prevention programs, the mitigation of the financial impact of loss, as it may occur, shall be based on the most economical method of providing funds to meet the obligations of the District and to restore its facilities and/or equipment.

II. Risk management techniques shall include:
   a. Assumption of loss
   b. Use of available government programs
   c. Purchase of insurance
   d. Any other program that will provide the District with the most economical method of financing losses

III. The purchase of insurance shall be considered when:
   a. The estimate of the cost of potential loss exceeds an amount considered as an allowable retention of risk and there are no other techniques available at a lesser cost
   b. Services of loss adjustment and loss prevention are best secured through an insured program
   c. Legal or contractual obligations require insurance
9. **Periodic Review and Amendment**

The Financial Policies delineated herein shall be subject to review and revision by the District at least every three (3) years. This does not preclude the District from revising specific policies included herein nor from adding policies should the District determine that the best interest of the public and/or NCRTD would be served by making such a revision.

Amendments or revision to these financial policies may be initiated or proposed by any member of the District Board or by the Executive Director of the NCRTD. Proposed amendments or revisions to these Financial Policies shall be first presented to and reviewed by the Board’s Finance and Consolidation Subcommittee. The Subcommittee shall make a recommendation on any proposed amendment or revision to the District Board.

The District Board must approve any amendment or revision by majority vote before said amendment or revision shall become official policy of the NCRTD.

10. **Management Reporting Requirements**

The Executive Director will provide the District Board with an annual report on the Districts actual versus budget performance at the end of the fiscal year once the books have closed.
Memorandum

To: Finance Committee
From: Peter Dwyer, Legal Counsel
Thru: Anthony J. Mortillaro, Executive Director
Date: October 18, 2016
Re: Personnel Rules Update

Background:

The NCRTD last updated its “North Central Regional Transit District Personnel Rules and Regulations” on July 12, 2013 by Resolution 2013-15. In order to ensure that the District rules keep current with changing laws and provide the framework for a modern personnel system they need to be periodically reviewed and updated.

Current Rules:

Current district rules are working as intended. The personnel functions of the District are functional and meet required standards for compliance with such external demands as the FTA Drug and Alcohol policy requirements. However, updates are needed to reorganize and update the rules.

Proposed Rules:

Many of the changes shown in the redline are simply clarification of the existing rules and reorganization of the rules into new sections. However, there are some substantive changes including:

1. Provisions regarding the work environment and non-discrimination, non-violence and harassment have been updated and consolidated 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.

**Recommendation:**

It is recommended that the Finance Committee discuss and review the policy and make recommendations on any needed changes.

**Attachments:**

- Old Rules adopted by 2013-15
- Proposed Rules in redline format.
NORTH CENTRAL REGIONAL TRANSIT DISTRICT
PERSONNEL RULES AND REGULATIONS

# Table of Contents

**RULE 1 – GENERAL PROVISIONS AND PURPOSE** ................................................................. 7

1.1 Prior Rules .................................................................................................................. 7
1.2 Compliance .................................................................................................................. 7
1.3 Purpose ....................................................................................................................... 7
1.4 Management Authority ............................................................................................... 7
1.5 Coverage .................................................................................................................... 9
1.6 Merit Principles .......................................................................................................... 9
1.7 *Equal Employment Opportunity and Sexual Harassment-Discrimination and Harassment Prohibited.* ................................................................. 9
1.8 Workplace Violence .................................................................................................... 1342
1.9 No Violence Policy ..................................................................................................... 1544
1.10 Risk Reduction Methods ........................................................................................... 1614
1.11 Procedure .................................................................................................................. 1614
1.12 American with Disabilities Act .................................................................................. 1814
1.13 Immigration Reform and Control Act, 1986 ............................................................... 1814
1.14 Drug and Alcohol Free Workplace ............................................................................ 1814
1.15 Employee Responsibilities ....................................................................................... 1916
1.16 Temporary Modifications to the Rules ....................................................................... 2117
1.17 *Permitted Political Activity.* ................................................................................... 2117
1.18 *Prohibited Political Activity.* .................................................................................. 2248
1.19 Public Office; Holding or Running for ....................................................................... 2248

**RULE 2 – EMPLOYMENT – SELECTION PROCESS** .................................................. 2420

2.1 *Job Posting.* .............................................................................................................. 2420
2.2 *Vacant Positions may be filled by Promotion or Internal Transfers.* ....................... 2420
2.3 Transfers and Temporary Promotion ......................................................................... 2520
2.4 *Recruitment for Posted, Advertised Positions.* ....................................................... 2724
2.5 Application for Employment or Promotion-Filling ..................................................... 2724
2.6 Applicant Preference .................................................................................................. 2822
2.7 *Proof of Veteran Status.* ........................................................................................ 2822
2.8 Rejection of Application ............................................................................................. 2822
2.9 Examinations-General ............................................................................................... 2923
2.10 *Exemption from Examination.* ............................................................................. 3024
2.11 Character of Examination ......................................................................................... 3024
2.12 Removal of Names from List of Eligibles ................................................................. 3024
RULE 4 – EMPLOYEE WORKING CONDITIONS

4.1 Training ................................................................. 4836
4.2 Training Needs ........................................................... 4836
4.3 Normal Work Week ..................................................... 4836
4.4 Normal Work Day ...................................................... 4836
4.5 Other Employment while on duty for the District ................. 4936
4.6 Outside Employment .................................................. 4936
4.7 Holidays and Holiday Pay ........................................... 5032
4.8 Requesting Leaves of Absence ........................................ 5238
4.9 Annual Leave ........................................................................................................... 5244
4.10 Family Medical Leave Act, (FMLA) ........................................................................ 5340
4.11 Sick Leave ............................................................................................................. 5544
4.12 Accrual Rates for Sick Leave ................................................................................ 5541
4.13 Leave Without Pay ............................................................................................... 5843
4.14 Absence without Leave or Authorization ............................................................. 5944
4.15 Administrative Leave ........................................................................................... 6044
4.16 Voting Leave ........................................................................................................ 6044
4.17 Court or Jury Leave ............................................................................................... 6044
4.18 Military Leave ...................................................................................................... 6145
4.19 Bereavement Leave ............................................................................................... 6145
4.20 Inclement Weather Leave ..................................................................................... 6245
4.21 Layoff - Reduction in Force (RIF) ......................................................................... 6346
4.22 Return from Reduction in Force ........................................................................... 6447
4.23 Furlough-Reduced work schedule ....................................................................... 6548
4.24 Employee Medical Separation ............................................................................. 6548
4.25 Employee Performance and Development Plan .................................................... 6850
4.26 Acknowledgment of Receipt of Plan .................................................................... 6850
4.27 Rebuttal of Performance Appraisal ....................................................................... 6850
4.28 Drug and Alcohol Policy ....................................................................................... 6954
4.29 Oral/Written Reprimand ......................................................................................... 6954
4.30 Dismissal, Demotion, Suspension Procedures ..................................................... 6954
4.31 Appeal of the Executive Director’s Disciplinary Action Decision and Appointment of Hearing Officer ........................................................................................................ 7354
4.32 Hearings ................................................................................................................ 7455
4.33 Administrative Dispute Resolution Procedures—Purpose ................................... 7457
4.34 Jurisdiction ............................................................................................................ 7652
4.35 Dispute Defined ..................................................................................................... 7752
4.36 Rights ..................................................................................................................... 7752
4.37 Relevant Facts ....................................................................................................... 7758
4.38 Procedure ............................................................................................................... 7858

RULE 5 – WORK HOURS ................................................................................................. 7960
5.1 ................................................................................................................................. 7960
5.2 ................................................................................................................................. 7960
5.3 ................................................................................................................................ 7960
RULE 1 – GENERAL PROVISIONS AND PURPOSE

1.1 Authority

The North Central Regional Transit District (hereinafter the “NCRTD” or the “District”) has the responsibility and authority to enact these Personnel Rules and Procedures pursuant to NMSA 1978, Section 73-25-5.

1.2 Prior Rules.

The District Personnel Rules and Regulations (hereinafter the “Rules”) in effect prior to the date of adoption of these amended Personnel Rules and Regulations, and all amendments thereto are hereby superseded. These policies also supersede all previous written and unwritten guidelines and past personnel practices of the District and also supersede any current department or division policy or procedure inconsistent with those set forth herein. Separate department or division policies that are more restrictive due to the operational needs of the department or division shall remain in effect, subject to the approval of the Executive Director.

1.3 Compliance.

All persons operating under the provisions of these Rules shall conform to, comply with, and aid in all proper ways in carrying out the provisions of these Rules.

1.4 Purpose.

These Rules are prescribed for the purpose of providing a modern personnel system, thereby promoting efficiency in the conduct of public business and assuring fair and impartial treatment to all applicants for employment and to all employed by the District.

1.5 Management Authority.

A. The North Central Regional Transit District is created pursuant to state statute by way of an intergovernmental contract between its member entities who appoint representatives to the Board of Directors (hereinafter the “Board”) for the District, governed by a Board made up of Directors appointed by their respective governing bodies. The Board determines and enacts District personnel policy. The Board does not make personnel decisions other than the selection of the Executive Director.

B. The Executive Director serves as the chief executive officer of the North Central Regional Transit District (“District”) and is responsible for the administration of the entire District including any divisions or departments which may be created. The Executive Director executes the policies and directives enacted by the Board and supervises the expenditure of appropriated funds. Authority is delegated to the Executive Director for the administration of the District’s Personnel Rules and Regulations. The Executive Director may issue interpretive memoranda as may be necessary to interpret and enforce the provisions of the Rules and Regulations. No contracts of or offers of employment may be made without the consent and signature of the Executive Director.

C. The District exclusively retains all customary, usual and exclusive rights, functions, prerogatives and authority connected with or incident to its responsibility to manage the
affairs of the District. The exclusive prerogatives, functions and rights of the District include but shall not be limited to the following:

1. Determine the mission, budget, organization and number of employees allocated by position to meet the minimum staffing levels of its operations and departments;

2. Determine qualifications for employment; validate content of examinations; make requests for position audits and reclassifications; and ensure that best practices exist for the recruitment, interviewing and selection of applicants;

3. Direct employees and evaluate their performance based on standards of work established by the Employer;

4. Make assignments, transfer, or retain employees in positions, and make determination of job duties;

5. Provide reasonable rules and regulations governing the conduct of employees;

6. Provide reasonable standards and rules for employees' safety;

7. Determine the location and operation of its facilities;

8. Determine standards for work, hiring, promotion, transfer, assignment and retention of employees in positions;

9. Initiate corrective and/or disciplinary action including, but not limited to, coaching and guidance, written reprimands, suspensions, demotions, alternate forms of discipline, transfers and terminations;

10. Determine scheduling and all other actions necessary to carry out the Employer's functions;

11. Relieve an employee from his/her duties because of lack of funds, reduction in force, inability to return to work, or other legitimate reason; (note not in CBA)

12. Maintain efficiency of government operations; determine methods, means, equipment and personnel by which the Employer's operations are to be conducted;

13. In cases of an emergency or declared disaster, take such actions as may be necessary to carry out the missions of the Employer even if it requires some variation from the strict application of these Personnel Rules and Regulations or any collective bargaining agreement; and

14. Act in furtherance of all other duties and responsibilities set forth in the Constitution, federal laws, state statutes, administrative regulations, and executive orders of the President and Governor, as well as North Central Regional Transit District Resolutions, and Personnel these Rules and Regulations.

This list is not an all-inclusive list of all of the District’s rights, functions, prerogatives or authority, but only serves a general guide. The District expressly reserves, and the District retains all
customary, usual and exclusive rights as set out in in this paragraph of these Rules and Regulations, unless expressly set forth to the contrary in any agreement.

1.56 Coverage.

These Personnel Rules and Regulations cover all District employees except the Executive Director to the extent that his contract of employment varies from these Rules and Regulations. Notwithstanding the general application of these Rules and Regulations to all employees the District can and shall, within the prescribed limits of the law, provide different standards for performance, review, and disciplinary action based upon the duly adopted Classification and Compensation policies of the District. These Rules and Regulations do not apply to independent contractors who are not covered by the District Classification and Compensation policies.

Furthermore, it is recognized that the District has certain employees that are covered by a Collective Bargaining Agreement. The specifics of the Rules and regulations herein have not been the subject of collective bargaining. The Collective Bargaining Agreement recognizes the District’s right to establish and maintain such Rules and regulations. The Rules and regulations contained herein shall apply to bargaining unit employees so long as and to the extent that they do not conflict with the terms of any Collective Bargaining Agreement.

1.67 Merit Principles.

The District adopts the following merit principles as standards for implementation of these Rules:

A. Recruiting, selecting, and advancing employees will be on the basis of their ability, knowledge, and skill, including open consideration of qualified candidates for initial employment.

B. Equitable and adequate compensation will be provided.

C. Employees will be trained as needed to assure high-quality performance.

D. Employees will be retained on the basis of the adequacy of their performance and provisions will be made for correcting inadequate performance and separating employees from employment if inadequate performance cannot be corrected.

E. Candidates and employees will be treated fairly in all aspects of personnel administration without regard to race, color, religion, disability, national origin, ancestry, sex, sexual orientation, age, political affiliation, veteran status, or other non-merit factors, and with proper regard for their primary and constitutional rights as citizens will be assured.

F. Merit principles may be administered by way of performance and development plans.

1.8 Nepotism Prohibited.

A. Persons shall not be employed by the District in a position where they would supervise or be directly supervised by any person related to them by blood or marriage to the third degree, or

1 The Executive Director is covered by an employment agreement and is an at-will employee.
where they would supervise or be directly supervised by a domestic partner. It is incumbent upon all employees and candidates to inform the District of any relation or relationship which could limit or effect the employee or candidate’s hiring, promotion, transfer or management of other District employees under this nepotism policy. Failure to report a relation or relationship that results in a violation of this nepotism policy is grounds for disciplinary action up to, and including termination.

B. The following persons are relatives within the third degree:

- Employee’s spouse or domestic partner,
- child
- brother
- sister
- grandparent
- grandchild
- great-grandparent
- great-grandchild
- aunt (sister of parent)
- uncle (brother of parent)
- nephew (son of brother or sister)
- niece (daughter of brother or sister)

if the employee is married, or has a domestic partner, relatives of such spouse or domestic partner, as listed above, are included in this prohibition.

C. The Executive Director, and all Supervisors may neither immediately supervise nor directly hire relatives as defined above.

D. The District shall refrain from hiring, transferring, and promoting employees where such action would violate the terms of this nepotism policy. If the District was not aware of a situation that would constitute a violation of the terms of this nepotism policy and becomes aware of the situation after the fact, the District shall take any steps necessary, up to and including transfers, demotions and termination of employees, in order to ensure that this prohibition on nepotism is upheld.

1.79 Equal Employment Opportunity and Sexual Harassment-Discrimination and Harassment Prohibited.

A. The District is an “equal opportunity employer.” The following acts of discrimination on the part of any person (employee) are expressly prohibited, and if such discriminatory acts occur, the person responsible for the act(s) is subject to dismissal or suspension from District employment or other appropriate disciplinary action. No District employee shall:

1. Unless based on a bona fide occupational qualification, refuse to hire, discharge, promote or demote or to discriminate in matters of compensation against any person otherwise qualified, because of the person’s inclusion in a Protected Class of race, color, religion, disability, national origin, ancestry, sex, sexual orientation, age, political affiliation, or veteran status;
2. Deny equal treatment or otherwise favor any employee on the basis of the person’s inclusion in a Protected Class, of race, color, religion, disability, national origin, ancestry, sex, sexual orientation, age, political affiliation, or veteran status; 

3. Print or circulate or cause to be printed or circulated any statement, advertisement or publication or to use any form of application for employment or membership to make any inquiry regarding prospective membership or employment which expresses, directly or indirectly, any limitation, specification or discrimination as to a Protected Class, race, color, religion, disability, national origin, ancestry, sex, sexual orientation, age, political affiliation, veteran status, unless based on a bona fide occupational qualification; 

4. Discriminate, intimidate, or retaliate against any person because he/she has filed a complaint, testified or participated in any proceedings under this section; 

5. Aid, abet, incite, compel or coerce the doing of any of the acts forbidden under this section; or attempt to do so; 

6. Attempt to favor or deny treatment to any employee or prospective employee or attempt to cause any person to violate the terms of these Rules and Regulations on the basis of the person’s inclusion in a Protected Class, race, color, religion, national origin, disability, ancestry, sex, sexual orientation, age, political affiliation, veteran status; or 

B. A. Sexual Harassment in the workplace is unlawful. The Equal Employment Opportunity Commission (EEOC) defines Sexual Harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: 

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; 

2.1 Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or 

3.1 The conduct is unwelcome, unwanted, or offensive and has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment. 

C.B. Sexual Harassment is prohibited and unacceptable in the NCRTD workplace and at any work related events. Sexual Harassment may occur between persons of the same gender, by a female against a male or by a male against a female. Some examples of conduct which may constitute sexual harassment are: 

1. Sexual advances, requests for sexual favors, repeated unwelcome requests for dates; 

2. Sexually oriented comments, jokes, teasing, language or gestures; 

3. Display of sexually related material such as calendars, posters, and inappropriate electronic wallpaper;
4. Staring or leering, in a suggestive manner;

5. Viewing of inappropriate text messaging or e-mails which contain sexually suggestive or demeaning comments, jokes, graphics or pictures ("sexting");

6. Viewing of inappropriate text messaging or e-mails which contain sexually suggestive or demeaning comments, jokes, graphics or pictures ("sexting");

7. Inappropriate touching, pinching, patting, grabbing, or brushing against a person;

8. Promising a promotion or job benefit if the employee will consent to sexual relations;

9. Taking adverse action against an employee who does not consent to sexual relations.

D.C. Harassment on the basis of any protected class is also prohibited and unacceptable in the NCRTD workplace. This policy also covers harassment on the basis of race, color, sex (gender), religion, national origin, ancestry, pregnancy, physical or mental disability, genetic history, sexual orientation. Harassing conduct may include derogatory comments, racial epithets, ethnic slurs, negative stereotyping and any type of conduct which shows hostility towards an employee because of his/her protected class.

E.A. All employees and managers are expected to comply with the NCRTD Anti-Harassment Policy. If a supervisor or manager becomes aware that harassment or discrimination is occurring in the workplace, it is the responsibility of the supervisor or manager to take immediate action to stop the unlawful conduct and report it to the NCRTD Executive Director.

F. Reporting a Complaint.

1. If you believe you are the victim of harassment, sexual harassment, or discrimination; or if you have witnessed such conduct, you should immediately report it to an NCRTD Supervisor or Manager. You have the option to report your complaint to your immediate Supervisor, an NCRTD Manager, the NCRTD Human Resources Specialist, or the Executive Director. Please complete the NCRTD Harassment/Discrimination Complaint Form which will be provided to you.

2. NCRTD will make reasonable efforts to maintain the confidentiality of your complaint to the extent that it is possible. NCRTD encourages the prompt reporting of your concerns in order to take appropriate corrective action before the harassment, discrimination, or retaliation becomes severe or pervasive.

3. All complaints of harassment, discrimination and retaliation will be promptly investigated. All employees are expected to be honest and cooperative during the investigation. Appropriate disciplinary measures, including the possibility of termination, will be taken against the offending employee if it is determined that he/she violated the NCRTD Anti-Harassment Policy.
G.D. Retaliation is Unlawful

NCRTD prohibits retaliation against an employee who reports or complains of harassment or discrimination or who participates as a witness in an EEO investigation. Non-managerial employees and Managerial employees who are proven to have engaged in retaliation against a complainant or witness will be subject to disciplinary action including the possibility of termination.

1.810 Workplace Violence.

The District is committed to ensuring a safe working environment for all employees. Both management and non-management employees have a responsibility to assist in establishing and maintaining a violence-free work environment. Therefore, each/all employees are responsible for reporting all acts of violence or behavior, which could potentially lead to violence.

A. Any employee who is found to have committed workplace violence will be subject to corrective action and may be directed to stay away from District premises. Violators may also be subject to civil and criminal prosecution.

B. Additionally, where an employee is convicted of a crime of violence or threat of violence under any criminal code provision for non-workplace conduct, the District reserves the right to determine whether the conduct involved may adversely affect the legitimate business interests of the District, and as a result may implement corrective action. Any employee convicted of such a crime must report the conviction to the District absent a court order to the contrary. Failure to do so is a violation of this policy and subjects the employee to corrective action.

C.

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated, and are deemed a violation of these Rules. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the District’s premises and property will be reported to the proper authorities. Possession of weapons (not assigned as a tool of a job assignment) on any District premises and property, including vehicles, parking facilities and District sponsored events constitute a threat of violence. The threat of violence may include, but is not limited to, any indication of intent to harm a person or damage District property. Threats may be direct or indirect and they may be verbal or nonverbal.

D.

A.

The District reserves the right to conduct reasonable workplace inspections at any time, with or without notice, for purposes of enforcing this policy, including searching:

1. Outer clothing, packages, handbags, briefcases, lunch bags, boxes, and/or other containers being taken in or out of the District's buildings, or to or from the District's premises;
2. Vehicles parked on District property (owned, leased or occupied), or District-owned vehicles;

3. All workstations, computer files, book shelves, lockers, desks, credenzas, file cabinets, store rooms and other areas.

Any refusal to permit an inspection or interference with inspections upon request may result in corrective action. The discovery of any violation of any other District policy as a result of such search may also result in corrective action. Any illegal activity discovered during an inspection is subject to referral to the appropriate law enforcement authorities.

E.

C. The District does not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities. The following list of behaviors, while not exclusive, provides examples of conduct that is prohibited:

1. Threatening physical or aggressive contact directed toward another individual or engaging in behavior that causes reasonable fear of such contact.

2. Threatening an individual or the individual's family, friends, associates, or property with physical harm or behavior that causes a reasonable fear of such harm.

3. Intentional destruction or threat of destruction of the District's or another's property.

4. Harassing or threatening physical, verbal, written or electronic communications, including unnecessary and rude behavior intended to be offensive (bullying), verbal statements, phone calls, e-mails, letters, faxes, website materials, diagrams or drawings, gestures, and any other form of communication that causes a reasonable fear or intimidation response in others.

5. Stalking. Stalking is defined as a pattern of conduct over a period of time, however short, which evidences a continuity of purpose and includes physical presence, telephone calls, e-mails and any other type or correspondence sent by any means.

6. Veiled threats of physical harm or intimidation or like statements, in any form, that lead to a reasonable fear of harm or an intimidation response in others.

7. Communicating an endorsement of the inappropriate use of weapons of any kind.

8. Possessing weapons of any type on one’s person during regular work hours, or at any time on District property.

9. Weapons include, but are not limited to:

   a. any firearm, loaded or unloaded, assembled or disassembled, including pellet, “BB” and stun guns, unless the possession of such firearm is licensed, authorized or permitted pursuant to state and/or federal law and expressly permitted by the District;
b. knives longer than 2.36 inches (and similar instruments) other than those present in
the workplace for approved work purposes or for the specific purpose of food
preparation and service;

d. brass knuckles, metal knuckles, and similar weapons;

e. bows, cross bows and arrows;

f. explosives and explosive devices, including fireworks, ammunition, and/or incendiary
devices;

g. throwing stars, nun-chucks, clubs, saps, and any other item commonly used as, or
primarily intended for use as a weapon;

h. self-defense chemical sprays (mace, pepper spray) in canisters or containers larger than
two ounces; and

i. any object that has been modified to serve as, or has been employed as, a dangerous
weapon.

Domestic Violence. Domestic violence is defined as a pattern of coercive tactics carried out by an abuser
against an intimate partner (the victim) with the goal of establishing and maintaining power and control
over the victim. These coercive tactics can be physical, psychological, sexual, economic and/or emotional.

F. The District prohibits acts of Domestic Violence to the maximum extent permitted by law.

Where the abuser's tactics include any of the above-described conduct any acts of Domestic
Violence occur on District premises or property, this policy applies. Where such tactics include any
of the above-described behaviors any acts of Domestic Violence occur off District premises or
property, this policy applies where if the abuser is someone acting as an employee or representative
of the District at the time, where the victim is an employee who is exposed to the conduct because
of work for the District, or where there is a reasonable basis for believing that violence may occur
against the victim or others in the workplace.

G. The District will maintain a strict policy take appropriate action for acts of violence and
threats of violence. Such incidents will lead to disciplinary action up to and including termination. While
the District does not expect employees to be skilled at identifying potentially dangerous persons, employees
are expected to exercise good judgment and to inform the Human Resources Office or their Supervisor if
any employee exhibits behavior that could be a sign of potentially dangerous situations. Such behavior
includes:

1. Discussing weapons or bringing them to the workplace;
2. Displaying overt signs of extreme stress, resentment, hostility, or anger;
3. Making threatening remarks;
4. Sudden or significant deterioration of performance;
5. Displaying irrational or inappropriate behavior.

D. The term "intimate partner" includes people who are legally married to each other, people who were once
legally married to each other, people who have had a child together, people who live together or who have
lives together, and people who have or had a dating or sexual relationship, including same sex couples.

1.9 No Violence Policy.
A. Any employee who is found to have committed workplace violence will be subject to corrective action and may be directed to stay away from District premises. Violators may also be subject to civil and criminal prosecution.

B. Additionally, where an employee is convicted of a crime of violence or threat of violence under any criminal code provision for non-workplace conduct, the District reserves the right to determine whether the conduct involved may adversely affect the legitimate business interests of the District, and as a result may implement corrective action. Any employee convicted of such a crime must report the conviction to the District absent a court order to the contrary. Failure to do so is a violation of this policy and subjects the employee to corrective action.

1.10 Risk Reduction Methods.

The District will maintain a strict policy for acts of violence and threats of violence. Such incidents will lead to disciplinary action up to and including termination. While the District does not expect employees to be skilled at identifying potentially dangerous persons, employees are expected to exercise good judgment and to inform the Human Resources Office or their Supervisor if any employee exhibits behavior that could be a sign of potentially dangerous situations. Such behavior includes:

1. Discussing weapons or bringing them to the workplace;
2. Displaying overt signs of extreme stress, resentment, hostility, or anger;
3. Making threatening remarks;
4. Sudden or significant deterioration of performance;
5. Displaying irrational or inappropriate behavior.

1.111-11 Reporting Procedures.

All employees and managers are expected to comply with the NCRTD Rules regarding discrimination, harassment, sexual harassment and violence. Anti-Harassment Policy. If a supervisor or manager becomes aware that harassment or discrimination prohibited acts are occurring in the workplace, it is the responsibility of the supervisor or manager to take immediate action to stop the unlawful conduct and report it to the NCRTD Executive Director. If appropriate in the judgment of the employee and supervisors involved, call 9-1-1. Under this policy, decisions may have to be made quickly to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing. Nothing in this policy is intended to prevent quick action to stop or reduce the risk of harm to anyone, including requesting immediate assistance from law enforcement or emergency response resources.

A. If any person believes they are the victim of harassment, sexual harassment, or discrimination; or if they have witnessed such conduct, they should immediately report it to an NCRTD Supervisor or Manager. Employees have the option to report their complaint to their immediate Supervisor, an NCRTD Manager, the NCRTD Human Resources Director, or the Executive Director. Appropriate forms will be provided to employees reporting prohibited acts. If a report form has not been completed by the employee, the supervisor shall complete a report form and forward the report to the Human Resources Office.
B. NCRTD will make reasonable efforts to maintain the confidentiality of complaints to the extent that it is possible. NCRTD encourages the prompt reporting of concerns in order to take appropriate corrective action before the harassment, discrimination, or retaliation becomes severe or pervasive.

C. All complaints of harassment, discrimination and retaliation will be promptly investigated. All employees are expected to be honest and cooperative during the investigation. Appropriate disciplinary measures, including the possibility of termination, will be taken against the offending employee if it is determined that he/she violated the NCRTD Anti-Harassment Policy.

A. Reporting Violations. Employees shall report any potentially dangerous situation which does or could violate this policy against violence in the workplace to a supervisor, or the Human Resources Office. Confidentiality will be maintained to the extent possible. All reports will be investigated and appropriate action will be taken.

B. Reporting Procedure. An employee who believes that a threat or act of violence has been made against that employee or others should:

1. Report the details immediately to the employee's supervisor, department director or Human Resources Office. Employees are encouraged to complete and Incident Report Form and return it to the supervisor or to the Human Resources Office as soon as possible. If an Incident Report form has not been completed by the employee, the supervisor shall complete the Incident Report form and forward the report to the Human Resources Office.

2. If appropriate in the judgment of the employee and supervisors involved, call 9-1-1.

Under this policy, decisions may have to be made quickly to prevent a threat from being carried out, a violent act from occurring, or a life threatening situation from developing. Nothing in this policy is intended to prevent quick action to stop or reduce the risk of harm to anyone, including requesting immediate assistance from law enforcement or emergency response resources.

D. Failure to report any threats or acts of violence in violation of this policy is itself a violation of this policy, and may subject any employees involved to corrective action. This includes reports by supervisory personnel who may be privy to threats that have been made by another employee.

E. Retaliation against anyone for reporting in good faith an actual or suspected violation of these Rules is policy in good faith will not be tolerated and will subject the individual engaging in the retaliation to corrective action. Any complaints about retaliation may be reported in the same manner as violations of this policy of these Rules are to be reported.

F. Investigation. All reported incidents of violence and threats of violence will be investigated as appropriately. The District will decide whether its workplace violence policy has been violated and whether preventive or corrective action is appropriate. The District may consult with law enforcement authorities or other resources as it deems appropriate, and may require a fitness for duty examination or other professional assessment through providers chosen by the District to determine whether a perpetrator presents a threat to individuals in the workplace. If a violation of this policy occurs, the District will take appropriate preventive and corrective action.
F.G. False Reporting. In the event that it is determined through an investigation that any employee falsely accused another employee of a threat of violence violation of these Rules, the accuser will be investigated and may be subject to corrective action.

1.132 American with Disabilities Act.

A. The District will not discriminate against qualified individuals with disabilities in regard to the application procedures, hiring, advancement, discharge, compensation, training, or other terms and conditions of employment.

B. The District will provide reasonable accommodation to qualified individuals with a disability so that they can perform the essential functions of the job.

C. An individual who can be reasonably accommodated for a job, without undue hardship, will be given the same consideration for a position as any other applicant.


The U.S. Department of Homeland Security, Immigration Control and Reform Act of 1986, requires that all newly hired, or re-hired, employees present documented proof of identity and eligibility to work in the U.S. The District and its new employees shall Employees will be required to complete the Employment Eligibility Verification form, I-9 within three days of hire and the District shall verify employee eligibility for employment by obtaining copies of appropriate identification information or use of “E-Verify.”.

1.154 Drug and Alcohol Free Workplace and Related Policies.
The District is committed to maintaining a drug and alcohol free workplace. Any questions employees may have about this policy, its administration, or assistance in complying with the policy including any employee assistance programs, shall be directed to the Human Resources Director.

A. As mandated by Federal law, it is the District’s policy that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including alcohol, in or on any District owned property is prohibited.

B. All employees who hold a commercial driver’s license and are required to operate vehicles for the District as part of their employment are subject to the U.S. Department of Transportation substance abuse testing procedures as outlined in the District’s Drug and Alcohol policies including but not limited to the testing programs.

C. The District recognizes that employees are a valuable resource and wants to assist any employee who voluntarily comes forward and requests assistance with chemical dependency provided that the employee:

1. has not received notification to report for drug/alcohol testing in the six week period prior to his request for assistance,

2. has not been identified as a violator nor is under investigation for a violation of the District’s Drug and Alcohol policy, and

3. has agreed to utilize the services available through the District’s Health Insurance carrier.
D. **Administrative Specific policies** may be developed further defining the terms used in this Rule as well as procedures for implementation of specific District policies on drugs and alcohol and Federal laws. **All policies implementing or amending these Rules regarding the District Drug and Alcohol policy shall be adopted by the District’s Board and provided to all employees following adoption.**

E. Employees found in violation of this Rule are subject to disciplinary action up to and including dismissal.

F. **Employees who are not subject to U.S. Department of Transportation substance abuse testing will still be subject to the District’s Drug and Alcohol policies. Employees are responsible for periodically reviewing the District’s Drug and Alcohol policies when they are revised and distributed for safety sensitive positions with the exception of those requirements related to random drug testing.**

### 1.16 Drug and Alcohol Policies.

The District Drug and Alcohol policy is separately adopted and may be revised from time to time but shall be deemed a part of these Rules and Regulations and is hereby integrated by reference. **The District expressly prohibits all operation of vehicles when impaired by drugs regardless of whether the drug is a properly prescribed prescription drug or over-the-counter medication. It is incumbent upon every employee to provide their doctors and pharmacists with sufficient information about the nature of their employment and job duties to make informed decisions about proper medication use while performing District functions.**

**F.**

### 1.175 Employee Responsibilities.

A. It is the duty and responsibility of every employee to be aware of and abide by **these Rules along with any additional existing work rules and regulations which may from time to time be promulgated and updated by the District. The District shall provide copies of any new or modified rules, regulations and policies regulating the conduct of employees and their work.**

B. It is the responsibility of the employee to perform his/her duties to the best of his/her ability and to the standards set forth in his/her job description or as otherwise established for the type of work performed.

C. Employees are required to **work at the times, places and in the manner prescribed for their particular work functions by District Supervisors and to arrive and depart from work in timely fashion to ensure the efficient and timely operation of the District’s business.** be at their work stations in accordance with the established working hours for their respective work units. Supervisors are responsible for maintaining attendance and tardiness records on their employees.

D. **Customer Service Standards for Dress and Appearance: The District is a professional organization. All employees must will present a professional appearance by wearing attire appropriate for their job classification in order to promote a positive image of the District and its employees and operations to its customers. The general public, other agencies and co-workers frequently may form their initial impression of the District’s professional credibility solely on employee appearance. Therefore, it is the responsibility of each employee to ensure that the**
District’s image, appearance and professionalism is preserved through appropriate dress and appearance. The appropriateness of attire as seen by the general public has a bearing on how other agencies and departments view employee professionalism and ultimately working relationships. This policy is intended to provide general standards on dress and appearance and is not meant to address all situations. There may be differences in some division dress standards depending on the nature of the work environment, nature of the work performed, involvement with the public, required uniforms or other circumstances. In General employees shall abide by the following standards: as defined by the supervisor.

1. All clothing and accessories should be functional, in good repair, and safe.

2. Employees not required to wear uniforms should wear clothing that is neat and clean, and suitable for business.

3. Employees required to wear uniforms should wear uniforms that are clean, fresh, and mended if necessary. Uniforms bearing a District identification patch may not be worn, unless on duty.

4. Personal hygiene is essential. Therefore it is necessary that all employees maintain a clean, presentable appearance. Personal hygiene includes bathing/shower, and such other steps as are reasonably necessary to ensure that employees do not offend customers or coworkers due to lack of hygiene.

E. Upon separation from the District, any and all District issued equipment, and property including but not limited to uniforms, identification patches, keys, records, identification cards, passwords, electronic files, and all other information or property of the District must be returned to the District.

F. Employees are required to notify their department manager or the Manager’s Designee, their supervisor, and Human Resources Office if they have a change of residence or telephone number within ten (10) business days. Employees are required to notify the Human Resources Office if they have a change in domestic partnership, marital status (marriage, divorce, widowed) or change in number of dependents within fifteen (15) calendar days. New dependents not enrolled in the employee insurance benefits within fifteen (15) calendar days may be enrolled during the next open enrollment period or as otherwise permitted by law.

1.18 4.25——Employee Performance and Development Plan.

A. The performance of each employee will be appraised by the immediate supervisor at the completion of the probationary period and annually thereafter with an optional interim appraisal done at the sixth month.

B. This appraisal will be documented on a form approved by the Executive Director and will become a part of the employee’s personnel file.

C. Supervisors may prepare performance development plans whenever it is deemed appropriate, such as when a supervisor wishes to make an employee’s performance a matter of record and upon change of supervisors.

D. The Executive Director will provide a training program in the proper method of appraisal for supervisory employees.
E. Employees are required to acknowledge in writing, receipt of performance and development plans. In instances where an employee declines to sign such acknowledgment, the Supervisor will verify in writing that the employee received the performance and development plan. Employees may submit rebuttal statements to performance and development plans which will be attached to the performance and development plan. Management may consider the rebuttal and may elect to change the performance and development plan based upon the rebuttal. But, nothing in the rebuttal shall serve to abridge management’s right to prepare, submit, evaluate, update and potentially take disciplinary action or require training based on the performance and development plan nor shall management be compelled to change its performance and development plan by the submission of a rebuttal.

1.197.1 Training.

A. The primary responsibility for training employees shall be assumed by District management. District management will utilize performance and development plans as an indicator of an employee’s need for training. Supervisors should consult with employees during the preparation of their performance and development plans regarding their training needs. Training shall be provided as needed but the District may prioritize training for employees who have a demonstrated long term commitment to employment with the District.

4.2 Training Needs.

B. The Executive Director shall require Supervisors to determine the training needs of employees and in determining their training needs and in devising and establishing programs to meet such needs. Priority shall be given to training that is required by law, training that effects safety, and training that will provide long-term benefits to the District.

F. 1.2046 Temporary Modifications to the Rules.

The Executive Director may temporarily modify or waive any of these Rules if it would be reasonable, appropriate, lawful, and necessary for the orderly and efficient administration of the District. The Executive Director shall promptly notify the Board of any temporary modifications made pursuant to this section and shall not modify the rules at a time or in a manner that would be unfair or inequitable to District employees. Nothing herein shall be deemed to prohibit temporary pay increases when duly authorized by the Executive Director for employees who are required by the District to perform functions beyond those of their current classification such as interim or acting supervisory duties.

1.1217 Permitted Political Activity.

All employees are permitted to engage in political activities but shall not do so while engaged in NCRTD business, nor upon the vehicles, premises, or any other facilities of the NCRTD, nor in a manner that creates the appearance of NCRTD involvement in political activity. Employees of the NCRTD:

A. are encouraged to register and vote and have a right to express their opinions on all political subjects and candidates on their own time or on authorized leave;

B. may serve as convention delegates on their own time or on authorized leave;
C. may attend political rallies on their own time or on authorized leave;

D. may engage in political activity on their own time or on authorized leave to include signing nomination petitions and making voluntary contributions to political organizations;

E. may serve as an election official on their own time or on authorized leave;

F. may be a member of a local educational board or any other non-partisan elected office, which shall not be construed to be either holding political office, provided the employee is on their own time or authorized leave as necessary;

G. may engage in any political activities permitted under the constitutions and laws of the United States and the State of New Mexico.

1.224 Prohibited Political Activity.

All employees are prohibited from:

A. Using official District property, letterhead, authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for office, or for any other political purpose;

B. Using official District property, letterhead, authority or influence for coercing, attempting to coerce, commanding or advising an employee to pay, lend or contribute anything of value to a party, committee, organization, agency or person for a political purpose;

C. Threatening to deny promotion to any employee who does not vote for certain candidates, requiring employees to contribute a percentage of their pay to a political fund, influencing subordinate employees to buy tickets to political fund-raising events, advising employees to take part in political activity and matters of a similar nature;

D. Engaging in political activity while on duty, including but not limited to the following:

   i. Wearing campaign buttons or displaying campaign literature in public view for any federal, state or local election;

   ii. Displaying political advertisements on District-owned vehicles;

   iii. Using any District equipment, supplies, or property for political campaign purposes for any federal, state or local election;

   iv. Circulating partisan political nominating petitions;

   v. Soliciting political contributions or participating in partisan fund raising activities;

   vi. Introducing or meeting with political candidates for the purpose of soliciting support for their campaign;

A. The Hatch Act (5 U.S.C. Sections 1501 to 1508) restricts the political activity of individuals principally employed by state or local agencies who work in connection with programs financed in whole or in part by federal loans and grants. District employees who are considering political activity should consult their own legal counsel to determine whether the Hatch Act applies to them. The following are District restrictions for employees covered by the Hatch Act.

1. Employees covered by the provisions of the Hatch Act may be candidates in nonpartisan elections, if, upon filing or accepting the nomination and during the entire campaign, the employee is authorized to use leave.

2. Employees covered by the provisions of the Hatch Act may not be candidates in partisan elections.

3. Employees not covered by the provisions of the Hatch Act may be candidates for any public office, if, upon filing or accepting the nomination and during the entire campaign, the employee is authorized to use leave.

For more details on the Hatch Act and its application to District employees see:


1.24 Time Limits under these Rules.

All days indicated as “Day” or “Days” shall be work days unless these rules expressly provide otherwise. In the event the last day of a time limit falls on a weekend or legal holiday, the time limits shall be extended to include the next working day. Receipt of written notice shall mean the day that the notice is received if hand-delivered or the day the notice is postmarked by registered mail to the address of record for the employee or the date an e-mail is sent unless there is reason to believe the e-mail recipient did not actually receive the e-mail. The time limits set forth in this procedure may be subject to extension under exceptional circumstances as determined by the Executive Director. In processing the complaint, the following procedure shall apply:
RULE 2 – EMPLOYMENT – SELECTION PROCESS

2.1 Classified Job Posting.

A. Unless a position is filled by promotion or internal lateral transfer, all vacant, or to become vacant, job openings in Classified positions shall be posted on designated District bulletin boards and advertised internally for a minimum of ten (10) days to allow current interested employees the opportunity to apply and advance in their careers in the District. Internal posting and recruitment does not preclude the NCRTD from performing concurrent external recruitment efforts. Internal postings are not required when the District fills an opening by promotion or internal transfer of an existing District employee or accretion of employees through consolidation of operations by the District and another transit service provider.

B. During the 10 day internal recruitment period the position may be filled without recourse to a List of Eligibles. Following the 10 day internal recruitment period the vacant position opening may only be filled by a candidate off of the List of Eligibles.

2.2 Vacant Positions may be Classified Job Openings filled by Promotion or Internal Transfers and Accretion of New Employees.

A. Promotion.

1. Any Classified regular employee who has demonstrated continuous satisfactory service may be eligible to be promoted.

2. Employees may be eligible to be promoted to any classification within the same career ladder for which they meet the minimum qualifications without having to take the test for that classification.

3. Employees may be eligible to be promoted to any classification outside of their career ladder if they meet the minimum qualifications and pass the appropriate test deemed appropriate or required by the District, if applicable.

4. Management may select any candidate, or employee, from the appropriate list of eligibles for promotion so long as the selection complies with these Rules.

5. Promotions approved by the Executive Director will be effective at the beginning of the pay period during which the Personnel Action Form is on a date selected and approved by the Executive Director.

5. Promotional increases in compensation are permitted to the extent they are consistent awarded in line with the District’s Compensation and Classification Plan. The salary pay of an employee who is promoted shall be adjusted at a minimum to the bottom of the new salary pay range. The pay of an employee who is promoted shall generally be increased by a minimum of with a ten (10) percent increase in pay, unless a higher or lower rate is expressly authorized by the Executive Director due to salary compaction, experience and qualifications, correction of salary inequities; or other valid reasons.

B. Internal Transfers.

1. Management, with approval of The Executive Director, may transfer an employee from one work site, position, or division within the District to another without the
employee’s written consent, if the transfer is deemed in the best interest of the District, provided that the employee meets the minimum qualifications for the new classification and the District has complied with any requirements of any current Collective Bargaining Agreement regarding assigning or transferring the employee to meet District requirements.

An employee is eligible to transfer to another available position in the same classification or to another classification with the approval of the Executive Director.

2. An employee shall retain accrued annual sick and personal leave, if applicable, upon transfer.

C. Accretion of New Employees.

If the District merges its operations with other transit providers and accretes employees from another entity the District shall:

1. Abide by the terms of any written agreements regarding the accretion so long as the terms of the agreement are legally permissible and do not require the hiring of employees who fail to meet minimum requirements for a position or fail to make timely application and acceptance of any District job offer;

2. Assess the accreted employee’s job description, compensation and classification;

3. Provide the accreted employee with notice of how the accreted employee would fit into the District’s compensation and classification system, any changes to their job assignments and job description, and any changes to compensation or benefits that would occur should the accreted employee become a District employee;

4. Offer jobs, compensation and benefits to any accreted employee consistent with the District’s Compensation and Classification Plan; and

5. Fill any job openings created by the merger of operations or any revised organizational structural requirements resulting from the merger of operations by offering jobs to accreted employees prior to posting the job positions, making internal transfers of District employees, promoting District employees or seeking to fill job openings with new candidates that are neither existing District employees or accreted employees.

6. Nothing herein shall be deemed to require that the District retain or manage employees in a manner inconsistent with these Rules or the District’s various policies and procedures and these rule shall not create an employment right in any person who is not duly hired by the District.

7. The District shall not rehire any employee who has an existing personnel file that includes a designation of “not eligible for rehire” due to a prior separation from employment with the District.

2.3 Recruitment, Hiring and Promotion of Exempt Employees

The Executive Director shall have discretion to vary from the hiring process utilized for Classified Employees when hiring Exempt employees. Notwithstanding the discretion granted herein the District shall abide by the merit principles and all prohibitions and restrictions of these Rules regarding Suspect Classes and nepotism when hiring Exempt employees.
Transfers and Temporary Promotion.

A. Management, with approval of the Executive Director, may transfer an employee from one work site, position, or division within the District to another without the employee’s written consent, if deemed in the best interest of the District, provided the employee meets the minimum qualifications for the new classification.

2. An employee is eligible to transfer to another available position in the same classification or to another classification with the approval of the Executive Director.

3. An employee shall retain accrued annual sick and personal leave, if applicable, upon transfer.

B. Temporary Promotion.

1. The District may fill a vacant, classified regular or limited term position by the temporary promotion of an employee who meets the minimum qualifications for a position at the discretion of the Executive Director.

2. The District may temporarily promote an employee who does not meet the minimum qualifications for a position if the Executive Director determines that no properly classified and qualified existing employee is available to assume the duties of the open position and that the best interest of the District is served by temporary promotion and assignment of an existing district employee.

3. A temporary promotion must be for a period of at least thirty (30) days or greater but not more than twelve (12) months.

4. A temporary promotion which requires an employee to perform duties beyond those of his or her current job duties and for which the employee may not meet all but does meet some minimum requirements shall be avoided wherever practicable. In such instances the Executive Director shall seek to fill the opening with a qualified employee as soon as practicable. Temporary promotions requiring an employee to perform duties beyond those of his or her current job duties and for which the employee may not meet all but does meet some minimum requirements will result in a temporary pay increase of up to 10%.

5. Temporary promotions within the same classification level by employees who meet minimum requirements for a job will result in a temporary pay rate increase to the minimum pay step of the new job range, or up to a temporary pay increase of up to 10% increase if the employee’s current pay rate exceeds the minimum of the new job classification. In no event shall the temporary promotion permit an increase in pay that would violate the District’s compensation and classification plan by paying an employee more than permitted for a given classification. However, the Executive Director may provide such other compensation and benefits as may be reasonably required to induce employees to assume the additional responsibilities of a temporary promotion so long as the compensation or benefits are commensurate with the additional duties. The maximum pay range shall not be exceeded; the balance of the award must be taken in cash if the full amount exceeds the maximum pay range.
4.6. Temporary promotions from any lower level classification to any higher level classification will result in a base-pay rate increase to the minimum pay step of the new range job, or up to a 10% increase if the employee's current pay rate exceeds the minimum of the new classification. The maximum pay range shall not be exceeded; the balance of the award must be taken in cash if the full amount exceeds the maximum pay range.

5. A higher or lower temporary base pay rate may be authorized upon temporary promotion by the Executive Director because of salary compaction; experience and qualifications; correction of salary inequities; or other valid reasons.

2.4 Recruitment for Posted, Advertised Positions.

A. Recruitment shall be tailored to the number and nature of authorized positions to be filled and to labor market conditions.

B. Subject to budget and other valid constraints, the Executive Director may:

1. utilize trade journals, newspapers, radio and television media, internet resources and other local sources to publicize job opportunities;

2. maintain and use mailing lists of schools, vocational counseling offices, organized occupational groups, and other special interest groups for the dissemination of data about job and career opportunities;

3. invite individuals to specify their vocational interests for future reference;

4. prepare and distribute written information on job opportunities in the District; and

5. make periodic visits, displays, and programs directed at schools in order to interest students in jobs with the District; and

5.6. support and participate in efforts to enhance the pool of qualified applicants for transit related jobs.

2.5 Application for Employment or Promotion-Filling.

A. All applications for positions with the District shall be made on forms prescribed by the Executive Director. Such applications shall include information, which is determined necessary or is mandated by State or Federal law, or regulations. All applications shall be signed, dated and the truth of the statements contained therein certified by the candidate’s signature.

B. No question on any form of application shall be so worded as to elicit information concerning race, color, religion, national origin, ancestry, disability, sex, sexual orientation age, political affiliation, or veteran status inclusion in a Suspect Class of any candidate, except that information required to assist with equal employment opportunity efforts, nor shall Furthermore, no inquiry shall be made concerning such origin, opinions or
affiliations inclusion in a Suspect Class during any interview, and all such disclosures, thereof, shall be disregarded, unless such information is deemed a bona fide occupational qualification.

**B.C.** All applicants shall inform the district of any relations or relationships that could constitute a violation of the District’s policy on nepotism.

### 2.6 Applicant Preference.

**To the extent permitted by laws, candidates may, as provided by law, be given preference for positions if:**

A. they are current classified employees;

B. they are accreted employees from a merger of District operations with another transit provider and are given preference as part of the accretion process;

C. they have reemployment rights due to a prior reduction in force or pursuant to a Collective Bargaining Agreement;

D. they have special status as or veterans; or

E. preference is otherwise allowed by state or federal law.

### 2.7 Proof of Veteran Status.

Proof of eligibility for veteran preference shall be presented to the District at the time the application is filed.

### 2.8 Rejection of Application.

**A.** Applications may be rejected and applicants excluded from the List of Eligibles if the candidate:

1. fails to meet the required minimum qualifications as stated in the job description;

2. has been convicted of a felony or a misdemeanor and the provisions of the Criminal Offender Employment Act, Sections 28-2-1 to 28-2-6, et seq., NMSA 1978, permit such rejection:
   a. Subject to the provisions of the Criminal Offender Employment Act, in determining eligibility for employment, the District may take into consideration the conviction after the applicant has been selected as a finalist for the position; however, such conviction shall not operate as an automatic bar to obtaining public employment unless otherwise provided by law to the contrary.

b. The following criminal records shall not be used, distributed, or disseminated in connection with an application for any District employment:
   i. Records of arrest not followed by a valid conviction; and
   ii. Misdemeanor convictions not involving moral turpitude.

c. The Executive Director may refuse to grant or renew, or may suspend or revoke the application of any candidate or employee for District employment for any of the following causes:
i. where the candidate or employee has been convicted of a felony or a misdemeanor involving moral turpitude and the criminal conviction directly relates to the particular employment;

ii. where the candidate or employee has been convicted of a felony or a misdemeanor involving moral turpitude and the criminal conviction does not directly relate to the particular employment and if the Executive Director determines, after investigation, that the person so convicted has not been sufficiently rehabilitated to warrant the public trust.

d. The Executive Director shall explicitly state in writing the reasons for a decision which prohibits the person from engaging in District employment, if the decision is based in whole or in part on conviction of any crime described in Paragraph two of this section. Completion of probation or parole supervision or of a period of three years after final discharge or release from any term of imprisonment without any subsequent conviction, shall create a presumption of sufficient rehabilitation for purposes of Subsection c, 2(ii), above in this Section;

3. Has made any material omission, false statement or produced any false document in support of the application;

4. Has failed to complete the application correctly or submit the application within prescribed time limits;

5. Has submitted an application for a classification job that is closed for recruitment;

6. Has attempted to use political influence in securing a District position; or

7. Has otherwise violated these Rules.

**B.**—The District shall notify each candidate whose application is rejected.

2.9 Examinations-General.

**A.** Examinations shall be confined to those matters which test the candidate’s capability to be trained for the position and in areas which are directly job-related and which fairly, validly, and reliably test the capacity and fitness of the applicant to successfully discharge the duties of the position for which the examination is administered.

**B.** Examinations may be written, oral, or physical, and may include but are not limited to performance tests, ratings of training, rating of education, or experience or any combination of tests and procedures these.

**C.** New tests may be developed in accordance with established professional techniques and relevant federal laws, regulations, and guidelines with the intent of measuring critical or important knowledge, skills, abilities, job duties, work behavior, or work necessary for successful job performance.
C.D. No test shall be administered by the District without such test having been approved by the Executive Director or by a duly authorized state or federal agency.

2.10 Exemption from Examination.

A. The Executive Director may exempt from competitive entrance tests those professional and technical persons who possess recognized registration or certification who are applying for classified positions, which require such registration or certification.

B. The Executive Director may also exempt from competitive entrance tests certain classifications jobs where job-related ranking measures are not practical or appropriate. These classifications shall be limited to unskilled positions with no identifiable entrance requirements of experience or education.

2.11 Character of Examination.

A. Testing for a position in the District may be accomplished by one or a combination of the following types of tests: written tests, rating of education, training and experience, oral tests, assessment center, performance test, or any other appropriate selection device.

B. New tests will be developed in accordance with established professional techniques and relevant federal laws, regulations, and guidelines with the intent of measuring critical or important knowledge, skills, abilities, job duties, work behavior, or work necessary for successful job performance.

C. No question or other mode of inquiry in any examination shall be so worded or designed to elicit information that may discriminate for or against any applicant for reasons of sex, sexual orientation, age, race, color, physical or mental disability, national or ethnic origin, political or religious opinions or affiliation of any candidate, and all disclosures thereof shall be disregarded.

2.12 Removal of Names from List of Eligibles.

A. The Executive Director may remove the name of a candidate from any list of eligibles, if the candidate:

1. advises the District that he/she is not interested in any job opening that position in that classification;

2. fails to respond within five (5) working days of receipt of mail or email inquiry as to availability for employment; or

3. fails to appear for a scheduled interview without a valid reason.

2.13 Selection for Employment.
A. Applicants shall be selected who are best able to perform job requirements best suited for positions without regard for membership or inclusion in a Suspect Class—race, color, religion, disability, national origin, ancestry, sex, sexual orientation, age, political affiliation or other non-merit factors.

B. The selected candidate may not start employment until background checks, pre-employment physicals, and drug tests are successfully completed as required and passed—if required.

C. Those candidates interviewed but not selected shall be notified in writing of their non-selection by the Human Resources Office in a timely fashion.

D. Interviewers shall return the list of eligibles to the Human Resources Office with a note made on the disposition of all candidates on the list of eligibles.

2.184 Emergency Hiring.

A. An emergency hire is the employment of a person when an emergency condition exists that would, in the opinion of the Executive Director, compromise the public health, safety, and welfare, or severely curtail the normal operations of the District and there are no candidates available on an appropriate list of eligibles.

B. If no candidates are available for the classification, the District may hire an apparently qualified person without testing.

C. An emergency hire may be converted to a probationary, regular, limited term, or temporary employee with the approval of the Executive Director if the individual

1. passes the appropriate test; or

2. has taken but not passed the appropriate test; the Department Management certifies that the employee is performing at a satisfactory level; and there are no available candidates for the position.

D. No individual shall hold an emergency appointment longer than ninety (90) days in any twelve (12) month period, unless approved by the Executive Director.
D.

2.145 Exceptions to Use of List of Eligibles

Reemployment Process

Former employees who separated from the District in good standing may be re-hired by the District within one (1) year from the date of separation without recourse to a List of Eligibles. However, nothing herein shall be deemed to require reemployment of former employees.

A. The individual must submit an application and meet the minimum qualifications for the classification and the re-hire must be approved by the Executive Director.

B. Such individuals will be treated as a new employee regarding probationary period, leave accrual, seniority, and other employee privileges unless a Collective Bargaining Agreement expressly provides for contrary treatment.

C. Former classified employees, who were laid off as a result of a reduction in force, may be offered reemployment by the District pursuant to the Rules and Regulations regarding reduction in force.

2.15 Nepotism Prohibited.

A. Persons shall not be employed by the District in a position where they would supervise or be directly supervised by any person related to them by blood or marriage to
the third degree, or where they would supervise or be directly supervised by a domestic partner.

B. The following persons are relatives within the third degree:

- Employee’s spouse or domestic partner,
- child
- brother
- sister
- grandparent
- grandchild
- great-grandparent
- great-grandchild
- aunt (sister of parent)
- uncle (brother of parent)
- nephew (son of brother or sister)
- niece (daughter of brother or sister)

If the employee is married, or with domestic partner, relatives of such spouse or domestic partner, as listed above, are included in this prohibition.

C. The Executive Director, manager, or any other supervisor may neither immediately supervise nor directly hire relatives as defined above.

D. The District shall be authorized to take any steps necessary, up to and including transfers, demotions and termination of employees, in order to ensure that this prohibition on nepotism is upheld.

2.16 Probationary Appointment Period.

A. New employees shall satisfactorily complete a Probationary Period as a precondition for continued employment by the District, a trial work period referred to as probation and are considered classified regular or limited term employees after the satisfactory completion of their probationary period.

1. The Probationary Period for new, promoted or re-employed employees is six (6) months.

2. Prior to the expiration of the Probationary Period a supervisor may extend the Probationary Period up to an additional ninety (90) days for further evaluation if, in the opinion of the management, it is necessary to determine the employee’s ability to adequately perform the job, and the extension is approved by the Executive Director.

3. If leave without pay is taken during the probationary period, the probationary period shall be extended by the number of days of leave without pay used by the employee.

B. An employee may be separated from employment by the District without a right of appeal or hearing at any time during the probationary period for any reason so long as the reason is not contrary to the express limitations in these Rules regarding Suspect Classes, on bias contained in these Rules and Regulations. A probationary employee is an “at will” employee.
2.17——Type of Employees.

A. Classified Regular employee is a budgeted, full or part-time position, duties of which do not terminate at any stated time. An employee working 40 hours minimum per week is eligible to receive full fringe benefits. An employee working not less than 21 hours and nor more than 39 hours per week is entitled to partial fringe benefits on a pro rata basis.

B. Exempt Employee (Non-classified) is a budgeted, full or part-time position, exempt from the classified service and FSLA.

C. Limited term employee is the employment of a person for a limited and specified time period, e.g., one year or longer subject to funding for the project or program, with benefits and subject to all personnel rules and regulations, except for the right of appeal regarding the expiration of the appointment or as otherwise stated herein.

Temporary employee is hired to perform a job which is limited in nature or is on a seasonal basis and which will not exceed twelve months of employment unless otherwise approved by the Executive Director. Temporary employees are not eligible for benefits and have limited remedies for employment disputes as stated herein. Employees of temporary status may be converted to regular or limited term status in the same classification and credited with up to six months service towards completion of the probationary period at the time of the conversion with the approval of the Executive Director.

D.—

E. Employees of temporary status may be converted to regular or limited term status in the same classification and credited with up to six months service towards completion of the probationary period at the time of the conversion with the approval of the Executive Director.

F. Temporary employees may fill in for Classified Regular Employees on Long Term Disability, Family Medical Leave, Worker’s Compensation or Extended Leave without pay. If the temporary assignment lasts for more than six (6) months, these employees will receive the same insurance and paid leave benefits as Classified Regular Employees beginning the seventh (7th) month of their employment. However, these employees will remain temporary for all other purposes.

2.18——Emergency Hiring.

A. An emergency hire is the employment of a person when an emergency condition exists that would, in the opinion of the Executive Director, compromise the public health, safety, and welfare, or severely curtail the normal operations of the District and there are no candidates available on an appropriate list of eligibles.

B. If no candidates are available for the classification, the District may hire an apparently qualified person without testing.

C. An emergency hire may be converted to a probationary, regular, limited term, or temporary employee with the approval of the Executive Director if the individual

1. passes the appropriate test; or
2.1 has taken but not passed the appropriate test; the Department Management certifies that the employee is performing at a satisfactory level; and there are no available candidates for the position.

D.A. No individual shall hold an emergency appointment longer than ninety (90) days in any twelve (12)-month period, unless approved by the Executive Director.
RULE 3 – CLASSIFICATION AND COMPENSATION

3.1 Authority.

The District has authority pursuant to NMSA 1978, Section 73-25-5 (G) (6) to appoint, hire and retain employees, agents, engineers, attorneys, accountants, financial advisors, investment bankers and other consultants. In order to implement this authority on an equitable and fair basis the District hereby elects to implement a system of Classification and Compensation as further defined by these Rules. Classification and Compensation may be the subjects of separate District policies which may be changed from time to time independent of these Rules and Regulations.

3.2 Preparation of Classification System.

The Executive Director or a contractor or agent designee shall prepare and maintain a Classification System which provides for a grouping of all positions in the District into classifications on the basis of essential duties, responsibilities, and minimum qualifications required.

3.3 Content of Classification System.

A. The Classification System shall include the descriptions for the various classifications, which may be subdivided or grouped as deemed appropriate. Each Classification shall be assigned a salary range which shall be used by the District to ensure fair pay to employees within each Classification.

B. Written descriptions for each classification shall be prepared by the Human Resources Office, and approved and amended as necessary by approval of the Executive Director. These descriptions shall include:

1. The title of the classification;
2. Examples of typical essential tasks performed, responsibilities, and working conditions;
3. A statement of the minimum qualifications required, including the kind and amount of training and experience, knowledge, skills, and abilities, physical requirements, and job-related personal attributes that an employee should possess; and
4. Signature by the Executive Director and the date of the last revision.

3.4 Revisions to the Classifications.

A. Whenever the creation, abolition, subdivision, or consolidation of individual classifications appears necessary, due to the creation of a new position, change in organization, or change in the duties of an individual position, certain positions, a classification may be revised and the revision must be submitted to the Executive Director for approval.

B. Any revisions that may reflect a major change in policy should be submitted to the affected Managers, Supervisors and interested parties in order to obtain input concerning such revisions.
C. When a classification is revised, the title of classification and in some cases the salary range assignment may be affected. The salary of the individual employees in the revised classification may not be reduced or increased without the approval of the Executive Director.

D. When there are revisions to the classification system as a whole the revisions shall be submitted to the District Board for approval.

3.5 Allocation of Positions to Classifications.

A. Every position in the District shall be allocated to a Classification salary range; all positions substantially similar as to the tasks performed, as to the responsibilities exercised, and as to the minimum qualification requirements shown in the Classification descriptions, shall be allocated to that same Classification salary range.

B. The title of a Classification shall become the title of such positions under that Classification and shall be used on all official records and correspondence relating to the individual positions within the Classification.

C. Department Management may recommend the allocation or reclassification of positions to one of the Classifications in the Classification System or a new Classification, subject to approval by the Executive Director.

D. Department Management shall submit adequate documentation to support the recommended reclassification of a position to a different classification.

E. Periodic audits to determine whether or not positions are properly allocated shall be conducted. If it is determined that a position is improperly allocated, the Executive Director shall reallocate it to its proper classification.

F. When a new position is contemplated, the position must be formally established before it may be filled. Except as otherwise provided by these Rules, no person shall be appointed to or employed in a position until the position has been allocated to a classification and approved by the Executive Director.

3.6 Types of Employees.

The District recognizes the rights and duties of employees and employers under New Mexico law which includes the employment contract between employer and employee under these Rules. In addition to Classification of employees the District distinguishes between types of employees based upon the following standards.

A. A Classified Employee is a, full or part-time position, the duties of which do not terminate at any stated time. The term Classified Employee includes the status of said employee as further defined herein.

B. An Exempt Employee (Non-classified) is a, full or part-time position, exempt from the classified service under both the FSLA and these Rules and subject to alternative hiring procedures.
C. A limited term employee is the employment of a person with benefits for a limited and specified time period, e.g., one year or longer subject to funding for the project or program. Limited term employees are subject to these Rules and all other rules and regulations of the District, except for the right of appeal regarding separation from employment following the expiration of a term or project or program funding.

D. A temporary employee is a person hired to perform a job which is limited in nature or is on a seasonal basis and which will not exceed twelve months of continuous employment unless otherwise approved by the Executive Director. Temporary employees are not eligible for benefits and have limited remedies for employment disputes as stated herein. Temporary Employees may be converted to Classified or limited term status in the same classification and credited with up to six months service towards completion of the probationary period at the time of the conversion with the approval of the Executive Director. Temporary employees may fill in for Classified Employees on Long Term Disability, Family Medical Leave, Worker’s Compensation or Extended Leave without pay. If the temporary assignment lasts for more than six (6) months, these employees will receive the same insurance and paid leave benefits as Classified Regular Employees, beginning the seventh (7th) month of their employment. However, these employees will remain temporary for all other purposes.

E. An At Will employee is an employee who is freely terminable and not subject to the requirements of these Rules regarding Disciplinary Action and Just Cause for purposes of termination as further defined in these Rules.

F. A full time employee is an employee who generally works 40 hours or more in a given work week or 80 hours or more within a given two week pay period.

G. A part time employee is an employee who works less than 40 hours per week or less than 80 hours in a given two week pay period.

3.67 Compensation Policy.

A. Compensation for District employees shall be equitable and competitive with the market and in accord with the District’s ability to pay.

B. It is the policy of the District that the any comprehensive Compensation Plan, for all classifications of the District is subject to and limited by the availability of funds as may be determined by the Board. The Board shall be the final arbiter of available funds.

C. An employee working 40 hours, minimum, per week is eligible to receive full benefits. An employee working not less than 21 hours and nor more than 39 hours per week is entitled to partial benefits on a pro rata basis.

3.98 Preparation of the Compensation Plan—Salary Ranges.

A comprehensive Compensation Plan for all classifications in the District shall be prepared under the direction of the Executive Director. The Compensation Plan shall take into consideration experience in recruiting for positions for the District, prevailing rates of pay in comparison to
similar services in public and private employment (to the extent that such data is available), cost of living, and other benefits received by District employees, and the District’s financial condition and ability to pay.

3.109 Adoption of the Compensation Plan.

The Compensation Plan (whether a part of a Compensation and Classification policy or otherwise) shall be adopted by resolution of the Board.

3.110 Revision to the Compensation Plan.

The Compensation Plan may be revised upon the recommendation of the Executive Director and the approval of the Board.

3.121 Administration of the Compensation Plan.

The approved Compensation Plan shall constitute the official schedule of salaries for all classifications in the District to which such Compensation Plan is applicable. The rates of pay for all persons in the District shall be approved by the Executive Director and no pay salaries shall be approved unless they conform to the approved Compensation Plan.

No employee in the District shall be paid a salary less than the minimum nor greater than the maximum of the salary range for the classification as fixed by the Compensation Plan unless otherwise provided for in the Rules or approved by the Executive Director.

The entry pay level of an employee upon appointment to a position in the District shall be the minimum rate in any applicable salary range, unless a higher rate, in-grade hire, is authorized by the Executive Director because of the candidate’s exceptional qualifications, difficulty in recruitment, or other valid reason.

Progression Increases in pay within the salary range shall be based upon performance and shall require the approval of the Executive Director. Supervisors and the Executive Director shall consider an employee’s compliance with District policies and procedures, job performance, competence and job knowledge when evaluating any increase in pay of an employee.

3.7 General Wage/Salary Adjustments.

It is the intent of the District to consider prevailing practices related to cost of living and market trends in establishing wages and salaries which constitute the formal Compensation Plan. On all occasions any change in compensation will ultimately be based upon the anticipated affect(s) upon the District budget. The Executive Director, based upon Board of Director’s approval, will make final determination of any changes to the salary scale. Where general, across-the-board adjustments are approved, the change will be effective on a date determined and approved by the Board of Directors. General adjustments are separate and distinct from performance recognition increases. General adjustments may affect the Compensation Plan only, thus shifting the pay of all employees in relation to the midpoint without changing individual compensation.

3.8 Cost-of-Living vs. Market.
Adjustments to the Compensation Plan may be determined periodically through analysis of market trends in comparison to cost of living (COL). This may be done once per year and the District may utilize either market survey results or cost-of-living index data (federal) or a combination of both. All employees, regardless of employment status, except those being red circled (frozen for having reached the top of their salary scale), shall receive the benefits of such general COL adjustments to the pay plan unless such employees are represented by a union and such adjustments if any are governed by a collective bargaining agreement.

In determining the total compensation value of the position, benefits and changes to overall costs of the District from Employer contributions must be considered. Base salary plus all employer cost of benefits constitutes total compensation. In comparing benefit packages provided in the labor market, the District may evaluate both level and cost of benefits or other factors as deemed appropriate.

3.9 Preparation of the Compensation Plan - Salary Ranges.

A comprehensive Compensation Plan for all classifications in the District shall be prepared under the direction of the Executive Director. The Compensation Plan shall take into consideration experience in recruiting for positions for the District, prevailing rates of pay in comparison to similar services in public and private employment (to the extent that such data is available), cost of living, and other benefits received by District employees, and the District’s financial condition and ability to pay.

3.10 Adoption of the Compensation Plan.

The Compensation Plan (whether a part of a Compensation and Classification policy or otherwise) shall be adopted by resolution of the Board.

3.11 Revision to the Compensation Plan.

The Compensation Plan may be revised upon the recommendation of the Executive Director and the approval of the Board.

3.12 Administration of the Compensation Plan.

The approved Compensation Plan shall constitute the official schedule of salaries for all classifications in the District to which such Compensation Plan is applicable. The rates of pay for all persons in the District shall be approved by the Executive Director and no salaries shall be approved unless they conform to the approved Compensation Plan.

No employee in the District shall be paid a salary less than the minimum nor greater than the maximum of the salary range for the classification as fixed by the Compensation Plan unless otherwise provided for in the Rules or approved by the Executive Director.

The entrance rate payable to any employee upon appointment to a position in the District shall be the minimum rate in any applicable salary range, unless a higher rate, in grade hire, is authorized by the Executive Director because of the candidate’s exceptional qualifications, difficulty in recruitment, or other valid reason.
Progression within the salary range shall be based upon performance and shall require the approval of the Executive Director. Supervisors and the Executive director shall consider an employee’s compliance with District policies and procedures, performance, competence and job knowledge when evaluating any increase in pay of an employee.

3.13 Individual Pay

Salary Adjustments and Promotion.

A. Promotions within a classification will result in a pay rate increase to, either the minimum pay of the appropriate pay range for the Classification based upon the current Compensation plan, or up to a 5% increase if the employee's current pay rate exceeds the minimum of the new range Compensation for the Classification. The maximum pay for the Classification range shall not be exceeded.

B. Promotions from a lower level to any higher level Classification will result in a pay rate increase to the minimum pay for the Classification based upon the current Compensation plan of the new range, or up to a 10% increase if the employee's current pay rate exceeds the minimum of the new range Compensation for the Classification. The maximum pay for the Classification range shall not be exceeded.

C. A higher or lower pay rate may be authorized upon promotion by the Executive Director because of salary compaction; experience and qualifications; correction of salary inequities; or other valid reasons.

D. The salary of an employee who is laterally transferred to a comparable position shall remain the same unless the Executive Director finds cause for a salary increase due to any change in employment conditions, job assignment or particular duties caused by the change.

E. The salary of an employee who is re-employed after being called to military active duty in accordance with the provisions of Rule 4.21 shall be at a rate equal to what the employee would have attained had the employee not been called to active duty.

3.14 Salary Decreases in Pay

A. When it becomes necessary to demote an employee for their inability or unwillingness to perform the assigned duties and essential functions of their position, that employee may also suffer a decrease in future pay. The amount of the pay reduction shall be determined on a case-by-case basis, but never shall decrease pay below the lowest pay for the Classification assigned pay range.

B. As the result of disciplinary action, reorganization or a reduction in force, an employee may receive a reduction from their current Classification to a lower Classification with no reduction in salary if the reclassification of the employee’s position is due to reorganization or a reduction in force.

C. The salary of an employee who voluntarily takes a Classification reduction may be reduced but never below the lowest pay for the Classification assigned pay range.

D. Salaries of all employees may be decreased uniformly and equitably for budgetary reasons or in the context of a reduction in force or furlough upon the recommendation of the Executive Director and approval of the Board.
A. Affected employees shall be given at least twenty-eight (28) days’ notice and such additional notice as may be required prior to any reduction in force.

B. In no case shall a salary be reduced below the minimum rate for the Classification in the salary range.

C. Salary decreases may be made to classes of employees, when deemed necessary by the Board due to budgetary constraints. Reductions in pay shall be implemented in such a manner as to reduce pay to Classified employees as a last resort, in the following order:

   a) Emergency.
   b) Temporary.
   c) Limited Term.
   d) Probationary.
   e) Exempt.
   f) Classified Regular.

3.145 Performance Based Increases.

A. Performance increases shall not be granted on an automatic basis but shall be granted upon the demonstrated quality of an employee’s performance, but always subject to the availability of funding.

B. Exempt, Classified regular, and limited term employees whose performances are average or above average, may be granted a performance increase. Any formula-limitions for such increases shall be approved by the Board, and shall be further limited by the pay permitted to the Classification limits of the salary range. Periodic performance evaluations may be performed as needed. Management may in its discretion perform performance evaluations at any time but shall generally perform evaluations one (1) year from the date of:

   i. Rehire or re-employment
   ii. Initial employment
   iii. The last performance increase; or
   iv. Promotion.

C. Generally, performance increases shall only be considered annually. Any period of leave without pay in excess of thirty (30) days shall not be credited as continuous service toward calculation of this annual period. Service in emergency or limited term, or temporary status, when followed without a break in service by probationary appointment to the same Classification, will be credited toward calculation of this annual period, eligibility for a performance increase.
D. Service in emergency or limited term, or temporary status, when followed without a break in service by probationary appointment to the same classification, will be credited toward eligibility for a performance increase.

E.D. The Executive Director may authorize a salary increases within the range permitted for a Classification within the salary range as an incentive for the emergency-retention of exempt, classified regular and limited term employees who are offered employment outside of the District to retain them in their current positions. The following will be required:

1. The District must have satisfactory proof of an outside job offer.

2. Increase, computed as a percent of the employee’s salary, may be granted as a lump sum at the end of a service period, in installments over the course of service period but Any pay increase shall be prospective, not retroactive and pay shall never to be provided in advance of work performed.

3. Before receiving a pay increase for an emergency retention, an employee must sign a written agreement to complete a specified period of service with the District.

E. The Executive Director may authorize a pay increases within the range permitted for a Classification as an incentive for the retention of limited term “seasonal” employees who return to work in subsequent seasons. The following will be required:

1. The District must be satisfied that the limited terms employee’s prior work was satisfactory and that the rehiring of the employee is a benefit to the District because of the employee’s knowledge and training regarding District operations.

2. Any pay increase shall be prospective, not retroactive and pay shall never be provided in advance of work performed.

3.1 Red Circle Rate.

Red Circle Rate refers to the rate of pay for an employee whose pay rises above the current maximum salary for the pay grade Classification to which the employee is assigned, reclassified or transferred. Such employee(s) shall be placed on a salary freeze for a period not to exceed two (2) years and shall not be eligible for any general adjustment (COLA) given during the same period of time. However, the employee may be eligible for a performance increase based on a performance review which will be treated as a one-time award distribution and not added to the employee’s base pay.

During the two-year salary freeze period, if the employee’s rate of pay falls below the maximum within the pay range, the freeze shall be lifted. If at the end of two years, the employee’s pay rate exceeds the maximum of the pay range permitted for the Classification, that employee’s pay rate shall be reduced to the maximum permitted for the Classification of the assigned pay range.

3.16 Overtime Compensation.
A. In order to meet the demands of work, employees may be required to work in excess of the hours designated in their normal work week. Overtime compensation will be paid to employee, as indicated below, only for actual hours worked. Supervisors are responsible for scheduling overtime in advance whenever possible and keeping overtime usage will be held to a minimum consistent with the budget. However, the needs of the District and service to its constituents may dictate overtime usage and supervisors are responsible for raising the budgetary needs and impacts of overtime usage with the Executive Director as early as possible to ensure a proper balance is struck between staying within budget and meeting District service needs.

B. Exempt Employees who work in excess of the normal work week (forty [40] hours), are not eligible for overtime pay. The basic compensation of exempt employees is based on the amount of work necessary to complete the assigned functions and is not based upon a set number of hours per work week. Time worked in excess of forty (40) hours per week is not eligible for compensation during the course of employment or upon termination. However, at the discretion of the Executive Director, exempt employees may be granted administrative leave in consideration of their work efforts.

C. Overtime will normally be permitted or required is normally allowed by management only in emergency situations or when service demands present no other reasonable alternative. Because of the size of the District and the nature of the Districts business supervisors and managers may require individual employees to perform overtime work based upon their geographical location and access to District property and equipment. However, when a supervisor has determined the need for that overtime to work may be equitably distributed be worked, employees may be required are expected to work a proportional share of the overtime assigned to the employee's classification or work unit. Refusal to accept an overtime assignment and/or continued refusal to participate in voluntary overtime offered to the employee's classification may result in disciplinary action. All overtime must be scheduled and/or approved by the employee's supervisor in advance, except in emergency situations where advance approval cannot be obtained.

Any employee, (except those determined not to be covered by the overtime provision of the FLSA), who are authorized and approved in advance by their supervisor and required to work in excess of the normal work week (forty [40] hours).

D. Non-exempt employees shall be compensated for such overtime at one and one-half (1 1/2) times their hourly rate unless otherwise specified in the Fair Labor Standards Act (FLSA). Such compensation shall be paid for overtime within the pay period that the overtime is worked unless the employee elects to receive compensatory time in lieu of paid overtime. Such compensatory time shall be accrued at time and one-half.

E. The following hours are considered as hours worked for the purpose of qualifying for overtime pay at the rate of time and one-half.

1. Hours actually worked;
2. Paid holidays;
3. Hours allowed for voting time;
4. Jury duty;
5. Hours allowed for court duty when appearing as a witness on behalf of the District or because of an official capacity with the District; and

6. Training time.

C. The following are considered hours not worked and will not be counted toward overtime/comp-time eligibility. Excepting only the provisions of D. above, an employee must be physically at work more than forty (40) hours per week and cannot use the following time to obtain overtime/comp-time eligibility:

1. Vacation;
2. Sick leave;
3. Military leave;
4. Funeral leave;
5. Injury leave;
6. Lunch break;
7. Comp-time hours used.

D. Travel time may or may not be work time when required by the District.

1. Travel from home to work and from work to home is not work time unless the travel is required by the District to an alternative work site that is not the employee's regular work site. Any such paid travel time shall require prior approval by the Executive Director.
2. Time spent by an employee in travel as part of his/her normal activities, such as travel from job site to job site during the employee’s regular working hours, or operation of a transit vehicle for public transit, is work time and must be recorded.

3. Travel performed outside of an employee’s normal work schedule as a result of assigned duties may constitute work time. The Human Resources Office must be consulted in advance to determine whether or not such travel time is work time.

3.17 Compensatory Time.

A. In some cases, compensatory time may be granted to Classified Employees in lieu of cash payment. FLSA-classified employees may accrue and use up to forty (40) hours of compensatory time annually. In the last pay period of the fiscal year, all accrued but unused compensatory time shall be paid to the employee at the employee's then current regular rate of pay.

B. An FLSA-classified employee who separates from the District shall be compensated for all accrued compensatory time.

C. Exempt employees (non-FLSA covered) who work in excess of the normal work week (forty [40] hours), are not eligible for overtime pay. The basic compensation of exempt employees is based on the amount of work necessary to complete the assigned functions and is not based upon a set number of hours
per work week. Time worked in excess of forty (40) hours per week is not eligible for compensation during the course of employment or upon termination. However, at the discretion of the Executive Director, exempt employees may be granted time off during normal work hours in consideration of their work efforts.

3.18 General Wage/Salary Adjustments.

It is the intent of the District to consider prevailing practices related to cost of living and market trends in establishing wages and salaries which constitute any formal Compensation plan. Any change in Compensation will ultimately be based upon the anticipated affect(s) upon the District budget. The Executive Director, based upon Board of Director’s approval, will make final determinations of any changes regarding Compensation. If general, across-the-board, adjustments in Compensation are approved for District employees, then the change will be effective on a date determined and approved by the Board of Directors. General adjustments in Compensation are separate and distinct from merit based adjustments to Compensation. General adjustments may affect the Compensation plan only, potentially shifting the pay of all employees in relation to the midpoint without changing individual Compensation.


Adjustments to any Compensation plan may be determined periodically through analysis of market trends in comparison to cost-of-living (COL). The District may utilize either market survey results or cost-of-living index data (federal) or a combination of both. If the District’s Board approves an adjustment to a Compensation plan, all employees, except those being red circled (frozen for having reached the top of their salary scale), shall receive the benefits of such general COL adjustments to the pay plan unless such employees are represented by a union and such adjustments, if any, are governed by a collective bargaining agreement.

In determining the total compensation value of the position, benefits and changes to overall costs of the District from Employer contributions must be considered. Base salary plus all employer cost of benefits constitutes total compensation. In comparing benefit packages provided in the labor market, the District may evaluate both level and cost of benefits or other factors as deemed appropriate.

3.20 Pay Upon Separation from Employment.

When employees are separated from employment with the District for any reason, they shall be required to return all District property and equipment and to resolve all financial obligations involving their employment with the District. Any such obligation not resolved prior to separation may be itemized and deducted from their final paycheck as contested amounts which the District claims to the extent that the deduction is legally authorized and not in violation of minimum wage requirements. The employee’s final paycheck, including compensation for all uncompensated hours worked, unused annual leave and overtime not disputed by the District, will be issued on the next regularly scheduled pay period following termination or within 10 days of separation from employment whichever is sooner. Claims for disputed amounts must be timely filed by the employee with the District following issuance of the final paycheck.

3.21 Pay Advancement.

It is illegal for The District will not to make pay advances to employees and no such advances shall be authorized or made. Furthermore, the District may not pay employer’s share of any paycheck deduction in a manner that would constitute an extension of credit in violation of the New Mexico State Constitution. Employees who have expended all leave and not returned to work may
be required to tender the full amount of any premium or contribution due for continued participation in employee benefits pending their return to work. Nothing herein shall be deemed to require the District to continue to employ an employee or hold open a position for an employee who has not returned to work.
**RULE 4 – EMPLOYEE WORK WEEK, HOURS AND LEAVEING CONDITIONS**

4.1 Training.

The primary responsibility for training employees shall be assumed by District management. District management will utilize performance and development plans as an indicator of an employee’s need for training. Supervisors should consult with employees during the preparation of their performance and development plans regarding their training needs. Training shall be provided as needed but the District may prioritize training for employees who have a demonstrated long term commitment to employment with the District.

4.2 Training Needs.

The Executive Director shall require Supervisors to determine the training needs in determining their training needs and in devising and establishing programs to meet such needs. Priority shall be given to training that is required by law, training that effects safety, and training that will provide long-term benefits to the District.

4.3 Normal Work Week.

   a. The basic work week for most full-time employees shall consist of forty (40) hours in a seven-day period. The standard work week commences at 12:01 a.m. every Saturday and ends at 12:00 p.m. on Friday. However, the Executive Director has the authority to vary the work week if the efficient operation of the District so requires. There are two work weeks in a pay period.

   b. The District may impose a work schedule for each particular positions altering the specific hour of work for the position to meet District needs. Work schedules may require any combination of hours within a work week deemed necessary for District operations including but not limited to split shifts, scheduled work on weekends or holidays, scheduled work in early morning and late evening hours, and scheduled work consistent with routes bid under any current CBA. Failure to follow any District work schedule may be grounds for disciplinary action.

   c. Hours worked within a work week shall be tabulated by including all hours actually worked by an employee as contributing toward the forty (40) hour work week and only permitting or requiring the use of leave or the payment of overtime when actual hours worked exceed or fall short of the 40 hours required for a work week.

4.4 Normal Work Day.

The normal work day shall be determined by the Executive Director to best meet the needs of each the organization and the work day may vary by position depending upon the operational needs of the District.

5.14.5 Work Hours.

   A. Regular full-time District employees have a regular work week of forty (40) hours. All Exempt employees and any Classified Employee who performs administrative support work for
the District shall generally be required to work from 8:00 A.M. to 5:00 P.M. Monday through Friday unless an alternative schedule is approved for the specific position.

5.2 B. Normal work hours in the various work units for Classified Employees who do not perform administrative support work shall be set by the supervisor, with the approval of the Executive Director. Consideration should be given to shift requirements, seasonal conditions, special service needs and other activities necessary to provide a continuity of public service. Occasionally, it may become necessary to deviate from the normal work hours due to changing District requirements, availability of properly trained and licensed employees and unforeseen events and conditions. It is the responsibility of supervisors to prescribe work hours in such cases.

5.3 C. Lunch Breaks shall be determined by Supervisors with the approval of the Executive Director. Generally a one-hour lunch break shall be provided to all Classified employees; however, work schedules and other job-related functions may necessitate variations in the scheduling of the lunch break.

5.4 D. Relief periods are permitted for the purposes of breaking up a continuous period of work to improve the well-being and performance of employees. Relief periods, other than the lunch break, may be granted as time permits but should be limited to fifteen (15) minutes, once in the first half of the work shift and once in the second half. Employees should not combine two (2) relief periods into one, nor should they be allowed to combine a relief period with a lunch break. Relief periods shall not be eliminated, used or skipped in a manner that permits employees to start or leave their work early on a regular basis. In addition, relief periods are a privilege and care should be taken to assure that they are not abused. Employees are not permitted to leave the work site during a relief period break. Employees may be permitted to have family members or acquaintances at the work site during a relief period break if authorized in advance by their supervisor. Nothing herein shall be deemed to limit the District’s ability to provide reasonable accommodations to employees as the District deems appropriate and in compliance with all relevant laws including but not limited to the Americans with Disabilities Act.

5.5 E. Relief periods are considered hours worked; lunch breaks are considered hours not worked. Supervisors shall not permit Classified nonexempt employees to forego their lunch break or continue working while having lunch or allow any similar changes to the work schedule that would permit or require accumulation of uncompensated overtime. Lunch breaks shall not be eliminated or shortened so that employees can alter their regular schedule in any way unless previously approved by the employee’s Supervisor and the Executive Director, regularly start late or leave early.

4.65 Other Employment while on duty for the District.

No employee shall engage in any other employment or self-employment, during the hours the employee is scheduled to work for the District. Violation of this Rule may be grounds for disciplinary action.

4.76 Outside Employment.

A. It is anticipated that employment with the District will be the employee’s primary duty and all employees are required to ensure that any other employment does not interfere with their ability
to fully and professionally perform their duties as District employees. All employees engaging in employment other than with the District must have prior District approval.

B. To assure no conflicts exists between District employment and outside employment (including but not limited to conflicts of interest, schedule conflicts or travel conflicts) employees who engage in employment in addition to their District employment are required to obtain written approval on a prescribed form from the Executive Director.

C. Before an employee may work for any other organization or engage in business for himself/herself, approval of the Executive Director is necessary to determine that:

1. Neither the employee nor his/her subordinates shall conduct any business connected with the employee’s outside employment while on duty.

2. There is no conflict between the employee’s official duties with the District and the proposed outside employment.

3. The employee is serving the District satisfactorily and will be able to do so if he/she undertakes outside employment.

D. Approval authorizes outside employment for a period of one (1) year from the time of approval. The employee must re-apply on a prescribed form for continued approval annually so long as employee wishes to continue outside employment.

E. In the case of injury or inability to perform job duties with the District due to impairments arising from outside employment, time off will be taken from the employee’s earned accrued sick and annual leave.

F. E. Authorization to engage in outside employment shall be suspended during periods of sick or disability leave.

| 4.87 Holidays and Holiday Pay |

A. The holiday schedule listed herein is the official holiday schedule.

The following holidays shall be observed as paid holidays through 12/31/2013 and as of 1/1/2014 the listed holidays will be replaced as noted herein:

<table>
<thead>
<tr>
<th>Date</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td>New Year’s Day</td>
</tr>
<tr>
<td>January</td>
<td>Martin Luther King Day (as of 1/1/2014)</td>
</tr>
<tr>
<td>February</td>
<td>Presidents Day (ends as of 12/31/2013)</td>
</tr>
<tr>
<td>May</td>
<td>Memorial Day</td>
</tr>
<tr>
<td>July 4</td>
<td>Independence Day</td>
</tr>
<tr>
<td>September</td>
<td>Labor Day</td>
</tr>
<tr>
<td>October</td>
<td>Columbus Day</td>
</tr>
<tr>
<td>November</td>
<td>Veteran's Day</td>
</tr>
<tr>
<td>November</td>
<td>Thanksgiving</td>
</tr>
<tr>
<td>November</td>
<td>Day after Thanksgiving</td>
</tr>
<tr>
<td>December 24</td>
<td>Christmas Eve (as of 1/1/2014)</td>
</tr>
<tr>
<td>December 25</td>
<td>Christmas</td>
</tr>
</tbody>
</table>
Additional holidays: — Personal holiday (ends as of 12/31/2013)

B. All regular, classified, exempt or limited-term employees shall be paid for holidays listed herein at the employee’s straight time hourly rate. Holiday pay is based on eight (8) hours of pay for full-time employees and prorated hours for part-time regular employees. An employee whose workday is in excess of eight hours will be required to utilize compensatory time or annual leave for any absence in excess of eight hours on the day that the holiday is observed unless the required use of leave is prohibited in a CBA or by law.

C. All FLSA covered classified employees who are required to work a holiday shall be compensated at the rate of two (2) times their hourly rate for all hours worked.

D. Whenever a legal public holiday falls on a Saturday, it will be observed on the preceding Friday and whenever a legal public holiday falls on a Sunday, it will be observed on the following Monday. Should an employee be on an authorized Leave with Pay when a holiday occurs, the holiday shall be paid and not charged against sick or vacation leave.

E. —accumulation—

F. —

G. —

H. —

I. —

J. —

Employees who are absent from work due to injury or illness on the day before or after an authorized holiday may be required, at the discretion of their supervisor, to present a doctor’s statement on the nature of injury or illness as it relates to the employee’s ability to work on that day in order to receive pay for the holiday.

Part-time employees who would normally work on the holiday shall be entitled to holiday pay for the number of hours they would have worked had the holiday not occurred.

Personal Holiday: Personal Holiday is eliminated as of 12/31/2013. Until that date, classified regular, exempt, and limited term employees shall be entitled each calendar year to one (1) personal holiday that must be taken as eight (8) consecutive hours within the calendar year.

Classified Regular, exempt, and limited term employees shall be entitled each calendar year to one (1) personal holiday. The leave may be used for any purpose the employee chooses. Such leave must be requested and approved in advance. Every effort will be made to accommodate
the employee’s request, though approval will be subject to advance notification and the needs of the District.

K. The Personal Holiday must be taken as eight (8) consecutive hours.

L. The Personal Holiday must be taken within the calendar year or it will be forfeited.

M. The employee will not be compensated for the Personal Holiday upon separation, or in following calendar years if it was not used.

N. A classified regular, exempt, or limited term employee is eligible to request a personal holiday after six (6) months of continuous service upon initial employment with the District during that first calendar year.

O. Part-time employees are eligible for a personal holiday in proportion to the number of hours they would normally have worked.

4.98 Requesting Approval of Leaves of Absence.

A. All requests for leaves of absence, with or without pay, shall be made to the immediate supervisor for approval on forms prescribed by the Executive Director.

B. All requests for leave shall be submitted in advance of the beginning date of the leave, (except requests for unanticipated sick leave which shall be submitted for approval at the earliest possible time), and the duration and kind of leaves shall be recorded on the payroll. Supervisors are responsible for providing sufficient advance notice of any employee leave to ensure that the approval of leave by the Executive Director shall be made at a time and in a manner that permits consideration of District needs prior to the employee’s absence from work.

C. The Executive Director or (in the case of the Executive Director’s leave the Chair of the NCRTD Board) shall regulate annual leave usage by requiring the scheduling and preapproval of leave in order to ensure proper operation of the District. In no circumstances shall an entire department be permitted to take annual leave at the same time. Supervisors shall be responsible for scheduling annual leave and seeking pre-approval of leave so as to avoid unreasonable interference with District operations. Each employee is responsible for monitoring his/her leave balances and ensuring that he/she schedules leave in a manner that will avoid unreasonable interference with District operations and the loss or conversion of leave.

D. Paid leaves of absence are subject to the employee’s accrued leave balance and the scheduling requirements of the Department Manager.

E. All requests for leave without pay are subject to the rules set forth in Rule 4.13 below.

4.94.10 Accrual and Use of Annual Leave.

A. Annual leave is accrued in accordance with the schedule below. Part-time employees accrue a pro-rated amount of Annual Leave based on their base budgeted hours. Temporary employees do not accrue Annual Leave. --Periods of leave without pay shall not count for the purpose of accumulation of annual leave. Employees may accumulate annual leave, but only a limited
amount may be carried forward from year to year based on the schedule below. All hours of annual leave that may not be carried forward by the end of last pay period in the calendar year will be credited to the employee’s sick leave balance on the first pay period of following calendar year.

<table>
<thead>
<tr>
<th>Months</th>
<th>Length of Service</th>
<th>Annual Leave Hours/days</th>
<th>Hours Accrued (based on 80 hours worked per pay period)</th>
<th>Maximum Accumulation2 (current employees)</th>
<th>Maximum Accumulation3 (new employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 48</td>
<td>0 thru 4 years</td>
<td>80 hours/10 days</td>
<td>3.077 hours</td>
<td>2 times annual accrual</td>
<td>240 hours</td>
</tr>
<tr>
<td>49 – 108</td>
<td>5 thru 9 years</td>
<td>120 hours/15 days</td>
<td>4.62 hours</td>
<td>2 times annual accrual</td>
<td>240 hours</td>
</tr>
<tr>
<td>109 -299</td>
<td>9 thru 24 years</td>
<td>160 hours/20 days</td>
<td>6.15 hours</td>
<td>2 times annual accrual</td>
<td>240 hours</td>
</tr>
<tr>
<td>300 +</td>
<td>25 years or more</td>
<td>200 hours/25 days</td>
<td>7.69 hours</td>
<td>2 times annual accrual</td>
<td>240 hours</td>
</tr>
</tbody>
</table>

A. B. Annual leave shall be taken for the actual number of hours absent from a normal work week—and in increments of not less than 1/4 hour increments.

B. The Executive Director or in the case of the Executive Director the Chair of the NCRTD Board shall regulate annual leave in order that the absence of an employee will not be detrimental to the work of the NCRTD. In no circumstances shall an entire department be permitted to take annual leave at the same time. Supervisors shall be responsible for scheduling annual leave so as to avoid unreasonable interference with District operations. Each employee is responsible for monitoring his/her leave balances and ensuring that he/she schedules leave in a manner that will avoid unreasonable interference with District operations and the loss or conversion of leave. Annual leave must be requested and approved in advance.

C. Upon termination of employment an employee shall will be paid for any annual leave which has been accrued but not taken.

D. Part-time regular classified employees accrue a pro-rated amount of Annual Leave based on their base budgeted hours. Temporary employees do not accrue Annual Leave.

4.104.11 Family Medical Leave Act, (FMLA).

A. Eligible employees are entitled to Family Medical Leave (FML) in accordance with the FMLA.

2 Based on an employee’s length of service, employees may accumulate and carry over into the first pay period of the calendar year accrued and unused vacation, not to exceed two (2) times the annual maximum accrual.

3 All employees hired after the effective date of adoption of these revised personnel policies Rules may accumulate and carry over into the following year accrued and unused vacation not to exceed 240 hours subject to the provisions in section 4.9.
B. Employees who have been employed by the District for a total of at least twelve (12) months and who have worked at least 1,250 hours during the twelve (12) months immediately preceding the start of any period of proposed FMLA leave are eligible employees. During any period of unpaid leave, employees must continue to pay the employee’s share of health insurance premiums.

C. Eligible employees are entitled to a total of twelve (12) work weeks of unpaid FMLA leave during a rolling 12-month period measured backward from the date on which the employee last used any FML for:

1. Birth of a child of the employee and care for the newborn child.

2. Placement of a child with the employee by way of adoption or foster care.

3. Care for the spouse, child, parent or one who stood in place of a parent of the employee, if that person has a serious health condition.

4. A serious health condition that renders the employee unable to perform any of the essential functions of the employee's position; or

5. Any qualifying exigency when the employee's spouse, child or parent is on active duty or is notified of an impending call or order to active duty in the Armed Forces (including the Reserves and National Guard) in support of a "contingency operation."

5.6. Any other qualifying event as established by the FMLA.

D. Military Caregiver Leave Entitlement. Eligible employees are entitled to a total of 26 work weeks in a single 12-month period per-covered service member, per-injury, measured forward from the date the employee's leave begins, to care for a spouse, child, parent, or next of kin who is a service member undergoing medical treatment, recuperation or therapy, is on outpatient status, or is on the temporary disabled retired list for a serious injury or illness. FMLA defines family member as son, daughter, spouse or parent.

E. Employees are required to use all available paid leave accrued in conjunction concurrently with FMLA leave.

F. Employees shall not accrue annual and sick leave, nor be paid for “observed or personal holidays” while on unpaid FMLA leave.

G. All medical records and correspondence relating to the employee and/or their families medical conditions shall be considered confidential and shall be protected from disclosure to the maximum extent permitted by law. However, the District reserves the right to demand, examine and retain such medical records as are necessary to ensure proper use of FMLA leave.

H. These Rules expressly authorize the District to adopt implementing policies which will be developed for the administration of the FMLA and procedures for FMLA monitoring and its use of FMLA leave.

I. The District shall require medical clearances to the extent and in the manner permitted by law as a precondition for return to work following the use of FMLA leave.
4.12 Sick Leave.

Sick leave is provided as a benefit to prevent or minimize an employee’s loss of income during time lost due to personal and family illness or injury. Supervisors are responsible for controlling excessive absenteeism and abuse of sick leave by employees under their supervision. Employees are expected to utilize sick leave responsibly and should minimize their sick leave usage where possible.

A. Sick leave shall be taken for the actual number of hours absent from the office, and in increments of not less than one hour. All sick leave shall be accounted for by reporting its use on the approved forms upon returning to work. The Executive Director or their designee shall be authorized to approve all sick leave. The Chair of the NCRTD Board shall be authorized to approve all sick leave for the Executive Director.

B. Sick leave may be used for any period of approved absence with pay from regularly scheduled work resulting from an:

A. 1. _____ employee having an illness or injury which renders him/her unable to perform his/her duties;

B. 2. _____ an employee having a medical examination, consultation, or treatment by a licensed practitioner; or

C. 3. _____ an employee’s immediate family defined as the employee’s spouse, child or parent as defined by the Family and Medical Leave Act (FMLA), requiring his/her presence because of injury, illness or medical treatment.

4.13 Accrual Rates for Sick Leave.

A. Sick leave for full time employees shall be accrued at the rate of 3.077 hours per two-week pay period (80 hours per year) to a maximum of seven-hundred twenty (720) hours.

B. Sick leave may only be taken in the event of illness of the employee, or the employee’s immediate family member defined as the employee’s spouse, child or parent as defined by FMLA. The District may require the employee to furnish a written medical statement issued by a licensed physician or practitioner, or other evidence of illness that confirms the illness of the employee or their immediate family member, provides an estimate of when the employee will be able to return to work, states whether the employees incapacity will require intermittent treatments, states the estimated frequency and duration of such treatments, and provides the estimated period for recovery, if known. Abuse of sick leave shall be cause for disciplinary action. If the employee’s leave qualifies as protected leave under the FMLA, the District may require a medical certification as provided by federal law.

4.14 Sick Leave Incentive Transfer/Sell Back Program.

a. The following provisions shall apply to non-represented employees who are not already covered under the Collective Bargaining Agreement’s comparable program. The intent is to give non-represented employees an additional incentive to make judicious use of sick leave.
b. Annually, 15 days prior to the first pay period in December, employees who meet the criteria described below may elect to participate in the sick leave transfer/sellback program by completing the applicable forms.

c. All employees who are separated from the District payroll before one (1) year of employment shall not be eligible to transfer/sell back unused sick leave hours under this program.

d. Employees who have accumulated sick leave in excess of 80 hours are eligible to annually transfer to their vacation leave balance or to sell back up to 80 hours of sick leave per year at the value listed below. Employees who utilize the annual sick leave transfer/sell back program must maintain a sick leave balance of 80 hours after transferring or selling any hours.

e. Those employees who participate in this program and transfer a minimum of 40 hours of sick leave annually will have their maximum vacation accumulation cap changed from the standard (two times annual accumulated leave) to three times the annual accumulation.

f. Employees utilizing the sell back of sick leave (rather than conversion to annual leave) for a calendar year will not be eligible to have their maximum vacation accumulation changed.

The percentage value at which sick leave maybe transferred to vacation leave or sold back is based upon the following:

<table>
<thead>
<tr>
<th>Number of Sick Leave Hours Used Annually (calendar year)</th>
<th>Percentage Transfer/Sell Back Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 hours or less</td>
<td>100%</td>
</tr>
<tr>
<td>25 – 32 hours</td>
<td>75%</td>
</tr>
<tr>
<td>33 – 40 hours</td>
<td>50%</td>
</tr>
<tr>
<td>41 hours or more</td>
<td>25%</td>
</tr>
</tbody>
</table>

4.15 Misuse of Sick Leave.

Misuse of sick leave by an employee affects the efficiency and productivity of other employees in the workgroup, especially those who seek assistance, advice, or guidance from an absent employee. Therefore, misuse of sick leave shall be cause for disciplinary action.

“Misuse” is considered the use of sick leave for that which it was not intended or provided, and may constitute a violation of this policy. Examples of “misuse” may include, but are not limited to, the following:

1. Patterned sick leave usage before and/or after holidays.

2. Patterned period of sick leave usage before and/or after weekends or regular days off

3. Patterned period of sick leave usage after pay days;
4. Absence following overtime worked;

5. Continued pattern of maintaining zero or near zero leave balances; and/or

6. Excessive absenteeism – the use of more sick leave than is granted.

Leave required by federal or state law such as Family and Medical Leave and Workers’ Compensation shall not be considered when determining whether or not there is misuse of sick leave.

If a supervisor believes that an employee is misusing sick leave, the supervisor has the discretion to require a suitable explanation or documentation to determine whether the sick leave was used in accordance with this policy.

D. 4.16 Upon termination of employment with the NCRTD, an employee shall not be paid for sick leave that has been accrued but not used. Sick leave shall be taken for the actual number of hours absent from the office, and in increments of not less than one hour. All sick leave shall be accounted for by reporting its use on the approved forms upon returning to work. The Executive Director or their designee shall be authorized to approve all sick leave. The Chair of the NCRTD Board shall be authorized to approve all sick leave for the Executive Director.

E. 4.17 Sick leave must be reported to the Executive Director, or the employee’s immediate supervisor, at a minimum, two hours in advance of the employee’s start of their work day. Failure to report their absence at a minimum of two hours prior to the start of their work day may result in the employee’s leave being unapproved by the Executive Director or their supervisor.

F. 4.18 If an employee has exhausted earned sick leave, and requests additional time off the Executive Director may either elect to reduce balances on any other leave such as vacation or compensatory leave or proceed with appropriate action under these rules in the event the employee fails to report for work as required.

G. 4.19 Supervisors should refer to the Family and Medical Leave policy regarding an employee’s absence from an injury, illness or temporary disability. If an employee’s absence is anticipated to be more than three (3) days, or once the employee exceeds three (3) days of absence, due to either their own illness/injury or to their family member’s illness/injury, the absence should be reported to Human Resources.

H. 4.20 Employees not planning to return to work following an extended sick leave must notify their supervisor or the Human Resources Office prior to the expiration of the leave (as defined by the physician’s statement). An employee who does not return to work within the time frame specified by a physician may be subject to disciplinary action.

I. Sick Leave Incentive Transfer Program. In order to award employees who have judicious utilized sick leave the following program has been developed.

J. Employees who have accumulated sick leave in excess of 80 hours would be eligible to annually transfer to their vacation leave balance up to 80 hours of sick leave per year at the value listed in section “N” below.

K. Employees who utilize the annual sick leave transfer program must maintain a sick leave balance of 80 hours after transferring any hours up to the maximum allowed above this amount.
L. Those employees who participate in this program and transfer a minimum of 40 hours of sick leave annually will have their maximum accumulation rate changed to three times the annual accumulation rate.

M. Annually 30 days prior to the first pay period in December, employees who meet the criteria described above may elect to participate in the sick leave transfer program by completing the applicable forms.

N. The percentage value at which the leave maybe transferred to vacation leave is based upon the following:

<table>
<thead>
<tr>
<th>Number of Sick Leave Hours Used Annually</th>
<th>Percentage Transfer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 hours or less</td>
<td>100%</td>
</tr>
<tr>
<td>25 – 32 hours</td>
<td>75%</td>
</tr>
<tr>
<td>33 – 40 hours</td>
<td>50%</td>
</tr>
</tbody>
</table>

4.21 Leave Without Pay.

A. The District may grant leave without pay (LWOP) either when required to do so by law or when, in the District’s sole discretion, it determines that the following criteria are met:
   i. The employee has exhausted all applicable accrued leave and compensatory time;
   ii. The employee has demonstrated a clear and reasonable basis for taking leave;
   iii. The District will not suffer undue hardship by holding open the employees’ current position or is reasonably certain it will have a position of like status and pay available at the same work location upon the return of the employee from LWOP.
   iv. The leave period will not exceed thirty (30) consecutive calendar days (in the case of probationary employees) or six (6) consecutive months (in the case of Classified Employees).

A. Employees may request Leave without Pay (LWOP) for reasons, including but not limited to: illness, educational opportunities, unanticipated personal situations, or other reasons which demonstrate a pressing need for such leave. LWOP may be in the District’s sole discretion be made available after an employee has exhausted all appropriate accrued leave. However, nothing herein shall be interpreted or implemented contrary to state or federal law including but not limited to the District’s policies implementing FMLA. Employees requesting LWOP must submit the request in writing to the Executive Director for approval. The District reserves the right to approve or disapprove requests for LWOP. LWOP may be granted only when it is in the best interest of the District and the granting of LWOP will not disrupt District operations.

B. Leave without pay, when requested, may be granted only if Executive Director can assure a position of like status and pay, at the same location, upon the return of the person from leave without pay.

C. If the Executive Director cannot assure a position in the same location, and the employee agrees in writing to waive that requirement, leave without pay may be granted.
D. Leave without pay requested by an employee may not exceed thirty (30) consecutive calendar days in the case of a probationary employee or six (6) consecutive months in the case of a classified employee. Either period may be extended only upon prior written approval of the Executive Director.

B. Employees shall not accrue sick or annual leave while on LWOP, leave without pay.

C. Employees are not eligible for paid holidays while on LWOP, leave without pay.

E.D. Employees who desire to continue insurance Coverage insurance and other benefits provided by the District while on leave without pay LWOP, (excluding approved Family and Medical Leave) must make advance arrangements to pay the employees share of monthly group insurance premiums for the covered employee and any covered dependents. Where the LWOP is granted on a discretionary basis (non-FMLA leave) the employee share of all employee benefits provided by the District shall be the full cost of the benefits. Failure to pay insurance premiums or other costs of benefits may result in cancellation of coverage. Payment will be due on the first day of the month but shall have a 30-calendar day grace period before the payment is deemed overdue and the District cancels or suspends the benefit program cancels coverage.

G.E. Leave without pay LWOP will be recorded by the District on a Human Resources Personnel Action Form.

H. Failure to report to work upon the expiration of approved leave without pay LWOP may be grounds for disciplinary action up to and including termination, in accordance with the provision of Rule 4.30.

J.I. Nothing herein shall be deemed to require The Executive Director is granted the maximum discretion permitted by law to implement the provisions of these Rules regarding LWOP as he or she deems necessary and appropriate for the efficient administration of the District, to grant leave without pay when requested or to limit the Executive Director’s authority to place employees on leave without pay where such action is permitted under these Rules and Regulations or the law.

4.14 Absence without Leave or Authorization.

A. Employees who fail to appear at work without authorized leave may be considered to be absent without leave. Unauthorized absence may be grounds for disciplinary action up to and including termination.

B. An employee who is absent from work without authorized leave for three days may be deemed by the Executive Director to have abandoned their job and voluntarily terminated their employment.

B.C. Employees who fail to obtain prior approval of leave where such prior approval is practicable may be subject to disciplinary action.
4.15 **Administrative Leave.**

The Executive Director may authorize leave with pay if there are exceptional circumstances and the Executive Director determines that granting paid administrative leave is in the best interests of the District. Paid administrative leave shall generally not exceed five (5) consecutive days. The Executive Director may grant additional administrative leave when deemed necessary and in the best interest of the District but shall promptly report any such extended administrative leave to the Board Chair along with an explanation of the bases for the leave. Nothing herein shall be deemed to require the Executive Director to grant administrative leave when requested or to limit the Executive Director’s authority to place employees on administrative leave where such action is permitted under these Rules and Regulations or the law.

4.16 **Voting Leave.**

In accordance with the provision of NMSA 1978, Section 1-12-42 employees who are registered voters may absent themselves from work for up to two (2) hours for the purpose of voting between the opening and closing times of the polls.

A. District management may specify the hours during this period in which the employee may be absent.

B. These provisions do not apply to any employee whose work day begins more than two (2) hours after the opening of the polls, or ends more than three (3) hours prior to the closing of the polls.

C. An employee who abuses voting leave by using it for purposes other than traveling to and from the polling place and voting may be charged with Leave Without Pay and subject to disciplinary action.

C.D. The Executive Director shall promulgate such administrative policy as he/she deems necessary for the implementation and enforcement of this Rule regarding Voting Leave.

4.17 **Court, Litigation or Jury Leave.**

A. General Litigation. When employees are absent from work for a job-related reason involving litigation by the employee or the District (including testimony by employees at criminal proceedings arising from work or work related functions where the employee is not a defendant) or regulatory proceedings, by or on behalf of the District, the employee shall be entitled to leave with pay for the required period. Litigation and regulatory proceedings shall include any depositions, required hearings and any related proceedings where attendance is either required by law or in the best interest of the District. Fees received as a witness, or for appearance, excluding reimbursement for travel and meals, shall generally be remitted to the District unless the employee elects to take annual leave.

B. Jury Service. An employee shall be entitled to leave with pay for serving on a federal or state grand or petit jury. Fees received as a juror, excluding reimbursement for travel, shall be remitted to the District.

C. Compulsory Hearings or Testimony. Employees required to attend court on District matters shall receive wages for up to their regularly scheduled hours. Paid leave shall be granted for all time spent in court, hearings, regulatory proceedings and related proceedings such as
depositions and shall include net travel time, (actual travel time less the employee’s regular commute). Employees must submit any witness or appearance fees received, however they shall retain any travel expense reimbursements received.

D. Release from Jury Duty. An employee who is released from jury duty shall report to work upon release or contact their supervisor if it would not be feasible to return to work. Failure to adhere to this provision will be considered unauthorized absence and may result in disciplinary action.

E. At the employee’s option, the hours of leave provided under this rule may be taken as annual leave, provided that the employee has enough annual leave available. The employee under this circumstance may keep any compensation received from third parties for attendance at the proceeding.

F. Those employees who become involved in personal litigation or who testify or appear in non-District matters or are named as criminal defendants are not eligible for leave with pay, but may use accumulated annual leave subject to the conditions set forth in the Personnel Rules and Regulations or the Collective Bargaining Agreement.

A. When, in matters involving District litigation and in obedience to a subpoena, an employee appears as a witness before a federal or state grand jury or court, or before a federal or state agency, the employee shall be entitled to leave with pay for the required period. Fees received as a witness, excluding reimbursement for travel and meals, shall be remitted to the District.

B. A person shall be entitled to leave with pay for serving on a federal or state grand or petit jury. Fees received as a juror, excluding reimbursement for travel, shall be remitted to the District.

C. An employee who is released from jury duty shall report to work upon release or contact their supervisor if it would not be feasible to return to work. Failure to adhere to this provision will be considered unauthorized absence and may result in disciplinary action.

D.G. At the employee’s option, the hours of jury or court services may be taken as annual leave, provided that the employee has enough annual leave available. The employee under this circumstance may keep any compensation received from the jury or court services.

4.18 Military Leave.

The District shall provide such military leave as may be required by pertinent laws of the State of New Mexico and the United States of America for any District employee in the military service who is duly qualified for said leave.

4.19 Bereavement Leave.

A. In the event of the death of an employee’s Extended Family member, the District may grant up to three (3) days of bereavement leave for the employee to attend to the funeral arrangement and services. An additional leave of two (2) workdays may be allowed for necessary funeral travel time when approved by the Executive Director. Workdays are defined as the employee’s regular daily work schedule. Use of sick leave may be authorized in addition to bereavement leave when deemed appropriate by the Executive Director.

B. Department Management The District, in its discretion, may require some proof that a death in the family has occurred.

G. 4. Domestic Abuse Leave

District employees shall be permitted to take up to 14 days of unpaid leave per year as Domestic Abuse leave pursuant to NMSA 1978, Section 50 -4A-1 et seq. The District may require that:

A. When domestic abuse leave is taken in an emergency, the employee or the employee's designee shall give notice to the District within twenty-four hours of commencing the domestic abuse leave.

B. The District may require verification of the need for domestic abuse leave, and, if so, an employee shall provide one of the following forms of verification through furnishing in a timely fashion:

(1) a police report indicating that the employee or a family member was a victim of domestic abuse;

(2) a copy of an order of protection or other court evidence produced in connection with an incident of domestic abuse, but the document does not constitute a waiver of confidentiality or privilege between the employee and the employee's advocate or attorney; or

(3) the written statement of an attorney representing the employee, a district attorney's victim advocate, a law enforcement official or a prosecuting attorney that the employee or employee's family member appeared or is scheduled to appear in court in connection with an incident of domestic abuse.

4.20 Paid Administrative Leave for Inclement Weather Leave.

A. Full-Day Closing -- The District in its sole discretion may elect to grant administrative leave due to inclement weather. Paid weather-related administrative leave time due to closing will be limited to an amount equal to the hours that the employee was scheduled to work or would normally have worked and was unable to work or requested or permitted not to work due to the inclement weather. No paid administrative leave shall be granted in consideration of hours worked, hours already approved for leave, or for hours that the employee was not scheduled to work.

A. on the day in question. If an employee has reported to work prior to the decision to close being made, weather-related time will only bring an employee up to the amount of their scheduled or normal working hours for that day.

B. Partial-Day Closing (delayed opening/early closing) - In the event that normal reporting time is delayed by the District due to inclement weather, employees scheduled and available to working that day (not employees with previously approved leave) will receive may be granted paid administrative leave time for the period between their normal scheduled or normal
reporting time and the rescheduled reporting time. In the event of an early closing time, those employees actually working that day will receive paid time between the rescheduled closing time and their scheduled or normal closing time.

C.

B. However, employees who are on leave, have called in sick, have made a decision to take annual leave, or in the case of non-leave earning employees, have called prior to a decision to alter operating hours to advise that they will not be reporting to work, are not be eligible for any additional time paid administrative leave under this rule or for a refund of leave balances. Weather-related time will not extend employees’ time beyond eight hours on the rescheduled day, nor is it considered holiday time available to those who were not scheduled to work on the day in question.

Overtime Compensation. Employees who are required to work additional time past their scheduled shift will be compensated per the District’s overtime policy. Employees who are designated as essential and required to respond during a severe inclement weather event will be compensated per the District’s overtime policy.

C. **RULE 5 - NON-DISCIPLINARY SEPARATION FROM EMPLOYMENT AND RETURN TO WORK/DISCIPLE**

**4.215.1 Layoff - Reduction in Force (RIF).**

A. The tenure for all classified employees in the District shall be continuous provided that they are not separated from employment pursuant to these Rules and Regulations. However, this provision shall not be interpreted to prevent the layoff of employees by the District because of lack of funds or curtailment of work, when made in accordance with these Rules.

B. The Executive Director may propose to lay-off employees through a RIF only for shortage of work or funds, or other legitimate governmental reasons that do not reflect discredit on the services of the employees. The decision to lay-off employees using a RIF shall be made by the Board. All other separations from employment shall follow the pertinent Rules and Regulations.

C. Nothing in this rule shall limit the ability, prerogative or necessity of the Board to direct the Executive Director to conduct a reduction-in-force for any and all positions and any and all departments.

D. In the event that the Board determines that the District should lay-off employees through a RIF, the Executive Director shall in coordination with the Department Management identify organizational units for the purposes of a lay-off and submit a written RIF plan to the Board for approval. Such organizational units may be recognized on the basis of function, funding source or other factors.

E. The Executive Director must define the classifications that will be affected within the organizational units and shall provide a rationale for recommendations made in the RIF plan. Prior to submitting the RIF plan to the Board for approval, In addition, any employee objecting to the RIF plan or to a layoff that would separate them from employment shall be given notice of their right to a pre-RIF hearing and may request to meet with the Executive Director prior to implementation of the RIF and shall be allowed to present any arguments or information they have at the pre-RIF hearing.
F. All employees objecting to the RIF plan or who may be laid off shall be provided with notice of any Board meeting at which a RIF plan is proposed for adoption and shall be given the opportunity to be heard at the Board meeting. In addition, any employee objecting to the RIF plan or to a layoff that would separate them from employment shall be given notice of their right to a pre-RIF hearing and may request to meet with the Executive Director prior to implementation of the RIF and shall be allowed to present any arguments or information they have at the pre-RIF hearing. Employees shall be given at least fourteen (14) calendar day’s written notice of layoff.

G. The order of layoff in the affected classifications shall be according to the plan.

G. Upon approval by the District Board of a layoff plan, the Executive Director shall initiate layoffs according to the RIF Plan approved by the Board. The order of layoffs shall be according to the RIF plan. Any employee laid off pursuant to a RIF plan shall be given fourteen (14) calendar days prior written notice of the separation from employment.

H. Right of first refusal within the District. All employees affected by the lay-off shall be provided the following opportunities for re-employment by the District following a layoff:

1. Employees to be affected by the reduction in force (RIF) shall be provided the right of first refusal to any position to be filled within the District for which the employee meets the minimum qualifications, at the same or lower pay range of the position the employee currently holds, unless there is an actual layoff candidate from an earlier layoff exercising reemployment rights for the position;

2. Affected employees shall compete only with other employees affected by the reduction in force for positions subject to the right of first refusal;

3. The District’s list of eligible candidates for open positions subject to the right of first refusal shall be comprised of those affected employees meeting the minimum qualifications of the position;

4. The selection of employees from the list of eligible candidates shall be based on the RIF plan and these Rules.

5. Employees shall have ten (10) days from the date of an offer to accept the position unless otherwise agreed another time period is mutually agreed upon. Employees who do not accept an offer shall not lose the right of first refusal to other positions, and

6. Employees who do not accept an offer shall not lose the right of first refusal to other positions but shall be removed from the list of eligibles for the position offered. A laid-off employee may refuse one right of first refusal offer. A second refusal of a right of first refusal offer will serve as a voluntary resignation and the District will have no further employment obligations to the laid off employee.

7. After six (6) consecutive months of layoff status, the District shall have no further right of first refusal or employment obligation to the laid-off employee.

4.225.2 Return from Reduction in Force.
A. Former employees who were in classified regular status at the time of separation by a reduction in force and who are granted a right of first refusal under the previous Rule 4.21 shall return to work as follows:

1. Former employees shall be returned. The sequence and timing of return to work shall be according to the RIF plan;

2. Offers of employment shall be made in writing and shall be delivered by a method that provides proof of service or attempted service;

3. A former employee who is offered and accepts employment after lay off shall occupy the position within fourteen (14) days of accepting the offer of employment or forfeit the right of first refusal and have no further right of first refusal; and

4. Any former employee who refuses an offer of employment or fails to respond to an offer of employment within fourteen (14) days shall be removed from the list of eligibles for the position offered.

B. Former employees returned to work according to the provisions of this Section shall have that period of time they were laid off counted as time in the service for District (non-PERA) purposes, shall hold the status of the position and do not have to serve a new probationary period if re-employed into permanent status.

4.235.3 Furlough-Reduced work schedule.

A. In the event of the need for a furlough, Department Management and the Executive Director shall submit a plan identifying organizational units to be affected by the furlough to the Board for approval to begin the furlough.

B. The furlough plan shall reduce the hours of employment for all employees within the organizational unit impacted proportionate to their regular work hours wherever possible. However, nothing in these Rules shall be interpreted as requiring the District to reduce hours in a manner that would impair District operations. Hours may be reduced on the basis of reduced operations, routes and services if such reduction is authorized by the Board approval of a furlough plan.

C. No furlough shall exceed twelve (12) months.

D. Employees shall be given at least fourteen (14) days written notice of a furlough that reduces their hours.

E. Employees shall be returned from furlough when the reasons for the furlough cease to exist. Any restoration of work hours for furloughed employees shall be allocated across all employees within the organizational unit impacted proportionate to their regular work hours.

4.245.4 Employee Medical Separation.

A. Employees who have suffered work related injury and they cannot perform the essential functions of their position may be placed in light duty modified duty as deemed necessary by the District and where such modified duty work is available, Department Management.
B. Employees who have suffered a job-related injury which is compensable under the Workers’ Compensation Act and are physically or mentally unable to perform the essential functions of their pre-injury position, with or without reasonable accommodation, (to the extent required by the Americans with Disabilities Act) and a light duty position is not available, shall be involuntarily or voluntarily separated from employment without prejudice provided:

1. the employee has been afforded modified duty to the extent the work is available and possible;
2. all efforts to accommodate the medical restrictions of the employee have been made and documented; and
3. the District has made reasonable efforts to find other suitable vacant positions at the same or lower pay of the pre-injury/pre-illness position for which the employee meets the established requirements and can perform the essential functions of the job, either with or without reasonable accommodation, or

B. (4) The employee has exhausted all paid leave and FMLA leave, and

2. The District has made reasonable efforts to find other suitable vacant positions within the District for which the employee meets the established requirements and can perform the essential functions of the job, either with or without a reasonable accommodation (to the extent required by the Americans with Disabilities Act).

C. A former employee who has separated from employment due to job-related injury and who has received or is due to receive benefits under the Workers’ Compensation Act or the New Mexico Occupational Disease Disablement Law shall have reemployment rights in accordance with the provisions of Section NMSA 1978, 52-1-50.1 or 52-3-49.1. A former employee may apply for his or her pre-injury job or modified job similar to the pre-injury job, or any job that pays less than the pre-injury job that the worker is qualified for subject to the following conditions:

   1. the worker’s treating health care provider certifies that the worker is fit to carry out the pre-injury job or modified work similar to the pre-injury job without significant risk of reinjury; and
   2. the employer has the pre-injury job or modified work available.

C. 3-49.1. The Executive Director shall be notified immediately of any injured employee who applies for a position and subsequently declines a job offer.

D. Employees who have suffered a non-job-related injury or illness and are permanently unable to perform the essential functions of their pre-injury/pre-illness position with or without reasonable accommodation, (to the extent required by the Americans with Disabilities Act), as a result of the physical or mental disability created by the non-job-related injury or illness shall be involuntarily or voluntarily separated from employment without prejudice provided:

   1. The District has made reasonable efforts to find other suitable vacant positions within the District for which the employee meets the established requirements and can perform the essential functions of the job, either with or without a reasonable accommodation (to the extent required by the Americans with Disabilities Act); and
   2. The employee has exhausted all paid leave and FMLA leave.

E. Notice of Contemplated Medical Separation. To initiate the involuntary medical separation of a classified employee, the Supervisor shall serve a notice of contemplated medical separation to the employee which:

   1. describes the circumstances that form the basis for the contemplated separation;
2. gives a general explanation of the evidence the District has;

3. advises the employee of his or her right to inspect and obtain copies of any documentary evidence relied upon;

4. specifies what the contemplated action is; and

5. states that the employee has fifteen (15) calendar days from the service of the notice to respond in writing to the notice or to request an opportunity for an oral response.

**F. Response to Notice of Contemplated Medical Separation:**

1. If there is a request for an oral response to the notice of contemplated separation, the Supervisor, or designee, shall meet with the employee within ten (10) days of a request for an oral response, unless the employee and Supervisor, or designee, agree to an extension of time.

2. The purpose of the oral response is an opportunity for the employee to present his or her side of the story. It is an initial check against mistaken decisions, essentially a determination of whether there are reasonable grounds to support the proposed involuntary separation.

**G. Notice of Final Medical Separation:**

1. If the employee does not respond to the notice of contemplated separation, the Executive Director shall issue a notice of final separation within ten (10) days following the response period.

2. If the employee has filed a written response or has been provided an opportunity for oral response, the Supervisor shall provide recommendations to the Executive Director no later than ten (10) days from the date of the receipt of the response or the date of the oral response. The Executive Director shall render a written decision on the notice of final separation no later than ten (10) days from the date of the receipt of the Department Director’s Supervisor’s recommendation.

3. The written decision and the notice of final separation shall:

   a. Specify the action to be taken;

   b. Describe the circumstances which form the basis for the involuntary medical separation;

   c. Give a general explanation of the evidence;

   d. Specify when the final separation will be effective; and

   e. Inform the employee that the final separation may be appealed to an independent hearing officer by submitting a written appeal to the Executive Director within fifteen (15) days of the effective date of the separation. The appeal must specify the basis for the appeal.
H. Appeal of Final Medical Separation: Appeals of the Executive Director’s decisions may be made pursuant to the provisions of these Rules regarding Appeals.

1. Upon receipt of a written appeal the Executive Director shall, within fifteen (15) days from the date of receipt of the written appeal, appoint an independent hearing officer to hear the appeal.

2. The selection, qualifications and procedure for disqualifying the hearing officer shall be the same as provided for in Rule 4.32.

The hearing shall be conducted in the same manner as provided for in Rule 4.33.

4.25 Employee Performance and Development Plan.

A. The performance of each employee will be appraised by the immediate supervisor at the completion of the probationary period and annually thereafter with an optional interim appraisal done at the sixth month.

B. This appraisal will be documented on a form approved by the Executive Director and will become a part of the employee’s personnel file.

C. Supervisors may prepare performance development plans when it is deemed appropriate, such as when a supervisor wishes to make an employee’s performance a matter of record and upon change of supervisors.

D. The Director will provide a training program in the proper method of appraisal for supervisory employees.

4.26 Acknowledgment of Receipt of Plan.

Employees will acknowledge in writing receipt of performance and development plans. In instances where an employee declines to sign such acknowledgment, the Department Management will verify in writing that the employee received the performance and development plan.

4.27 Rebuttal of Performance Appraisal.

Employees may submit rebuttal statements to performance and development plans which will be attached to the performance and development plan. Management may consider the rebuttal and may elect to change the performance and development plan based upon the rebuttal. But, nothing in the rebuttal shall serve to abridge management’s right to prepare, submit, evaluate, update and potentially take disciplinary action based on the performance and development plan nor shall management be compelled to change its performance and development plan by the submission of a rebuttal.
4.28 Drug and Alcohol Policy

The District Drug and Alcohol policy is separately adopted and may be revised from time to time but shall be deemed a part of these Rules and Regulations and is hereby integrated by reference.

RULE 6 - DISCIPLINARY ACTIONS

4.29 Oral and Written Reprimands

A. Supervisors may reprimand an employee for just cause whenever they violate these Rules, or the law. Oral Reprimands may be documented on a form prescribed by the Executive Director. Written Reprimands may be issued for just cause by the Executive Director with or without a recommendation of the direct Supervisor. Oral and Written Reprimands may not be administratively appealed but the employee may respond to the Oral or Written Reprimand and may require that a record of the response be included in the employee’s personnel file.

B. If after six (6) months of continuous employment (excluding all leave) from the effective date of an Oral Reprimand the employee has:

1. shown improvement and;
2. no other infraction has occurred; and
3. the reprimand did not involve a safety violation;

then he/she may request that documentation of the Oral Reprimand be removed from his/her personnel file. Such requests should be made to the Executive Director and approved by the respective supervisor. Approval shall only be granted if the employee demonstrates to the Executive Director’s satisfaction that the above criteria have been met.

C. Written reprimands will not be removed from an employee’s personnel file unless required by a court of competent jurisdiction.

4.30 Dismissal, Demotion, Suspension

A. Dismissal. A dismissal is separation of an employee from his/her employment with or without cause.

B. Demotion. A demotion is an action changing an employee’s position to another position with a lower salary range and a reduction in pay. Demotions only may be made to a position in a classification for which the employee is qualified.
C.A. Suspension. A suspension is the temporary removal of an employee from his/her work assignment without pay. Employees covered by the Fair Labor Standards Act (FLSA) shall only be suspended without pay as permitted by the FLSA. See e.g. 29 C.F.R. 602 (full work week suspensions for any disciplinary reason); 29 C.F.R. §541.602(b)(4) (less than full work week suspensions for infractions of major safety rules); 29 C.F.R. §541.602(b)(5) (less than full work week suspensions for violations of workplace conduct rules such as sexual harassment, workplace violence, drug or alcohol violations etc., but not for performance or attendance issues).

D.A. Employees in limited-term, temporary, emergency or probationary status may be dismissed, suspended, or demoted without cause and for any reason the Executive Director deems appropriate. Employees must be advised in writing of the reasons for the dismissal, demotion, or suspension.

E.A. B. Classified regular employees (who have successfully completed their probationary or extended probationary period) may be dismissed, demoted, or suspended only for just cause. Just cause includes, but is not limited to:

1. Violation of or failure to comply with the Federal or State Constitution, Statutes, or District Policies, District Rules and Regulations and District Resolutions;
2. Indictment by a grand jury;
3. Conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse effect on the employee’s ability to carry out their duties or upon the reputation of the District;
4. Careless, negligent, or improper use of District property, equipment, or funds;
5. Insubordination, which shall consist of violation of any official regulation or order or failure to obey, comply, or accept any proper directions made and given by a supervisor in the course of employment, or any verbal ridicule of a supervisor by an employee during the course of employment;
6. Inefficiency, incompetence or negligence in the performance of assigned job duties or failure to perform job requirements or job performance which continues to be unsatisfactory;
7. Disorderly conduct or threats or abuse of others;
8. Chronic tardiness or absenteeism, or the improper or unauthorized use of leave privileges or benefits;
9. Stealing from the District or from other employees;
10. Taking unauthorized leave or job abandonment;
11. Failure to obtain and maintain a current license or certificate required as a condition of employment;
12. Intentional falsification or mishandling of District records;
A.  
13. Fraud in securing employment with the District or attempting to secure a promotion or a position by political influence;  
14. Unauthorized or illegal use, sale, or possession of alcohol or illegal drugs, or being under the influence of such substances while on duty;  
15. Gambling for money or articles of value during the working period;  
16. Unauthorized discussion or release of confidential information documents or records;  
17. Harassment and/or discriminatory behavior towards any person because of race, color, religion, gender, sexual orientation, gender identity, age, national origin, and disability; or  
18. Action which reflects poorly upon the integrity of the District.  

F.A. Time Limits:  

In the event the last day of a time limit falls on a weekend or legal holiday, the time limits shall be extended to include the next working day. Receipt of written notice shall mean the day that the notice is received if hand delivered or the day the notice is postmarked by certified mail, return receipt requested to the address of record for the employee or the date an e-mail is sent unless there is reason to believe the e-mail recipient did not actually receive the e-mail.  

G. C. The dismissal, demotion or suspension of a classified regular employee shall be accomplished according to the following procedures:  

1. Notice of Contemplated Action:  

2. To initiate the suspension, demotion, or dismissal, the Supervisor shall serve a notice of contemplated action on the employee which: describes the conduct, action, or omissions which form the basis for the contemplated action; gives a general explanation of the evidence the Supervisor has; specifies what the contemplated action is; and states the date, time and place of the predetermination meeting, and that the employee may waive the right to the meeting by notifying the Supervisor in writing prior to the start of the meeting.  

3. At the predetermination meeting the employee shall briefly have the grounds and the proposed action explained to him/her and shall have the right to respond. The purpose of the response is an opportunity for the employee to present his or her side of the story. It is an initial check against mistaken decisions, essentially a determination of whether there are reasonable grounds to believe that the charges against the employee are true and support the proposed action. The employee shall have the right to representation and the meeting may be recorded by either party.  

1. To initiate the suspension, demotion, or dismissal, the Supervisor shall serve a Notice of Contemplated Action on the employee by such means as are reasonably calculated to ensure the employee has actual notice of the proposed Disciplinary Action. In general, the District shall send the notice by registered mail to the employee’s current address as indicated in the employee’s personnel file. Additional notice may be given in person, by electronic mail or in any other manner that the District deems appropriate.
2. The Predetermination Meeting shall be set for a date within ten (10) working days of the Mailing of the Notice of Contemplated Action.

3. Within seventeen (17) days from the date of the predetermination meeting, the Supervisor or designee shall notify the employee in writing if no disciplinary action will be taken, or shall serve the employee with a Disciplinary Action Form and supporting documentation. The Disciplinary Action Form shall state what disciplinary action is being recommended and when the proposed action will take effect, absent an appeal to the Executive Director.

4. Supervisor’s Disciplinary Decision: If a decision is made to proceed with the disciplinary action, the Supervisor or designee shall serve the employee with a Disciplinary/Corrective Action Form and supporting documentation within seven (7) days from the date of the predetermination meeting. If it cannot be delivered personally, it will be sent by certified mail, with return receipt requested, to the employee’s last address on record.

5. The Notice of Proposed Disciplinary Action shall state what disciplinary action is being recommended and when the proposed action will take effect, absent an appeal to the Executive Director.

6. No Disciplinary Action shall be final until the Executive Director has approved and signed the Disciplinary/Corrective Action Form.

7. Appeal of the Supervisor’s Decision: If the employee wishes to appeal the dismissal, demotion, or suspension, the employee shall submit a written notice of appeal to the Executive Director within seven (7) days from receipt of the Disciplinary/Corrective Action Form. The written notice of appeal shall state the specific reason(s) the employee disagrees with the discipline and any other basis for the appeal.

8. The Written Notice of Final Decision must:

   a. Document the date, time and place of the predetermination meeting;

   b. Identify the specific misconduct;

   c. Specify the disciplinary action, if any, to be taken;

   d. Specify the effective date of the dismissal, demotion, or suspension which must be at least seven (7) days after the date of the Written Notice of Final Decision (during this seven day period the Executive Director may place the
employee on paid administrative leave if deemed in the best interest of the District);

e. Inform the employee that the disciplinary action may be appealed to an independent hearing officer by submitting a written appeal to the Executive Director within fifteen (15) days of the effective date of the dismissal, demotion, or suspension; and

f. Be delivered personally to the employee by the employer or by certified mail, with return receipt requested, to the employee’s last address on record.

9. The Executive Director may, when deemed in the best interest of the District, extend the time limit for providing the employee with the Notice of Final Decision.

Employees who have been dismissed from employment for disciplinary reasons shall not be eligible for rehire.

D. The dismissal, demotion or suspension of an At-Will employee may be accomplished according to the preceding procedures for Classified employees but the District reserves the right to abridge or suspend the procedural protections for an At-Will employee to the maximum extent permitted by law. The District may, in its sole discretion, elect to offer Exempt and At-Will employees the option to voluntarily resign their position prior to taking a Disciplinary Action under these Rules.

E. Employees who have been dismissed from employment for disciplinary reasons shall not be eligible for rehire and a note or record to that effect shall be retained in the employee’s personnel file.

6.3 Appeals of Dismissals, Demotions and Suspensions.

A. If an employee wishes to appeal a dismissal, demotion, or suspension, the employee shall submit a written Notice of Appeal to the Executive Director within ten (10) days from receipt of the Disciplinary Action Form. The written notice of appeal shall state the specific reason(s) the employee disagrees with the discipline and any other basis for the appeal.

B. The Executive Director shall review the written Notice of Appeal and respond in writing by preparing a written Notice of Final Decision within ten (10) days from the date of actual receipt of the Notice of Appeal. The Executive Director’s decision may affirm, modify, or reject the disciplinary action. The Executive Director may, within this time period, request a meeting with the employee to discuss the appeal and its resolution. The Executive Director may, when deemed in the best interest of the District, extend the time limit for providing the employee with the Notice of Final Decision.

4.31 6.4 Appeal of the Notice of Final Decision. Executive Director’s Disciplinary Action Decision and Appointment of Hearing Officer.

A. Selection of Hearing Officer.

A. Only suspension, demotions and termination may be appealed under this section. In order to file a valid appeal under this section, an employee shall submit a written Notice of Appeal
to the Executive Director within) ten (10) calendar days of receipt of the Executive Director’s disciplinary action decision Notice of Final Decision. The Executive Director shall, within twenty (20) days from the date of service of the written appeal Notice of Appeal, appoint an outside independent hearing officer to hear the appeal. Appeals not filed within ten (10) days shall be dismissed for lack of jurisdiction.

1. The hearing officer shall be a licensed New Mexico attorney or a person experienced in personnel administration. The NCRTD shall obtain prior approval from and maintain a schedule with the names of one or more persons qualified under these rules who will be willing and able to fulfill the requirements of hearing officer.

2. Prior to proceeding with the appeal the hearing officer shall provide each party an opportunity to state any objections they have regarding the hearing officer. After considering any objections, the hearing officer in his or her sole discretion shall determine whether he or she can afford a fair and impartial hearing.

3. The employee or District may ask to disqualify the designated hearing officer for cause by filing an affidavit of disqualification within ten (10) days of the hearing officer’s designation or immediately upon subsequently learning of the grounds for disqualification. The affidavit must state the particular grounds for disqualification. The designated hearing officer shall rule on motions for disqualification.

4. No person shall discuss the merits of the appeal with the designated hearing officer unless both parties are present or their representatives are present. Ex parte contacts and any other actions which could cause bias are prohibited and shall be regulated by the hearing officer to ensure the process remains fair and impartial. Hearings on appeals shall comply with the requirements of fundamental due process and shall at a minimum provide, notice, an opportunity for the parties to be heard, the opportunity for parties to submit witnesses and evidence under oath, and the right to cross-examination.

4.32 B. Hearings.

A. 1. The hearing officer will determine the date and time of the hearing.

B. 2. A party may appear at the hearing through a representative, provided such representative has made a written entry of appearance and divulged any potential conflicts of interest prior to the hearing date.

C. 3. The hearing officer may clear the room of witnesses not under examination, if either party so requests. The District is entitled to have the Executive Director or his/her designee, in addition to its representative, in the hearing room during the course of the hearing, even if the person may testify in the hearing.

D. 4. The District shall present its evidence first.

E. 5. Oral evidence shall be taken only under oath or affirmation.
Each party shall have the right to:

1. a. Make opening and closing statements;
2. b. Call and examine witnesses and introduce exhibits; and
4. d. Cross-examine the opposing party’s witnesses.

The hearing shall be conducted in an orderly and informal manner without strict adherence to the rules of evidence that govern proceedings in the courts of the state of New Mexico. In order to support the hearing officer’s decision, there must be a residuum of legally competent evidence admissible to support a verdict in a court of law.

The hearing officer shall admit all evidence, including affidavits, if it is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs. The hearing officer shall exclude immaterial, irrelevant, or unduly cumulative testimony.

The hearing officer may take administrative notice of those matters in which courts of this state may take judicial notice.

The rules of privilege shall be effective to the extent that they are required to be recognized in civil action in the District Courts of the State of New Mexico.

The hearing shall be recorded by a sound-recording device under the supervision of the hearing officer.

The District carries the burden of proof by a preponderance of the evidence.

At least fifteen (15) days prior to the hearing, the parties must submit to the hearing officer:

1. a. a position statement
2. b. a witness list
3. c. an exhibit list.

At least five (5) days prior to the hearing a party must file any objections to the other party’s witnesses or exhibits with the hearing officer. Witnesses who are not disclosed by this deadline or the deadline contained in a pre-hearing order, if any, shall not be permitted to testify except for good cause shown and to prevent manifest injustice.

Subpoenas:

1. The hearing officer has the power to subpoena witnesses.
2. Subpoenas shall be prepared in triplicate by the party requesting the subpoena and will be issued by the hearing officer. A copy of each subpoena shall be sent to the opposing
party by the requesting party, together with a transmittal letter listing all persons
subpoenaed.

3. Subpoenas shall be hand delivered unless otherwise agreed to.

4. In order to compel attendance at a hearing, the subpoena shall be received by the
witness at least seventy-two (72) hours prior to the time the witness is to appear. The
hearing officer may waive this rule for good cause shown.

5. Employees under subpoena shall be granted administrative leave for the time spent at
the hearing and the time spent traveling to and from the hearing.

O. C. Hearing Officer’s Decision.

1. The hearing officer’s decision shall be issued within twenty (20) days of the hearing, unless an
extension is otherwise agreed to by the parties. The hearing officer’s decision shall include findings of fact
and conclusions of law. The hearing officer shall provide a copy of the decision to the parties by certified
mail with return receipt requested.

2. The hearing officer may uphold, modify, or reverse the decision of the Executive Director.

3. In the event that the hearing officer order includes an award of back pay, the employee shall
provide the District with a sworn statement and documentation of any gross earnings and unemployment
compensation since the effective date of the disciplinary action. The District shall be entitled to offset
earnings and unemployment compensation received during the period covered by the back pay award
against the back pay due. The hearing officer shall retain jurisdiction of the case for the purpose of resolving
any disputes regarding back pay.

4. The decision of the hearing officer shall be the final step in the administrative process provided
for by these Rules.

4.33 RULE 7 ADMINISTRATIVE DISPUTE RESOLUTION PROCEDURES—Purpose.

7.1 Purpose

The purpose of this procedure is to secure, in an atmosphere of courtesy and cooperation, an
equitable solution to personnel matters, employment practices, or job-related conflicts that may
arise. This procedure may not be used for appealing disciplinary actions. Disciplinary actions
must be appealed according to the provisions in preceding Section of this Rule.

4.34 7.2 Jurisdiction.

A. All classified regular employees and limited term, non-probationary employees within the
District are afforded the right to utilize the Administrative Dispute Resolution Procedures.

B. When two or more disputes are filed which require investigations of a common question
of law or fact arising out of the same circumstances, the Executive Director may consolidate them
into one dispute.
C. Disputes must be current, concerning matters having taken place within ten (10) days of the violation.

D. Case files and record keeping of hearings are the Executive Director’s or designee’s responsibility.

4.35 7.3 Dispute Defined.

A dispute may be considered as an expressed dissatisfaction, whereby an employee believes that he/she has been unfairly treated in violation of the District’s Personnel Rules and Regulations regarding personnel matters. These Rules and Regulations are expressly limited to personnel disputes and do not cover non-personnel matters or matters that are covered by a separate legal regime such as worker’s compensation.

7.4 Form of Complaint.

The Complaint shall at a minimum contain the following. However, the lack of complete information at the time of filing shall not constitute grounds for refusal to accept a complaint.

The complaint must contain, at a minimum, the following defined facts:

A. The date on which the alleged violation of the District Personnel Rules and Regulations took place.

B. The specific violation of the District Personnel Rules and Regulations allegedly violated and about which the complaint is made.

C. Facts and other pertinent information to support the allegations.

D. The remedial action sought by the complainant.

The lack of complete information at the time of filing shall not constitute grounds for refusal to accept a complaint.

4.36 7.5 Complainant’s Rights.

At any stage during the presentation of the complaint, including the counseling stage, the complainant shall be free from restraint, interference, coercion, discrimination, or reprisal and shall have the right to be accompanied, represented, and advised by a representative of his/her own choosing.

4.37 Relevant Facts.

A. The complaint must contain, at a minimum, the following defined facts:

B. The date on which the alleged violation of the District Personnel Rules and Regulations took place.

C. The specific violation of the District Personnel Rules and Regulations about which the complaint is made.

D. Facts and other pertinent information to support the allegations.
**E.A.** The remedial action sought by the grievant.

**F.A.** The lack of complete information at the time of filing shall not constitute grounds for refusal to accept a complaint.

### 4.38 7.6 Review Procedures

**Time Limits:**

In the event the last day of a time limit falls on a weekend or legal holiday, the time limits shall be extended to include the next working day. Receipt of written notice shall mean the day that the notice is received if hand-delivered or the day the notice is postmarked by certified mail, return receipt requested to the address of record for the employee or the date an e-mail is sent unless there is reason to believe the e-mail recipient did not actually receive the e-mail.

The time limits set forth in this procedure may be subject to extension under exceptional circumstances as determined by the Executive Director. In processing the complaint, the following procedure shall apply:

**A. Step 1: Immediate Supervisor Level**

Employee submits, in writing, his or her complaint in regard to a violation of the Rules and Regulations within ten (10) days of the violation, to his or her supervisor. The supervisor shall respond within ten (10) days of receipt of the written complaint by speaking with the employee. If the complaint is not resolved at this meeting, the immediate supervisor shall provide to the employee a written response. If a satisfactory solution is not reached within ten (10) days after speaking to the immediate supervisor, the grievance may be submitted to Step 2 by filing the complaint with the next higher supervisor within five (5) days after receipt of the written response by the immediate supervisor. If the immediate supervisor is the highest level of supervisor for the employee, the grievance shall be moved directly to Step 3.

**B. Step 2: Second Level**

If the complaint is not satisfactorily resolved at Step 1, the complaint may be submitted to any intermediate supervisor who is above the direct supervisor but below the Executive Director. The intermediate supervisor shall respond in writing within ten (10) days of receipt of the written complaint and may, within this time period, request a meeting with the employee to discuss the complaint and its settlement. If the complaint is not satisfactorily resolved at this level, the complaint may be submitted to Step 3 by filing with the Executive Director within five (5) days after receipt of the written response by the intermediate supervisor.

**C. Step 3: Executive Director**

If the complaint is not satisfactorily resolved at Step 2, the complaint may be submitted to the Executive Director. The Executive Director shall respond in writing within ten (10) days of receipt of the complaint and may, within this time period, request a meeting with the employee to discuss the complaint and its resolution. The Executive Director’s decision shall be final.
RULE 5—WORK HOURS

5.1 Regular full-time District employees have a regular work week of forty (40) hours.

5.2 Normal work hours in the various work units shall be set by the supervisor, with the approval of the Executive Director. Consideration should be given to shift requirements, seasonal conditions, special service needs and other activities necessary to provide a continuity of public service. Occasionally, it may become necessary to deviate from the normal work hours due to changing requirements. It is the responsibility of supervisors to prescribe work hours in such cases.

5.3 Lunch Breaks shall be determined by supervisors with the approval of the Executive Director. Generally, a one-hour lunch break shall be provided to all employees; however, work schedules and other job-related functions may necessitate variations in the scheduling of the lunch break.

5.4 Relief periods, other than the lunch break may be granted as time permits but should be limited to fifteen (15) minutes, once in the first half of the work shift and once in the second half. Employees should not combine two (2) relief periods into one, nor should they be allowed to combine a relief period with a lunch break. Relief periods shall not be eliminated to permit employees to start or leave early on a regular basis. In addition, relief periods are a privilege and care should be taken to assure that they are not abused. Employees are not permitted to leave the work site during a relief period break. Employees may be permitted to have family members or acquaintances at the work site during a relief period break if authorized in advance by their supervisors.

Relief periods are considered hours worked; lunch breaks are considered hours not worked. Supervisors should not permit nonexempt employees to forgo the lunch break or continue working while having lunch. Lunch breaks may not be eliminated or shortened so that employees can regularly start late or leave early.
RULE 86 – RECORDS AND REPORTS

68.1 District Official Personnel Records.

The official personnel records for each employee of the District shall be maintained in the Human Resources Office. Such records shall include a copy of the employee’s application, the original copy of each performance appraisal reports, and any other PAF or other pertinent information. Such records shall be made available for inspection by the employee and his/her supervisors, as well as Department Management considering the employee for promotion or transfer and by any person employed by the District and authorized by the Executive Director to do so.

68.2 Employee Personnel Files Rights.

Employees shall be provided a copy of any material placed in their official personnel record and may present a written response to any material in the record to be attached to the original material.

68.3 Confidentiality of Records.

A. Only those personnel records which are subject to inspection under the New Mexico Inspection of Public Records Act or other state and federal laws, or by order of a court of competent jurisdiction, or a validly issued subpoena, will not be kept confidential. Personnel records not subject to inspection may be inspected with the written permission of the employee or by authorized representatives, agents and employees of the district. Supervisors within the employee’s chain of command may inspect the employee’s record without the employee’s permission.

B. For the purpose of preserving the confidentiality of personnel records, the following records may be inspected by the public only with the written permission of the employee. These records include records pertaining to:

1. physical or mental examinations and medical treatment of persons confined to any institution, use of sick leave, FMLA leave;
2. letters of reference concerning employment, licensing, or permits;
3. letters or memoranda which are matters of opinion;
4. documents concerning infractions and disciplinary actions;
5. performance appraisals;
6. college transcripts; and
7. military discharge if other than honorable.
RULE 79 – EMPLOYEE BENEFITS PROGRAMS

As a standard for assignment, for retirement, fringe benefits and annual salary increases under these rules and regulations, the following shall apply:

A. 9.1 Full-time regular employees shall be eligible to receive the following benefits, be eligible for participation in the following, subject to the District and any third party rules and regulations governing said benefits:

1. Public Employees Retirement Association of New Mexico (PERA);
2. New Mexico Retiree Health Care Authority;
3. Social Security;
4. 457 Deferred Compensation Plan;
5. Insurance benefits;
6. Additional fringe benefits identified in the Personnel Rules and Regulations and administrative policies that are applicable to this classification.
7. Benefits conferred as a part of any District approved programs for employee recognition, employee wellness, and employee morale and team-building.

B. 9.2 Part-time regular employees - Shall be eligible for participation in the above mentioned benefits, on a pro-rated basis, subject to rules and regulations governing said benefits. Pro-rataion is based on the ratio of hired hours to the number of hours in the normally scheduled work period

C. 9.3 Temporary employees - Shall not be eligible for participation in the fringe benefits identified herein. When a temporary employee is converted from temporary to regular or limited-term, without a break in continuous service, the following shall apply:

1. Eligibility for participation in retirement benefits shall be based on the date the employee was converted to probationary, regular or limited-term status.
2. The service date, as defined in these rules and regulations, shall be used in computing annual leave, and sick leave;
3. Eligibility for participation in the salary any pay increase process shall be based on the date the employee was converted to probationary, regular or limited-term status;
4. If the employee is converted to a Classified regular or limited-term position, the date of this conversion shall be used in computing the probationary period.

D. 9.4 Limited-term employees - Shall be eligible for participation in the following subject to rules and regulations governing said benefits:

1. Public Employees Retirement Association of New Mexico (PERA);
2. Social Security;

3. New Mexico Retiree Health Care Authority;

4. 457 Deferred Compensation Plan;

5. Insurance benefits;

6. Additional fringe benefits identified in the Personnel Rules and Regulations and administrative policies that are applicable to this classification.
RULE 8 – WORKER’S COMPENSATION BENEFITS

8.1 Reporting on the Job Injuries

Employees are insured under the provisions of the New Mexico Worker’s Compensation Act, NMSA 1978 §§ 52-1-1 et seq., (the “Act”) for job-related injuries or occupational illnesses and both the employer and employees must fulfill their respective legal duties under the Act including reporting on-the-job injuries.

A. Employees are required to report all on the job accidents, regardless of how minor. The supervisor shall ensure that the employee immediately receives all required medical treatment.

B. An NCRTD accident form is available from the Human Resources Office and shall be completed by the employee. Employer’s First Report of Injury or Illness packet shall be completed by the supervisor within 24 hours of the incident. In addition, the employee must submit a HIPAA compliance Authorization for Disclosure of Protected Health Information form within twenty-four (24) hours of the incident, whenever possible.

8.2 Medical Procedures

A. **Emergencies.** In the event of traumatic on the job injury/illness situations or when a medical emergency exists, the employee may go to the nearest emergency room or urgent care center. All follow up medical treatment must be coordinated by a physician designated by the District. If the District has not designated a physician the employee may see their personal physician.

B. **Non-emergencies.** An employee with a non-emergency, work related injury/illness shall see a physician designated by the District or their personal physician. That physician will provide medical treatment and/or initiate all referrals for advanced or specialized care, depending upon the nature of the medical problem.

C. **Post-Accident Alcohol and Controlled Substance Testing (CDL and non CDL).** These incidents are not covered under the Worker’s Compensation policy and instead shall be covered by the District’s Drug and Alcohol policy.

D. **Compensation.** The decision to approve or deny a claim for benefits is made by the District’s insurer of record, not by the District itself. If an employee’s claim is approved for benefits, any and all payments relating to the injury/illness will be made directly by the District’s insurer.

E. **Waiting Period.** There is a seven (7) day waiting period before an employee becomes eligible to receive payment for lost wages. Employees shall use sick leave, vacation leave or accumulated compensatory time for any time missed from work due to the work related injury/illness so that pay will continue from the District. If available leave has been exhausted, the employer will grant Leave without Pay (LWOP) for missed work time and all applicable provisions of the personnel rules will apply including those related to the payment of insurance premiums.

F. **FMLA leave.** Any applicable FMLA leave for serious health conditions as defined under FMLA, will run concurrently with employee’s worker’s compensation absence. Because worker's compensation absences are not unpaid leave, the provisions for substitution of paid leave is not applicable. An employee whose Worker’s Compensation leave exceeds the FMLA leave period and who has exhausted all paid leave will be placed on LWOP pursuant to Section
4.13 of the personnel rules and all applicable provisions will apply including those related to the payment of insurance premiums.

8.3 Return to Work Procedures

Prior to returning to work, an employee injured in the course of employment shall obtain a release from the treating physician and shall take that release, including any restrictions to the Human Resources Office. If the employee is released without restrictions, he or she shall return immediately to his or her assigned work.
RULE 9 – RETURN TO WORK (FROM ILLNESS/INJURY) PROGRAM

Generally the District’s Return to Work (RTW) Program attempts to provide temporary modified work duty to employees who have suffered an injury or illness and as a result are not immediately able to return to their regularly assigned duties without modification to their work duties. The goal of the RTW Program is for the District to retain and accommodate injured/ill employees and to work with the employee’s physician to transition the employee back to full, unrestricted and unmodified work duties. The availability of modified work duties under the RTW Program is within the sole discretion of the District unless otherwise required by law. Notwithstanding any rule or provision herein to the contrary, the District shall at all times comply with requirements of the Americans with Disabilities Act and shall provide reasonable accommodations and such other measures as are required by law in the case of disabled persons.

9.1 Employees who experience an on the job injury or illness which results in their temporary inability to return to the full range of duties of their regular position classification, shall accept transitional work assignments if offered by the District.

9.2 Employees who experience an off the job injury or illness which results in their inability to return to the full range of duties of their regular position classification may be eligible for transitional work assignments if offered by the District and if consistent with the provisions of New Mexico and District workers’ compensation laws, rules and regulations.

9.3 Transitional work assignments will consist of work which is within the restrictions outlined by the employee’s health care provider. The employee’s health care provider must provide a specific listing of limitations and the anticipated recuperation time prior to the employee’s returning to work without limitations. Such assignments may include, but are not necessarily limited to:

A. Part-time or full time, with a temporary waiver of certain regular duties (reasonable accommodation), in an employee’s regular position classification; or

B. Part-time or full time in another capacity.

9.4 The District may require an employee to submit to an examination by a physician chosen by the District at the District expense, if the duration of the temporary assignment appears to be excessive, if the restrictions or limitations cannot be adequately interpreted or clarified with the employee’s physician, or if the District has reason to believe the employee’s release for duty is inconsistent with job requirements.

9.5 Employees assigned to transitional work assignments will receive their regular hourly rate of pay for their regular job classification for the number of hours worked in the transitional work assignment.

9.6 Assignment to transitional work depends upon the availability of such work and of work suitable to the employee’s medical restrictions. A transitional work assignment may be terminated at any time by the District.

9.7 Priority will be given to workers with job related injuries or illnesses and employees with non-job related injuries or illnesses who seek similar accommodations may be subject to personnel actions, modified work assignments or work schedules, or required use of leave in order to provide transitional work assignment to an employee injured on the job.

9.8 In no event will a modified duty assignment last for more than ninety (90) days in a 12-month
rolling calendar year. This applies to both work-related and non-work related conditions. The 90
days may be continuous or intermittent. If the employee is not able to return to full duty following
90 days of continuous or intermittent modified duty assignment, an evaluation will be conducted
by the Human Resources Office to identify available options, which may include consideration of
medical retirement or separation. The District reserves the right, for good cause, to discontinue a
modified-duty assignment at any time. Good cause shall include, but not be limited to,
unavailability of temporary work, operational requirements of the District which make temporary
assignment impracticable, or the employee’s inability to satisfactorily perform the duties of the
modified duty assignment.

9.9 Employees refusing to work transitional work assignments may not be eligible for workers
compensation benefits or paid leave benefits. Transitional work assignment for employees with
workers’ compensation claims or receiving workers’ compensation benefits will be made
consistent with the provisions of New Mexico Worker’s Compensation Act, NMSA 1978 §§ 52-1-
1 et seq., (the “Act”) along with State and District rules.—. Employees refusing transitional work
assignments maybe subject to corrective action. If the employee’s health care provider will not
authorize transitional work, the District may take appropriate action as allowed by law.

9.10 Employees unable to return to work due to injury or illness maybe separated from District
employment as provided for under Section 4.24 of the these Personnel Rules.
DEFINITIONS

All terms capitalized for other than grammatical purposes shall have the following meanings:

**Accrued Vacation Leave**: The hours of annual leave an employee has earned from their anniversary date to a particular month that have not yet been added to the employee’s records.

**Accumulated Vacation Leave**: The hours of annual leave an employee has in their records and that are added on a monthly basis.

**Administrative Dispute**: A written statement of dissatisfaction about the administration of the Personnel Rules and Regulations of the District as it affects an individual employee or group of employees.

**Administrative Leave**: Leave that is authorized by the Executive Director with or without pay for an employee during the time a fact finding investigation or other administrative proceeding is pending completion or in other circumstances deemed in the best interest of the District.

**Allocation**: The official assignment of an individual position to the proper classification according to the duties performed and authority exercised.

**Anniversary Date**: The initial date of employment in a budgeted position and the date from which vacation leave, sick leave and longevity will be computed.

**At–Will Employment**: The employment relationship for employees hired with a written understanding and agreement at the time of employment that they in exempt classifications under state law and whom may be terminated at any time with or without cause or notice. Employees who are FLSA exempt under federal law may also be exempt under state law.

**Board**: means the Board of Directors of the NCRTD.

**Bona fide occupational qualification**: Means a qualification reasonably related to the satisfactory performance of the duties of a job, and for which where there is factual basis to believe that a person lacking the qualification would be unable to perform satisfactorily the duties of the job with safety and efficiency.

**Budgeted Position**: A position that is funded in the District’s annual budget.

**Candidate**: Means any person who has qualified under these Rules for appointment employment in a specific classification and who may or may not have an outstanding job offer from the District but who has not yet become an employee.

**Classified Regular employee**: Means the status acquired by a non-exempt employee who has successfully completed his/her probationary period and is, therefore, classified to serve in the position he/she holds.
**Classification:** Means one or more positions so similar in the essential character of their duties and responsibilities that the same pay range, title, and qualification requirements can be applied.

**Classification Title:** A name assigned to a position that indicates a particular level of rank and specific duties and responsibilities. *This term is sometimes used interchangeably with the term Job Title.*

**Classification and Compensation Plan:** The District’s official plan that classifies positions and sets compensation rates.

**Compensation:** means the salary or wages and all other forms of valuable consideration earned by, or paid to, any employee in remuneration for the services in any position.

**Day or Days:** any reference to day or days means business day or days and shall include normal dates of operation and excludes weekends and holiday unless these rules expressly provide otherwise.

**Demotion.** A demotion is an action changing an employee’s position to another position with a lower salary range and a reduction in pay. Demotions only may be made to a position in a classification for which the employee is qualified. Demotions shall generally be used only where an employee has performance or attendance issues and has not engaged in willful or negligent misconduct constituting a violation of these Rules.

**Disabilities:** A physical or mental impairment that substantially limits one or more major life activities of an individual, a record of such impairment, or being regarded as having such an impairment.

**District:** The North Central Regional Transit District.

**Disciplinary Action:** There are several types of disciplinary action that may include, whether individually or in combination, an official reprimand (verbal or written), suspension, reduction in salary, demotion, or termination.

**Disciplinary Action Form:** means a form or forms approved for use by the Executive Director for the purposes of documenting the Districts decisions regarding Disciplinary Action.

**Dismissal.** A dismissal is separation of an employee from his/her employment with or without cause.

**Division or Department:** A major functional subdivision of the District organizational structure that is accountable to the Executive Director. Divisions and Departments shall mean such subdivisions as may, from time to time, be shown on any organizational chart promulgated by the Executive Director.
**Division or Department Guidelines:** Guidelines issued by a division manager and approved by the Executive Director designed for specific types of activities within a division’s operation.

**Division Manager (Manager/Management):** means an employee in a position that manages internal and/or external staff, and who plans, organizes, integrates, coordinates, and controls the activities of others. A manager also is held accountable for the performance of people, services, systems, programs and resources and serves in an at-will position that administers the operation of a district division and is directly responsible to the Executive Director.

**Domestic partner:** means any person living in the same domicile as the employee or prospective employee.

**Domestic Violence or Domestic Abuse:** Domestic violence is defined as a pattern of coercive tactics carried out by an abuser against an intimate partner or family member (the victim) with the goal of establishing and maintaining power and control over the victim. These coercive tactics can be physical, psychological, sexual, economic and/or emotional.

**Drug and Alcohol:** As defined in the District’s adopted Drug and Alcohol policy.

**Employee or Incumbent:** A person occupying a position in the District service. Such persons include, but are not limited to, the following types of employees:

1. **Classified Regular Employee:** means a budgeted, full or part-time position, duties of which do not terminate at any stated time. An employee working 40 hours minimum per week is eligible to receive full fringe benefits. An employee working not less than 21 hours and not more than 39 hours per week is entitled to partial fringe benefits on a pro rata basis. Classified employees also means an employee who is eligible for overtime compensation and other protections and provisions of the FLSA.

2. **Exempt Employee:** means a budgeted, full or part-time position, exempt from the classified service and under FSLA.

3. **Temporary Employee:** means the employment of a person hired to perform a job which is limited in nature or is on a seasonal basis and which will not exceed twelve months of employment unless otherwise approved by of the Executive Director.

4. **Limited Term Employee:** means the employment of a person for a designated period of time, usually in excess of one (1) year, for a limited and specified time period, e.g., one year or longer subject to funding for the project or program, with benefits and subject to all personnel rules and regulations, except for the right of appeal regarding the expiration of the appointment or as otherwise stated herein.

5. **Emergency Employee:** employment of a person when an emergency condition exists that would, in the opinion of the Executive Director, compromise the public health, safety, and welfare, or severely curtail the normal operations of the District and where there are no candidates available on an appropriate list of eligibles.
**Essential functions**: The fundamental job duties of any particular employment position. The term “essential function” does not include the marginal functions of the position. The job function may be essential for any or several reasons including, but not limited to, the following:

1. the reason the positions exists is to perform that function;
2. there are a limited number of employees available among whom the performance of that job function can be distributed; or
3. it is necessary to ensure that life or safety is not jeopardized.

**Executive Director**: means the chief executive officer of the North Central Regional Transit District (“District”) or a person designated in writing to act on behalf of the Executive Director, who is responsible for the administration and supervision of all District activities including the appointment, hiring, and retention of all employees, management of any divisions or departments which may be created, and ultimate supervisory responsibility for all employees of District.

**Extended Family**: A member of the employee’s immediate family includes an employee’s: spouse or domestic partner, child, father, mother, brother, sister, grandparent, grandchild, current mother-in-law, current father-in-law, current sister-in-law, current brother-in-law, current son-in-law, and current daughter-in-law.

**Fair Labor Standards Act (FLSA)**: A federal law enacted by the United States Congress in 1938, which sets minimum wage, overtime pay, equal pay, recordkeeping, and child labor standards for employees who are covered by the Act.

**FLSA Exempt Employee**: A person in a budgeted position exempt from the overtime provisions of the Fair Labor Standards Act as an executive, administrative, or professional employee.

**Family Medical Leave Act (FMLA)**: A federal law enacted on February 5, 1993 which generally entitles qualified employees to up to 12 weeks of unpaid leave per year for the birth, adoption or placement for foster care of a child, to care for a spouse or an immediate family member with a serious health condition, or when unable to work because of a serious health condition.

**Furlough**: means the temporary placement of an employee in a reduced work hour schedule, which can either be partial or full time, due to lack of work or funds.

**Immediate Family Member**: means an employee’s spouse, domestic partner, child or parent.

**In-grade Hire**: Means the authorized hiring of an employee at a rate higher than the initial or beginning rate in the pay range assigned to the position.

**Hiring Authority**: The Executive Director, or the Executive Director’s designated representative who has the authority to hire individuals to fill positions.
Hire Date: The date that a newly hired employee (temporary or probationary) begins work for the District.

The term "Intimate Partner:" includes people who are legally married to each other, people who were once legally married to each other, people who have had a child together, people who live together or who have lives together, and people who have or had a dating or sexual relationship, including same sex couples.

Just Cause: includes, but is not limited to:

1. Violation of or failure to comply with the Federal or State Constitution, Statutes, or District Policies, District Rules and Regulations and District Resolutions;

2. Indictment by a grand jury;

3. Conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse effect on the employee’s ability to carry out their duties or upon the reputation of the District;

4. Careless, negligent, or improper use of District property, equipment, or funds;

5. Insubordination, which shall consist of violation of any official regulation or order, or failure to obey, comply or accept any proper directions made and given by a Supervisor in the course of employment, or any verbal ridicule of a Supervisor by an employee during the course of employment;

6. Inefficiency, incompetence or negligence in the performance of assigned job duties or failure to perform job requirements or job performance which continues to be unsatisfactory;

7. Disorderly conduct or threats or abuse of others;

8. Chronic tardiness or absenteeism, or the improper or unauthorized use of leave privileges or benefits;

9. Stealing from the District or from other employees;

10. Taking unauthorized leave or job abandonment.

11. Failure to obtain and maintain a current license or certificate required as a condition of employment;

12. Intentional falsification or mishandling of District records;

13. Fraud in securing employment with the District or attempting to secure a promotion or a position by political influence;

14. Unauthorized or illegal use, sale, or possession of alcohol or illegal drugs, or being under the influence of such substances while on duty;
Gambling for money or articles of value during the working period;

15. Unauthorized discussion or release of confidential information documents or records;

16. Harassment and/or discriminatory behavior towards any person because of race, color, religion, gender, sexual orientation, gender identity, age, national origin, and disability of their membership in a Suspect Class; or

17. Action which reflects poorly upon the integrity of the District.

Lists of Eligibles: Means a list of names classified reviewed and approved by the Executive Director or his/her designee from which a candidate may be selected for employment.

Notice of Appeal: means any written document prepared by an employee or his/her agents that unambiguously states that the employee disputes a specific Disciplinary Action and seeks further review of said Disciplinary Action. Failure to use District forms or proper terminology shall not deprive an employee of his/her opportunity to appeal a Disciplinary Action so long as the writing clearly identifies that challenged action, is dated and signed by the employee or his/her agent, and is received by the District within the time allowed for appeals. Although no specific form of service is required, proof that an appeal was timely filed is the responsibility of the employee.

Notice of Contemplated Action: means a written notice to an employee which: describes the conduct, action, or omissions which form the basis for contemplated Disciplinary Action; gives a general explanation of the evidence the Supervisor has regarding the alleged violation of these Rules; specifies what disciplinary measures or corrective action may be taken; and states the date, time and place of a Predetermination Meeting, and that the employee may waive the right to the meeting by notifying the Supervisor in writing prior to the start of the meeting.

Notice of Final Decision: means a document prepared by or on behalf of the Executive Director that:

Documents the date, time and place of the predetermination meeting;

Identifies specific employee misconduct;

Specifies the disciplinary action, if any, to be taken;

Specifies the effective date of any dismissal, demotion, or suspension which must be at least seven (7) days after the date of the Notice of Final Decision (during this seven-day period the Executive Director may place the employee on paid administrative leave if deemed in the best interest of the District);

Informs the employee that the Disciplinary Action may be appealed to an independent hearing officer by submitting a written appeal to the Executive Director within fifteen (15) days of the effective date of the dismissal, demotion, or suspension; and

Is delivered personally to the employee by the employer or by registered mail to the employee’s last address on record.
**Notify or Notification:** means providing a person with information by any means reasonably calculated to achieve actual notice. In general, the District shall provide notification in person where possible, by registered mail, where mailing is necessary or desirable, by e-mail where the recipient has an active and functional e-mail account and by phone where exigent circumstances warrant.

**Oral Reprimand:** Means a disciplinary action taken by a Supervisor to caution an employee regarding misconduct constituting a violation of these Rules. Although the reprimand is cautionary and may not incur further action by the Supervisor, it may be used as the basis for subsequent action in the context of progressive discipline. Oral Reprimands are given to the employee verbally but documented with the Human Resources office in writing.

**Personnel Action Form:** Means any form the District elects to utilize to document any employment or administrative action by the District under these Rules or the administrative regulations of the District.

**Predetermination Meeting:** means a meeting with and employee and one or more Supervisors to discuss alleged facts that may constitute a violation of these Rules and at which and employee is given a chance to make any statements, assertions or contentions that may influence the District’s decision regarding a proposed Disciplinary Action. At the predetermination meeting the employee shall have the grounds and the proposed action explained to him/her and shall have the right to respond. The purpose of the response is an opportunity for the employee to present his or her side of the story. It is an initial check against mistaken decisions. The District will use the information gathered from the meeting to make a determination of whether there are reasonable grounds to believe that the charges against the employee are true and support the proposed action. The employee shall have the right to representation and the meeting may be recorded by either party.

**Probationary Period:** A working trial or orientation period ranging from six to twelve months during which an employee demonstrates, by actual performance, the employee’s suitability to perform the duties of the position to which the employee has been hired.

**Position:** The official rank within a given classification and held by an employee with a descriptive title.

**Position Description:** A complete and detailed statement about the responsibilities, essential functions, specific duties, and minimum qualifications of a specific position within a given classification, as well as decision making responsibilities, level of supervision received and exercised, working conditions, and equipment operated.

**Promotion:** A change in the employment status of an employee to a position in a higher classification with a higher rate of pay and increased responsibility.

**Protected Class:** For purposes of these Rules a Protected Class shall mean a person who is protected legal interests due to belonging to any of the following classes:

- Race
• Color
• National origin
• Religion
• Sex (including pregnancy, childbirth, and related medical conditions)
• Disability
• Age (40 and older)
• Citizenship status
• Genetic information
• Marital status
• Sexual orientation (includes perceived sexual orientation
• Gender identity
• Serious medical condition
• Use of Domestic abuse leave

Range: The limits set for the minimum and maximum rates of pay within a given classification.

Rate of Pay or Pay: The amount of money allocated for payment to an employee whether hourly or by way of a salary. Pay may be indicated as hourly even for salaried employees solely for the convenience of District administration notwithstanding the fact that the pay is on a salary basis. See compensation.

Reclassification: The process of reassigning a position to a different classification for non-disciplinary reasons as a result of a position audit.

Retirement: Official retirement from a budgeted position and District service that is available when the requirements of the employee’s retirement system are met.

Salary Date: The date on which an employee’s rate of pay becomes effective and on which advancements within the pay plan are generally based.

Salary Schedule: A series of salary ranges to which the various classifications in the District are to be allocated with ranges for each classification consistent with the functions outlined in the job descriptions and any current classification policy. Each salary range shall include minimum and maximum rates of pay.

Separation Date: The last day of an employee’s work in District service, after which no vacation or sick leave is accrued or used.
**Sexual Harassment:** Sexual Harassment in the workplace is unlawful. The Equal Employment Opportunity Commission (EEOC) defines Sexual Harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;

2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or

3. The conduct is unwelcome, unwanted, or offensive and has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

**Stalking:** is defined as a pattern of conduct over a period of time, however short, which evidences a continuity of purpose and includes physical presence, telephone calls, e-mails and any other type of correspondence sent by any means.

**Supervisor:** An employee hired and/or appointed by the Executive Director assigned to a division to assign/direct and evaluate the work of other employees within a designated work unit of the same division.

**Suspension.** A suspension is the temporary removal of an employee from his/her work assignment without pay. Employees covered by the Fair Labor Standards Act (FLSA) shall only be suspended without pay as permitted by the FLSA. See e.g. 29 C.F.R. 602 (full-work week suspensions for any disciplinary reason); 29 C.F.R. §541.602(b)(4)(less than full-work week suspensions for infractions of major safety rules); 29 C.F.R. §541.602(b)(5)(less than full-work week suspensions for violations of workplace conduct rules such as sexual harassment, workplace violence, drug or alcohol violations etc., but not for performance or attendance issues).

**Reduction in Force:** Means the separation, lay off, involuntary demotion, reassignment, or reduction of work hours or number of employees in the District or in a division due to lack of work or funds.

**Termination:** The separation of an employee from District service. Termination may be by discharge, death, lay-off, resignation, retirement, work completion, contracting out District services, or lack of work or funds. The termination date is synonymous with the separation date and is the last day of an employee’s work in District service. No vacation or sick leave is accrued or used from that date forward.

**Transfer:** A reassignment of an employee from one position to another position in the same classification or another classification having the same pay range, involving the performance of similar duties, and requiring substantially the same basic qualifications.

**Unauthorized Leave of Absence:** Failure of an employee to notify and receive permission from their immediate supervisor in advance of absence or failure of an employee to report for work at
the beginning of their next regularly-scheduled work period. An unauthorized leave of absence includes all or any portion of a work day for which notice and approval have not been provided. An unauthorized leave of absence may be grounds for disciplinary action up to an including termination. Unauthorized leave is not compensated.

**Weapons**: Objects classified as weapons include, but are not limited to:

- Any firearm, loaded or unloaded, assembled or disassembled, including pellet, “BB” and stun guns, unless the possession of such firearm is licensed, authorized or permitted pursuant to state and/or federal law and expressly permitted by the District;

- Knives longer than 2.36 inches (and similar instruments) other than those present in the workplace for approved work purposes or for the specific purpose of food preparation and service;

- Brass knuckles, metal knuckles, and similar weapons;

- Bows, cross-bows and arrows;

- Explosives and explosive devices, including fireworks, ammunition, and/or incendiary devices;

- Throwing stars, nun-chucks, clubs, saps, and any other item commonly used as, or primarily intended for use as a weapon;

- Self-defense chemical sprays (mace, pepper spray) in canisters or containers larger than two ounces; and

- Any object that has been modified to serve as, or has been employed as, a dangerous weapon.

**Workday**: An employee’s scheduled daily hours of employment as established by the Executive Director or an authorized Supervisor.

**Workweek**: An employee’s schedule of work hours within an appointed week as established by the Executive Director.

**Written Reprimand**: means a disciplinary action taken by a Supervisor to caution an employee regarding misconduct constituting a violation of these Rules. Although the reprimand is cautionary and may not incur further action by the Supervisor, it may be used as the basis for subsequent action in the context of progressive discipline. Written Reprimands are given to the employee in writing and documented with the Human Resources office in writing.
Finance Subcommittee

Meeting August 26, 2016

9:00 a.m.

Board Members Present: Pete Sheehy–Los Alamos County, Christy Van Buren–Ohkay Owingeh Leandro Cordova–Taos County, Commissioner Miguel Chavez–Santa Fe County (Telephonically)

Staff Present: Anthony Mortillaro, Troy Bingham, Peter Dwyer

Guest(s) Present: Farley Vener–Hinkle and Lander

Absent: Alex Naranjo–Rio Arriba County, Christy Van Buren–Ohkay Owingeh, Henry Roybal–Santa Fe County, Jon Bulthus–City of Santa Fe, County, Philo Shelton–Los Alamos County, Jim Fambro–Taos County, Tessa Jo Mascarenas–Santa Fe County, Thomas Campos–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 Mr. Sheehy.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Audit Entrance Conference

Mr. Mortillaro gave a brief overview on this item and turned it over to Mr. Vener for the presentation.

Mr. Vener proceeded to go over the PowerPoint presentation, in which he explained the entrance conference is for the purpose to establish good communication for the audit: referred to power point handout explaining the main goal is to have good communication and to speak about what is important for auditors and creates standards for communication. He went on to state the first few pages explains the duties of the auditor and management of NCRTD. Auditors responsibility is to give the opinions of the financial statements making sure it is materially correct or if any control deficiencies, called material or significant weaknesses, they are required to write those up and are put into the audit report, controlled deficiencies are a lower level of finding. He stated with the state audit rule in New Mexico everything has to be written up.

Mr. Dwyer noted he recently received a letter from finance director regarding attorney’s letters to the auditor, it was requested from the auditors for letters to be sent from the attorney to the auditor; noting he is currently internal to the organization whereas he was outside counsel previously, asked if this would change the process.

Mr. Vener responded, all legal letters should be run through Mr. Dwyer he then can reach out to the external attorneys.

Further discussion continued on this topic.
Mr. Vener moved on to the pie chart on the handout, noting the District has the three components of the audit that takes place, have the opinion of the financial statements and have the single audit once called the A133, the name has been changed to uniform guidance. Changes have been made in the thresh holds and different emphases as to what the single audit is about.

Mr. Bingham noted that the District handles tribal transit funds for five of our six pueblos, according to the feds officially those funds are theirs and they are responsible for reporting. Noting, he is taking all tribal transit off of our single audit and off of the JPA’s due to it being theirs as the District is the operator, the official stance was given verbally.

Ms. Van Buren asked if the District is on contract for the other Pueblos.

Mr. Bingham confirmed that the District is a contractor on behalf of the Pueblos, it is their money and their responsibility to report the single audit and is not the District’s responsibility to put in our single audit; this is only for auditing purposes and not for the ridership. He noted we give the tribes all the draw downs, expenditure reports, amounts and all the details of the grant.

Further discussion continued on this topic.

Mr. Vener continued stating the next page outlines the requirements that have been walked through and are similar to what has been prior year noting the biggest emphasis this year is the reserved fund balance. Stating the emphasis the state auditors needs are work papers on fund balance and reserve balances.

Mr. Vener moved on to the new standards; the uniform guidance is the biggest change this year, the threshold in what triggers a single audit is $750,000 used to be $500,00; having A and B programs, A program would be $300,000 and higher, it has changed to $750,000 across the board which triggers program B to be a program which means it is a higher risk.

Further discussion continued on this topic.

Commissioner Miguel Chavez entered the meeting via telephonic.

Mr. Mortillaro noted one of the challenges this year is the District acquired the Taos system and their assets, and have been requesting that Taos convey the value of those assets and what their value was and are having a hard time getting the information.

Mr. Cordova responded that the information may not exist.

Further discussion continued on this topic.

Mr. Bingham indicated that we are in a CAFR class which means we are one of the first eleven to get audited and approved. We have to be completely finished be December 1\textsuperscript{st}, we will be audited mid-September and hoping to finalize the CAFR by October 31\textsuperscript{st}.

[This item was for discussion only]

**B. Discussion and Review of Disposition of Obsolete Property Policy**

Mr. Mortillaro stated Mr. Dwyer is the main author on this item, doing all the research regarding disposition of assets. His discovery was that there was a change on terms as how it was done, this new policy is a refrainment of our current policy practice. It was then turned over to Mr. Dwyer for presentation.
Mr. Dwyer stated there are two things to say about the policy; one is it started out as to how to accurately donate the busses; the core issue which originated the policy review as deciding how to equitably donate busses; adding on the other hand it is generally our policy, how to remove things from our asset inventory list, in a legal process and how to transfer and how to dispose of those properties and make it clear that it has fully been accounted for. He added the policy covers property under $5,000.00; property under $5,000.00 can be designated as obsolete or unusable by the District and therefore be transferred or donated pursuant to the policy; property over $5,000.00 can be transferred if the District finds it to be excess property but incurs an extra step by going to the state for review and approval. He noted the Department of Finance and Administration has the authority to say no if it is over $5,000.00.

Mr. Bingham stated it is $5,000.00 at the time of disposition and not the acquisition cost of assets the District is trying to dispose of at the time.

Mr. Dwyer stated if the asset is over $5000.00 and has a useful value to the District we would not put it on the list. Noting if we had a bus worth $12,000 but was of no use to the District and would like to convey it to a memberenity, it is a possibility but will take an extra step getting state approval.

Mr. Dwyer continued with the current process, District prepares a brief inventory of vehicles, referring to page 25, it is a list of busses of what should be done with the busses and why it is designated as being potentially obsolete; the decision would have to be made by the Board, although there is a deposition committee whom go out and look at the busses and vehicles, they then decide and agree with finance that there will have to be a determination that these busses are no longer useful to us, this will have to be decided by the Board and that all these bussed have to be an initial determination that the busses are under $5000.00 and have to be donated.

Further discussion continued on this topic.

Mr. Dwyer moved on to section 13 on the packet, noting a system was set in place stating when giving away property to ensure that the vehicle is not going to be branded as a blue bus and will go through a process as we will give a clean title of the property and the person receiving the property is responsible for getting plates and registration. Noting the District will be responsible for removing all logos and decals.

It was decided to get in writing that the vehicles are to be repainted or refinished before the transfer of the vehicle.

Ms. Van Buren made a motion to approve the proposed policy to the Board as presented. Mr. Cordova seconded the motion and it passed by unanimous voice vote.

Councilor Sheehey added in the description of this policy to include, it is reasonable to ask the Board to approve and delegate the signature authority that this procedure has been followed to Mr. Bingham.

C. Discussion and Review of NCRTD Investment Policy Procedures

Mr. Mortillaro noted there is no document that is related to this subject. At the last Board meeting in August a comment was made by a Board member regarding whether the investment policy is reviewed and approved annually by the finance subcommittee and readopted annually by the Board. It was indicated that this subject would be brought to the finance subcommittee to be discussed and to determine what direction should be given to the staff regarding the matter. We wanted to bring it as a follow through and get direction if this is something the Board would want to do, if so then we would have to amend the investment policy and put it in as an action that will be taken every year.

Councilor Sheehey stated he did not see the need, particularly because we get regular updates on our investment performance and any policy concerns can be brought up then.
Commissioner Chavez made a motion to have this item for discussion before the full Board. Mr. Cordova seconded the motion and it passed by unanimous voice vote.

D. Discussion and Review of Budget Amendment – Tribal Transit Funds

Mr. Bingham stated this budget amendment would not affect the total budget, we are not asking for more funds or less funds in the budget, we are reallocating funds from an operational component to a capital component. This is related to Tribal Transit; Santa Clara is one of the tribes who receives a lot of tribal transit dollars; given the route and ridership they have sufficient funds, they pay for all FY2015 operational costs in FY2016 they paid both indirect and operational costs and still have three times the amount of money it cost to run the route. What the District has done in the past with Santa Clara is to use those funds to buy capital; used to buy bus T540, it was bought in 2010 and paid for by the FTA in 2012. This bus has reached its useful life, at 188,000 miles (18 passenger); the useful life for FTA standards is 175,000 miles. Noting if we were to order a bus it takes about six months for it to arrive, we are anticipating that the ending miles on that bus to be over 200,000 by the time the new bus comes. It is recommended to take the operational transit dollars we put in the budget and what we were going to use for salaries and indirect cost; instead of using it for that we ask to use $95,000 to purchase a bus.

Further discussion continued on this topic.

Ms. Van Buren made a motion to approve the transfer of 5311 funds from operating to capital for purchasing a bus for Santa Clara. Commissioner Chavez seconded the motion and it passed by unanimous voice vote.

E. Minutes from June 30, 2016

Councilor Sheehey noted after reviewing the minutes from the June 30, 2016 meeting noticed two minor corrections; Board Members present it was noted that Commissioner Chavez was present by telephone and it additionally listed him as absent; change needs to be made as him being present. Continuing to the second page, after the first motion was passed it said; “Councilor Sheehey asked if the concerns raised about transaction fees would this also apply to the other insurance. Mr. Bingham responded (blank)”. Mr. Sheehey noted this item does not need to be on the minutes.

Councilor Sheehey motioned to approve minutes as amended. Ms. Van Buren second the motion and it passed by unanimous voice vote.

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

Mr. Cordova made a motion to adjourn the meeting. Ms. Van Buren seconded the motion and passed by unanimous voice.

Next Finance Subcommittee will be held September 23, 2016 at 9:00 AM.