CALL TO ORDER

ROLL CALL

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Mid-Year Budget Financial Summary**
   *Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director*
   *Attachment*

B. **Quarterly Investment Report**
   *Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director*
   *Attachment*

C. **Electronic Payment Report**
   *Sponsor: Anthony J. Mortillaro, Executive Director and Hector Ordoñez, Finance Director*
   *Attachment*

D. **Minutes from October 26, 2018**
   *Draft Minutes*

E. **Minutes from November 30, 2018**
   *Draft Minutes*

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

NEXT FINANCE SUBCOMMITTEE MEETING: Friday, February 22, 2019

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

To: Finance Committee
From: Hector Ordonez, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: January 25, 2019
Re: Mid-Year Budget Review for FY2019

Summary:

The North Central Regional Transit District (NCRTD) has completed 6 months of financial activity ending December 31, 2018. This report’s projection is from expenditure patterns and trends identified as well as expected revenue flows derived from the data available from the first half of FY2019.

The intent of this budget review is to apprise the Board and Management of what to expect the final FY2019 Budget to look like in relation to actual vs projected budgetary performance for the remaining of the Fiscal Year and prior to the beginning of the FY2020 Budgetary Process.

Financial Facts and Projections:

At Mid-Year the NCRTD anticipates a 1.76% decrease in both revenues and expenditures over the budget.

Revenue:

The District is anticipating a decrease in revenue of 1.76%, the decrease is the net effect of expected increases in revenue sources that will result in a significant decrease in the use of fund balance. The forecasted ending revenue amount is $12,944,097 a decrease of $231,810 from the approved Operating budget of $13,175,907.

Gross Receipt Tax (GRT): Conservative estimates based on trends seen thus far in GRT revenue lead us to believe that there will be an increase of 7.62% in GRT Revenue which translates to approximately $558,681 more in GRT collections. As of December 2018, two of the four counties were above their GRT budget. The projected GRT by county is as follows:

- Rio Arriba County – projected decrease is 8.3% or $43,886
- Santa Fe County – projected increase is 11.5% or $519,529
- Taos County – projected increase is .2% or $2,195
- Los Alamos County – projected increase is 5.8% or $80,842

Miscellaneous Revenues: NCRTD is anticipated to receive $149,987 in miscellaneous revenue the $13,213 decrease is the net effect of a $40,000 decrease in proceeds from disposals of buses, an increase of $1,787 in bus shelters disposals and a $25,000 increase in investment revenue. Projected amounts for insurance proceeds, fares and advertising stayed the same.
Federal Grant & Member Contributions- We are expecting to receive $157,472 less in Federal Revenues and Member Contributions due to a decrease in capital projects expenses not being incurred this fiscal year and a receipt of funds from FTA from a prior year. The increase includes some of the following increases/decreases in revenues:

- Increase of $54,400 in Federal Grant Revenue for the Taos Needs Assessment
- Increase of $83,214 in Federal Grant Revenue for Vehicle Components and related Equipment
- Increase of $36,000 of Reimbursable Overtime
- Increase of $187,730 in member Contributions from FTA on behalf of the Jicarilla Apache Nation. The revenue is a reimbursement for expenses paid by the District to operate the Jicarilla route in FY2018.
- Decrease of $120,000 for the Service Update Plan
- Decrease of $427,493 for the Maintenance Facility Design Federal Grant Revenue portion- this amount does not include local match (only 15% expected to be incurred in FY2019 or $100,000)

Use of Fund Balance- The Use of Fund Balance is expected to decrease by $619,806 this is due to an increase of GRT of $558,681, a decrease in Federal Grant Revenue of $345,202, an increase in Member contributions, increase in GRT expenses to the Rail Runner due to increase of GRT from Santa Fe County and a decrease of miscellaneous revenues.

Expenditures:

NCRTD reports monthly to the Board on expenditures trends. The NCRTD expects a decrease of 1.76% or $231,810 in Expenses. The breakdown of expenditure savings/deficits vs. budget are as follows:

- Increase in Overtime of Approximately $45,000
- Increase of GRT contributions of $259,765 for the Rail Runner due to GRT Increase in Santa Fe County
- Increase of Contractual Expenses of $68,000 for Taos Study
- Increase of $1,500 in EWS & HR Software
- Increase in Vehicle Equipment of $128,291 in Buses (Capital Exp)
- Decrease of $50,000 for the Purchase of Land for the Taos Park and Ride (Capital Exp)
- Decrease of $150,000 for the Service Update Plan (Capital Exp)
- Decrease of $534,366 for Maintenance Facility Design (Capital Exp)

Overall summary:

Overall revenues and expenditures will be less than budgeted. The projected revenues of $12,300,983 (Total Revenue of $12,944,097 less Use of Fund Balance of $643,114) will be less than projected expenditures of $12,944,097 by $643.114 for FY2019. The Use of Fund Balance will be utilized to cover the revenue shortfall.

Impact on Fund Balance:

The District budgeted $1,262,920 in Fund Balance and is projecting to only use $643,114 (a decrease of the budgeted use of fund balance of $619,806 or 49.08%).

Plan of Action:

Recommend this mid-year review to the Finance Subcommittee for discussion and consideration at the January 26, 2018 meeting and approval for presentation at the February 1, 2019 Board Meeting.
## MID-YEAR BUDGET REVIEW REPORT

FY2019 (July 1, 2018 to Dec 31, 2018)

NCRTD Revenue - By Sources

As of Dec 31, 2018

### NCRTD Revenue - By Sources

<table>
<thead>
<tr>
<th></th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Receipt</td>
<td>$7,673,654</td>
<td>$7,568,341</td>
<td>$8,063,102</td>
<td>$7,330,000</td>
<td>$7,888,681</td>
<td>7.62%</td>
</tr>
<tr>
<td>Fed Grant</td>
<td>3,041,790</td>
<td>3,623,558</td>
<td>3,149,703</td>
<td>3,436,221</td>
<td>3,091,019</td>
<td>-10.05%</td>
</tr>
<tr>
<td>State Capital/Outlay</td>
<td>301,312</td>
<td>93,000</td>
<td>-</td>
<td>195,000</td>
<td>195,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Local Match</td>
<td>350,000</td>
<td>350,000</td>
<td>483,956</td>
<td>482,114</td>
<td>482,114</td>
<td>0.00%</td>
</tr>
<tr>
<td>S311c/Member Contributions</td>
<td>156,154</td>
<td>146,629</td>
<td>40,952</td>
<td>306,552</td>
<td>494,282</td>
<td>61.24%</td>
</tr>
<tr>
<td>Use of Fund Balance</td>
<td>591,109</td>
<td>71,687</td>
<td>-</td>
<td>1,262,920</td>
<td>643,114</td>
<td>-49.08%</td>
</tr>
<tr>
<td>Misc Revenues</td>
<td>161,238</td>
<td>205,733</td>
<td>137,268</td>
<td>163,100</td>
<td>149,887</td>
<td>-8.10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,275,257</strong></td>
<td><strong>$12,058,948</strong></td>
<td><strong>$11,874,981</strong></td>
<td><strong>$13,175,907</strong></td>
<td><strong>$12,944,097</strong></td>
<td><strong>-1.76%</strong></td>
</tr>
</tbody>
</table>
### MID-YEAR BUDGET REVIEW REPORT

**FY2019 (July 1, 2018 to Dec 31, 2018)**

**NCRTD Grant Revenue - By Month**

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#### Actual FY18 to Projected FY19

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$128,685</td>
<td>$139,339</td>
<td>$151,082</td>
<td>$168,529</td>
<td>$99,705</td>
<td>169%</td>
</tr>
<tr>
<td>August</td>
<td>145,446</td>
<td>230,674</td>
<td>161,892</td>
<td>180,587</td>
<td>171,012</td>
<td>106%</td>
</tr>
<tr>
<td>September</td>
<td>223,878</td>
<td>181,682</td>
<td>221,981</td>
<td>247,616</td>
<td>256,518</td>
<td>97%</td>
</tr>
<tr>
<td>October</td>
<td>203,353</td>
<td>143,530</td>
<td>158,623</td>
<td>176,941</td>
<td>202,204</td>
<td>88%</td>
</tr>
<tr>
<td>November</td>
<td>134,896</td>
<td>194,959</td>
<td>152,311</td>
<td>169,900</td>
<td>144,491</td>
<td>118%</td>
</tr>
<tr>
<td>December</td>
<td>235,833</td>
<td>163,722</td>
<td>183,607</td>
<td>204,810</td>
<td>209,767</td>
<td>98%</td>
</tr>
<tr>
<td>January</td>
<td>390,639</td>
<td>162,360</td>
<td>209,209</td>
<td>233,369</td>
<td>239,016</td>
<td>98%</td>
</tr>
<tr>
<td>February</td>
<td>141,554</td>
<td>179,777</td>
<td>176,672</td>
<td>197,074</td>
<td>256,244</td>
<td>77%</td>
</tr>
<tr>
<td>March</td>
<td>373,815</td>
<td>293,398</td>
<td>249,922</td>
<td>278,783</td>
<td>368,744</td>
<td>76%</td>
</tr>
<tr>
<td>April</td>
<td>188,166</td>
<td>435,438</td>
<td>182,807</td>
<td>203,918</td>
<td>208,853</td>
<td>98%</td>
</tr>
<tr>
<td>May</td>
<td>162,963</td>
<td>215,870</td>
<td>379,376</td>
<td>423,187</td>
<td>433,428</td>
<td>98%</td>
</tr>
<tr>
<td>June</td>
<td>712,562</td>
<td>1,241,481</td>
<td>1,359,811</td>
<td>951,507</td>
<td>501,038</td>
<td>190%</td>
</tr>
</tbody>
</table>

Total: $3,041,790

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**NCRTD Grant Revenue - By Month**

- Actual FY18
- Budget FY19
- Projected FY19

1/24/2019 Unaudited financials - For Board and Management purposes/review
**MID-YEAR BUDGET REVIEW REPORT**  
**FY2019 (July 1, 2018 to Dec 31, 2018)**  
**NCRTD Gross Receipts Revenue - By Month**

![Bar chart showing actual vs budgeted revenue by month for FY2019]

### Budget to Actual FY2019

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$666,453</td>
<td>$738,095</td>
<td>$669,620</td>
<td>$637,283</td>
<td>$764,560</td>
<td>20%</td>
</tr>
<tr>
<td>August</td>
<td>637,587</td>
<td>569,631</td>
<td>658,920</td>
<td>752,132</td>
<td>638,122</td>
<td>-15%</td>
</tr>
<tr>
<td>September</td>
<td>812,130</td>
<td>822,146</td>
<td>612,854</td>
<td>808,554</td>
<td>721,267</td>
<td>32%</td>
</tr>
<tr>
<td>October</td>
<td>532,939</td>
<td>535,710</td>
<td>599,111</td>
<td>604,186</td>
<td>808,554</td>
<td>19%</td>
</tr>
<tr>
<td>November</td>
<td>574,419</td>
<td>528,344</td>
<td>621,204</td>
<td>643,374</td>
<td>614,819</td>
<td>-17%</td>
</tr>
<tr>
<td>December</td>
<td>653,420</td>
<td>619,874</td>
<td>682,866</td>
<td>524,277</td>
<td>614,819</td>
<td>17%</td>
</tr>
<tr>
<td>January</td>
<td>638,985</td>
<td>607,763</td>
<td>655,087</td>
<td>571,662</td>
<td>560,092</td>
<td>-2%</td>
</tr>
<tr>
<td>February</td>
<td>541,493</td>
<td>509,052</td>
<td>571,516</td>
<td>629,933</td>
<td>571,516</td>
<td>-9%</td>
</tr>
<tr>
<td>March</td>
<td>640,114</td>
<td>607,802</td>
<td>596,378</td>
<td>588,374</td>
<td>596,378</td>
<td>1%</td>
</tr>
<tr>
<td>April</td>
<td>712,795</td>
<td>470,591</td>
<td>607,592</td>
<td>520,255</td>
<td>607,592</td>
<td>17%</td>
</tr>
<tr>
<td>May</td>
<td>579,985</td>
<td>710,922</td>
<td>798,917</td>
<td>555,675</td>
<td>602,993</td>
<td>9%</td>
</tr>
<tr>
<td>June</td>
<td>686,367</td>
<td>848,411</td>
<td>759,415</td>
<td>554,385</td>
<td>759,415</td>
<td>37%</td>
</tr>
</tbody>
</table>

$7,676,687 $7,568,341 $8,063,104 $7,330,000 $7,888,681 8%
## MID-YEAR BUDGET REVIEW REPORT
### FY2019 (July 1, 2018 to Dec 31, 2018)
NCRTD Gross Receipts Revenue - By County

### LOS ALAMOS COUNTY

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$116,870</td>
<td>$220,824</td>
<td>$127,129</td>
<td>$167,048</td>
<td>$205,402</td>
<td>23.0%</td>
</tr>
<tr>
<td>August</td>
<td>$138,688</td>
<td>$32,608</td>
<td>$121,353</td>
<td>$215,145</td>
<td>$50,942</td>
<td>-76.3%</td>
</tr>
<tr>
<td>September</td>
<td>$279,213</td>
<td>$293,661</td>
<td>$334,441</td>
<td>$98,769</td>
<td>$263,096</td>
<td>166.4%</td>
</tr>
<tr>
<td>October</td>
<td>$28,496</td>
<td>$31,785</td>
<td>$36,324</td>
<td>$94,281</td>
<td>$188,925</td>
<td>100.4%</td>
</tr>
<tr>
<td>November</td>
<td>$93,942</td>
<td>$43,208</td>
<td>$100,116</td>
<td>$259,833</td>
<td>$121,919</td>
<td>-53.1%</td>
</tr>
<tr>
<td>December</td>
<td>$101,662</td>
<td>$41,650</td>
<td>$102,279</td>
<td>$28,221</td>
<td>$34,232</td>
<td>21.3%</td>
</tr>
<tr>
<td>January</td>
<td>$174,873</td>
<td>$156,037</td>
<td>$189,345</td>
<td>$77,782</td>
<td>$94,350</td>
<td>21.3%</td>
</tr>
<tr>
<td>February</td>
<td>$82,322</td>
<td>$88,158</td>
<td>$124,148</td>
<td>$79,463</td>
<td>$124,148</td>
<td>56.2%</td>
</tr>
<tr>
<td>March</td>
<td>$112,842</td>
<td>$102,880</td>
<td>$53,389</td>
<td>$147,105</td>
<td>$53,389</td>
<td>-63.7%</td>
</tr>
<tr>
<td>April</td>
<td>$248,959</td>
<td>(180)</td>
<td>$121,533</td>
<td>$96,453</td>
<td>$121,533</td>
<td>26.0%</td>
</tr>
<tr>
<td>May</td>
<td>$88,475</td>
<td>$215,014</td>
<td>$246,238</td>
<td>$41,479</td>
<td>$50,314</td>
<td>21.3%</td>
</tr>
<tr>
<td>June</td>
<td>$114,900</td>
<td>$276,922</td>
<td>$172,593</td>
<td>$94,421</td>
<td>$172,593</td>
<td>82.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,581,242</td>
<td>$1,502,567</td>
<td>$1,728,890</td>
<td>$1,400,000</td>
<td>$1,480,842</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

*Prior to Nov 2018 the forecast assumes that we will receive the same GRT as last year except for December, January and May 2019 when the Budget variance exceeded 100%. In those months we used the Average Rate Increase for FY 2019 for Los Alamos County (21.3%). Forecasted Budget Variance is 5.8% Increase.*
### MID-YEAR BUDGET REVIEW REPORT
FY2019 (July 1, 2018 to Dec 31, 2018)
NCRTD Gross Receipts Revenue- By County

**RIO ARRIBA COUNTY**

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$53,233</td>
<td>$44,103</td>
<td>$43,970</td>
<td>$48,329</td>
<td>$40,743</td>
<td>-15.7%</td>
</tr>
<tr>
<td>August</td>
<td>$45,322</td>
<td>$44,684</td>
<td>$48,121</td>
<td>$44,684</td>
<td>$42,920</td>
<td>-3.9%</td>
</tr>
<tr>
<td>September</td>
<td>$53,311</td>
<td>$47,195</td>
<td>$45,148</td>
<td>$43,999</td>
<td></td>
<td>-3.9%</td>
</tr>
<tr>
<td>October</td>
<td>$50,632</td>
<td>$37,290</td>
<td>$48,121</td>
<td>$49,409</td>
<td>$40,263</td>
<td>-18.5%</td>
</tr>
<tr>
<td>November</td>
<td>$56,629</td>
<td>$41,779</td>
<td>$51,509</td>
<td>$39,306</td>
<td></td>
<td>-23.7%</td>
</tr>
<tr>
<td>December</td>
<td>$52,583</td>
<td>$50,002</td>
<td>$43,606</td>
<td>$48,097</td>
<td></td>
<td>10.3%</td>
</tr>
<tr>
<td>January</td>
<td>$42,699</td>
<td>$38,084</td>
<td>$34,905</td>
<td>$44,667</td>
<td>$34,905</td>
<td>-21.9%</td>
</tr>
<tr>
<td>February</td>
<td>$49,951</td>
<td>$36,835</td>
<td>$35,149</td>
<td>$49,385</td>
<td>$35,149</td>
<td>-28.8%</td>
</tr>
<tr>
<td>March</td>
<td>$56,037</td>
<td>$41,707</td>
<td>$39,737</td>
<td>$35,840</td>
<td>$39,973</td>
<td>11.5%</td>
</tr>
<tr>
<td>April</td>
<td>$41,784</td>
<td>$39,505</td>
<td>$39,237</td>
<td>$36,090</td>
<td>$39,237</td>
<td>8.7%</td>
</tr>
<tr>
<td>May</td>
<td>$41,869</td>
<td>$47,069</td>
<td>$38,636</td>
<td>$41,044</td>
<td>$38,636</td>
<td>-5.9%</td>
</tr>
<tr>
<td>June</td>
<td>$50,116</td>
<td>$48,077</td>
<td>$43,486</td>
<td>$40,287</td>
<td>$43,486</td>
<td>7.9%</td>
</tr>
<tr>
<td></td>
<td>$594,166</td>
<td>$516,330</td>
<td>$507,711</td>
<td>$530,000</td>
<td>$486,114</td>
<td>-8.3%</td>
</tr>
</tbody>
</table>

* Forecast assumes that we will receive the same GRT as last year from Dec 2018 through Jun 2019, the average decrease rate for FY2019 thus far is 13.14%. Forecasted Budget Variance is 8.3% Decrease.
# MID-YEAR BUDGET REVIEW REPORT

**FY2019 (July 1, 2018 to Dec 31, 2018)**

**NCRTD Gross Receipts Revenue - By County**

**SANTA FE COUNTY**

<table>
<thead>
<tr>
<th></th>
<th>Actual FY16</th>
<th>Actual FY17</th>
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<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$408,793</td>
<td>$386,389</td>
<td>$418,301</td>
<td>$355,934</td>
<td>$439,788</td>
<td>23.6%</td>
</tr>
<tr>
<td>August</td>
<td>378,033</td>
<td>399,955</td>
<td>408,961</td>
<td>410,037</td>
<td>461,103</td>
<td>12.5%</td>
</tr>
<tr>
<td>September</td>
<td>387,492</td>
<td>400,606</td>
<td>415,851</td>
<td>389,758</td>
<td>427,474</td>
<td>9.7%</td>
</tr>
<tr>
<td>October</td>
<td>372,493</td>
<td>383,221</td>
<td>405,811</td>
<td>381,055</td>
<td>415,311</td>
<td>9.0%</td>
</tr>
<tr>
<td>November</td>
<td>333,369</td>
<td>362,157</td>
<td>401,313</td>
<td>387,475</td>
<td>409,987</td>
<td>5.8%</td>
</tr>
<tr>
<td>December</td>
<td>396,434</td>
<td>434,403</td>
<td>443,285</td>
<td>378,120</td>
<td>443,285</td>
<td>17.2%</td>
</tr>
<tr>
<td>January</td>
<td>48,564</td>
<td>339,947</td>
<td>358,636</td>
<td>373,929</td>
<td>358,636</td>
<td>-4.1%</td>
</tr>
<tr>
<td>February</td>
<td>328,223</td>
<td>318,343</td>
<td>346,691</td>
<td>413,037</td>
<td>346,691</td>
<td>-16.1%</td>
</tr>
<tr>
<td>March</td>
<td>379,151</td>
<td>383,616</td>
<td>422,307</td>
<td>334,164</td>
<td>422,307</td>
<td>26.4%</td>
</tr>
<tr>
<td>April</td>
<td>351,580</td>
<td>361,016</td>
<td>386,328</td>
<td>323,034</td>
<td>386,328</td>
<td>19.6%</td>
</tr>
<tr>
<td>May</td>
<td>364,845</td>
<td>382,000</td>
<td>445,926</td>
<td>393,490</td>
<td>445,926</td>
<td>13.3%</td>
</tr>
<tr>
<td>June</td>
<td>432,802</td>
<td>440,066</td>
<td>462,694</td>
<td>359,966</td>
<td>462,694</td>
<td>28.5%</td>
</tr>
</tbody>
</table>

|        | $4,181,779  | $4,591,719  | $4,916,103 | $4,500,000  | $5,019,529     | 11.5%                        |

*Forecast assumes that we will receive the same GRT as last year from Dec 2018 through Jun 2019, the average increase rate for FY2019 thus far is 12.09%. Forecasted Budget Variance is 11.5% Increase.
### MID-YEAR BUDGET REVIEW REPORT

**FY2019 (July 1, 2018 to Dec 31, 2018)**

**NCRTD Gross Receipts Revenue - By County**

#### TAOS COUNTY

![Graph showing actual, budget, and projected revenue by month for Taos County, FY16 to FY19.]

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$87,557</td>
<td>$86,779</td>
<td>$80,220</td>
<td>$65,972</td>
<td>$78,627</td>
<td>19.2%</td>
</tr>
<tr>
<td>August</td>
<td>$75,544</td>
<td>$92,384</td>
<td>$80,485</td>
<td>$82,265</td>
<td>$83,156</td>
<td>1.1%</td>
</tr>
<tr>
<td>September</td>
<td>$92,114</td>
<td>$60,684</td>
<td>$81,220</td>
<td>$79,179</td>
<td>$74,586</td>
<td>-5.8%</td>
</tr>
<tr>
<td>October</td>
<td>$81,318</td>
<td>$83,414</td>
<td>$75,307</td>
<td>$79,441</td>
<td>$76,769</td>
<td>-3.4%</td>
</tr>
<tr>
<td>November</td>
<td>$87,479</td>
<td>$81,200</td>
<td>$80,167</td>
<td>$72,162</td>
<td>$72,162</td>
<td>-10.0%</td>
</tr>
<tr>
<td>December</td>
<td>$102,741</td>
<td>$93,819</td>
<td>$89,205</td>
<td>$74,330</td>
<td>$89,205</td>
<td>20.0%</td>
</tr>
<tr>
<td>January</td>
<td>$72,816</td>
<td>$73,695</td>
<td>$72,201</td>
<td>$75,284</td>
<td>$72,201</td>
<td>-4.1%</td>
</tr>
<tr>
<td>February</td>
<td>$80,997</td>
<td>$65,716</td>
<td>$65,528</td>
<td>$88,048</td>
<td>$65,528</td>
<td>-25.6%</td>
</tr>
<tr>
<td>March</td>
<td>$92,084</td>
<td>$79,599</td>
<td>$80,708</td>
<td>$71,265</td>
<td>$80,708</td>
<td>13.3%</td>
</tr>
<tr>
<td>April</td>
<td>$70,472</td>
<td>$70,250</td>
<td>$60,495</td>
<td>$64,678</td>
<td>$60,495</td>
<td>-6.5%</td>
</tr>
<tr>
<td>May</td>
<td>$84,796</td>
<td>$66,839</td>
<td>$68,116</td>
<td>$79,662</td>
<td>$68,116</td>
<td>-14.5%</td>
</tr>
<tr>
<td>June</td>
<td>$88,549</td>
<td>$83,346</td>
<td>$80,642</td>
<td>$59,710</td>
<td>$80,642</td>
<td>35.1%</td>
</tr>
</tbody>
</table>

| Total     | $1,016,467  | $957,725    | $910,400    | $900,000    | $902,195       | 0.2%                         |

*Forecast assumes that we will receive the same GRT as last year from Dec 2018 through Jun 2019, the average decrease for FY2019 thus far is .2%. Forecasted Budget Variance is .2% increase.*
## Comparative Expenses by Type FY15 - FY18

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$2,465,780</td>
<td>$2,411,609</td>
<td>$2,333,929</td>
<td>$2,900,940</td>
<td>$2,900,940</td>
<td>0.00%</td>
</tr>
<tr>
<td>Overtime</td>
<td>$255,839</td>
<td>$183,398</td>
<td>$147,500</td>
<td>$192,500</td>
<td>$192,500</td>
<td>30.51%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$917,367</td>
<td>$1,095,211</td>
<td>$1,065,019</td>
<td>$1,353,299</td>
<td>$1,353,299</td>
<td>0.00%</td>
</tr>
<tr>
<td>Railrunner, SF Trails and Atomic City Transit</td>
<td>$4,588,079</td>
<td>$4,708,159</td>
<td>$3,900,509</td>
<td>$4,743,220</td>
<td>$5,002,985</td>
<td>5.48%</td>
</tr>
<tr>
<td>Office</td>
<td>$68,195</td>
<td>$41,682</td>
<td>$33,671</td>
<td>$51,928</td>
<td>$51,928</td>
<td>0.00%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$44,412</td>
<td>$77,797</td>
<td>$60,625</td>
<td>$90,782</td>
<td>$90,782</td>
<td>0.00%</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$253,903</td>
<td>$295,851</td>
<td>$238,805</td>
<td>$525,978</td>
<td>$595,478</td>
<td>13.21%</td>
</tr>
<tr>
<td>Advertising</td>
<td>$87,290</td>
<td>$81,184</td>
<td>$70,726</td>
<td>$112,295</td>
<td>$112,295</td>
<td>0.00%</td>
</tr>
<tr>
<td>Equipment &amp; Building</td>
<td>$95,066</td>
<td>$56,844</td>
<td>$48,687</td>
<td>$51,220</td>
<td>$51,220</td>
<td>0.00%</td>
</tr>
<tr>
<td>Insurance</td>
<td>$31,421</td>
<td>$9,330</td>
<td>$12,831</td>
<td>$71,601</td>
<td>$71,601</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fuel</td>
<td>$32,726</td>
<td>$71,452</td>
<td>$57,334</td>
<td>$71,869</td>
<td>$71,869</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vehicle Maintenance/Repairs</td>
<td>$33,496</td>
<td>$359,859</td>
<td>$288,697</td>
<td>$338,500</td>
<td>$338,500</td>
<td>0.00%</td>
</tr>
<tr>
<td>Capital</td>
<td>$1,588,962</td>
<td>$2,156,994</td>
<td>$480,268</td>
<td>$2,204,964</td>
<td>$1,598,889</td>
<td>-27.49%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$10,961,499</td>
<td>$12,092,748</td>
<td>$9,264,553</td>
<td>$13,175,907</td>
<td>$12,944,097</td>
<td>-1.76%</td>
</tr>
</tbody>
</table>

*** Graph Does Not Include GRT Contributions or Capital Expenses ***
# MID-YEAR BUDGET REVIEW REPORT

**FY2019 (July 1, 2018 to Dec 31, 2018)**

**NCRTD Capital Expenditures - By Month**

## Budget to Actual FY2019

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Actual FY18</th>
<th>Budget FY19</th>
<th>Projected FY19</th>
<th>Year to Date Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>$-</td>
<td>$2,947</td>
<td>$2,435</td>
<td>$4,950</td>
<td>$-</td>
<td>0%</td>
</tr>
<tr>
<td>August</td>
<td>5,119</td>
<td>119,499</td>
<td>6,101</td>
<td>3,001</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>September</td>
<td>-</td>
<td>151,959</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>October</td>
<td>66,521</td>
<td>41,575</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>November</td>
<td>57,674</td>
<td>22,144</td>
<td>254,650</td>
<td>118,290</td>
<td>-</td>
<td>-54%</td>
</tr>
<tr>
<td>December</td>
<td>119,892</td>
<td>150,509</td>
<td>86,403</td>
<td>19,797</td>
<td>308,380</td>
<td>-77%</td>
</tr>
<tr>
<td>January</td>
<td>127,493</td>
<td>26,864</td>
<td>299,399</td>
<td>209,818</td>
<td>471,611</td>
<td>3%</td>
</tr>
<tr>
<td>February</td>
<td>299,738</td>
<td>49,864</td>
<td>45,787</td>
<td>47,161</td>
<td>308,380</td>
<td>3%</td>
</tr>
<tr>
<td>March</td>
<td>151,205</td>
<td>493,524</td>
<td>203,707</td>
<td>209,818</td>
<td>471,611</td>
<td>3%</td>
</tr>
<tr>
<td>April</td>
<td>125,234</td>
<td>279,403</td>
<td>74,091</td>
<td>76,313</td>
<td>308,380</td>
<td>3%</td>
</tr>
<tr>
<td>May</td>
<td>65,625</td>
<td>594,004</td>
<td>-</td>
<td>-</td>
<td>471,611</td>
<td>0%</td>
</tr>
<tr>
<td>June</td>
<td>570,461</td>
<td>224,702</td>
<td>1,229,876</td>
<td>819,129</td>
<td>1,598,889</td>
<td>-33%</td>
</tr>
</tbody>
</table>

$1,588,962 $2,156,994 $1,304,756 $2,204,964 $1,598,889 -27%
Memorandum

To: Finance Committee
From: Hector E. Ordonez, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: January 25, 2018
Re: Investment of District Funds and the State of New Mexico Local Government

Background:
The NCRTD invests through various FDIC insured institutions around the United States mostly through Broker Certificates of Deposit. At the end of the first quarter the value of the investment portfolio was $7,567,487.19. This is an increase of $128,950.57 from the 1st Qtr. of FY19. The breakdown of the increase is as follows:

| Increase in LANB Checking Account Bal. | $ 90,404.28 |
| Increase Local Gov Portfolio- Interest | $  57.92 |
| Sandia CD- Interest                   | $  718.65 |
| Increase Flex Insure Cash Acc-Cetera  | $ 509,017.82 |
| Decrease Cetera Brokered CDS          | <$471,248.10> |
| Total (Net) Increase                  | $ 128,950.57 |

Cetera, an affiliate of LANB, our investment broker continues to invest in CDs and Municipal Bonds at the direction of Executive Director and Director of Finance. Thus far, the District has 17 CDs and 1 US Treasury Bill outstanding, and two 2 CDs have been redeemed. The two CDs were invested in January, on 6 mo. Municipality Bonds instruments to lower the average maturity date on the investment instruments. The Cost basis of all the instruments currently opened under Cetera equals $4,165,000 which is the total amount invested during the year ($5,135,000) minus CDs redeemed ($970,000).

Total Interest received in the second quarter of Fiscal year 2019 was $20,129.44. The frequency from which interest is earned varies from investment to investment, some investment is earned monthly, quarterly, semiannually, annually and/or at the redemption date. The term dates between CDs are 3, 6, 12, 18, 21 and 24 months.

Summary:
- As of December 31, 2018, our total investment amount (excluding the checking account balance deposited in Los Alamos National Bank) was $5,304,902.26
- 58.94% of our Investments consisted of CDs
- The average rate of return was 1.00%
- The average length of maturity of all investments is 12.14 months
- 17 CDs and 1 treasury Bill are outstanding, and 2 CDs have been redeemed and reinvested.
Recommendation:
It is recommended that the Finance Committee discuss and review the information and recommend the report to the Board of Directors as presented.

Attachment:

**North Central Regional Transit District**  
**Quarterly Investment Report - 2nd Qtr FY2019**  
**As of December 31, 2018**

<table>
<thead>
<tr>
<th>Date Opened</th>
<th>Term / Months</th>
<th>Expiration Date</th>
<th>Rate</th>
<th>Amount Invested</th>
<th>YTD Total Earnings</th>
<th>Redeemed/Closed Transactions</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandia Area Credit Union</td>
<td>10/29/2017</td>
<td>0.50%</td>
<td>$248,902.04</td>
<td>$1,224.06</td>
<td>-</td>
<td>$250,126.10</td>
<td></td>
</tr>
</tbody>
</table>

**Local Bank/Credit Union Total**  
12  
0.50%  
$248,902.04  
$1,224.06  
-  
$250,126.10

<table>
<thead>
<tr>
<th>Date Opened</th>
<th>Term / Months</th>
<th>Expiration Date</th>
<th>Rate</th>
<th>Amount Invested</th>
<th>YTD Total Earnings</th>
<th>Redeemed/Closed Transactions</th>
<th>Investment Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays BK Del Retail</td>
<td>07/26/17</td>
<td>12</td>
<td>07/26/18</td>
<td>1.40%</td>
<td>$235,000.00</td>
<td>$3,290.00</td>
<td>$235,000.00</td>
</tr>
<tr>
<td>Bank Baroda- New York</td>
<td>08/22/17</td>
<td>12</td>
<td>08/22/18</td>
<td>1.35%</td>
<td>$245,000.00</td>
<td>$3,307.50</td>
<td>$245,000.00</td>
</tr>
<tr>
<td>Bank of China- New York</td>
<td>10/30/17</td>
<td>12</td>
<td>10/30/18</td>
<td>1.35%</td>
<td>$245,000.00</td>
<td>$3,307.50</td>
<td>$245,000.00</td>
</tr>
<tr>
<td>Bank of India- New York</td>
<td>11/09/17</td>
<td>12</td>
<td>11/07/18</td>
<td>1.35%</td>
<td>$245,000.00</td>
<td>$3,289.38</td>
<td>$245,000.00</td>
</tr>
<tr>
<td>Goldman Sachs- New York</td>
<td>09/27/17</td>
<td>18</td>
<td>03/27/19</td>
<td>1.60%</td>
<td>$245,000.00</td>
<td>$1,976.11</td>
<td>-</td>
</tr>
<tr>
<td>Comenity CAP Bank- Utah</td>
<td>09/27/17</td>
<td>18</td>
<td>04/23/19</td>
<td>1.60%</td>
<td>$245,000.00</td>
<td>$1,965.36</td>
<td>-</td>
</tr>
<tr>
<td>Sallie Mae Bank- Salt Lake</td>
<td>12/06/17</td>
<td>18</td>
<td>06/06/19</td>
<td>1.65%</td>
<td>$245,000.00</td>
<td>$2,026.79</td>
<td>-</td>
</tr>
<tr>
<td>Bank of the West San Francisco</td>
<td>07/18/12</td>
<td>12</td>
<td>07/18/19</td>
<td>2.35%</td>
<td>$245,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Morgan Stanley- Utah</td>
<td>07/19/18</td>
<td>12</td>
<td>07/19/19</td>
<td>2.35%</td>
<td>$245,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Discover Bank- Greenwood</td>
<td>01/24/18</td>
<td>18</td>
<td>07/24/19</td>
<td>1.85%</td>
<td>$245,000.00</td>
<td>$2,247.62</td>
<td>-</td>
</tr>
<tr>
<td>Barclays BK Del Retail</td>
<td>07/26/17</td>
<td>24</td>
<td>07/26/19</td>
<td>1.65%</td>
<td>$245,000.00</td>
<td>$2,004.64</td>
<td>-</td>
</tr>
<tr>
<td>Wells Fargo Bank- Sioux Falls</td>
<td>07/28/17</td>
<td>21</td>
<td>07/29/19</td>
<td>1.70%</td>
<td>$245,000.00</td>
<td>$2,088.21</td>
<td>-</td>
</tr>
<tr>
<td>Iberia Bank- La Fayette</td>
<td>01/31/18</td>
<td>18</td>
<td>07/31/19</td>
<td>1.90%</td>
<td>$245,000.00</td>
<td>$2,308.37</td>
<td>-</td>
</tr>
<tr>
<td>State Bank of India- New York</td>
<td>08/15/18</td>
<td>12</td>
<td>08/15/19</td>
<td>1.45%</td>
<td>$245,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ally Bank Midvale, Utah</td>
<td>09/28/17</td>
<td>24</td>
<td>09/30/19</td>
<td>1.70%</td>
<td>$245,000.00</td>
<td>$2,099.62</td>
<td>-</td>
</tr>
<tr>
<td>Capital One Bank- USA</td>
<td>11/22/17</td>
<td>24</td>
<td>11/22/19</td>
<td>1.80%</td>
<td>$245,000.00</td>
<td>$2,223.12</td>
<td>-</td>
</tr>
<tr>
<td>American Express- Centurion</td>
<td>12/05/17</td>
<td>24</td>
<td>12/05/19</td>
<td>1.90%</td>
<td>$245,000.00</td>
<td>$2,333.88</td>
<td>-</td>
</tr>
<tr>
<td>Capital One- National Assit McLean</td>
<td>12/06/17</td>
<td>24</td>
<td>12/06/19</td>
<td>1.90%</td>
<td>$245,000.00</td>
<td>$2,333.88</td>
<td>-</td>
</tr>
<tr>
<td>Merrick BK South Jordan Utah</td>
<td>01/19/18</td>
<td>24</td>
<td>01/21/20</td>
<td>2.00%</td>
<td>$245,000.00</td>
<td>$2,456.70</td>
<td>-</td>
</tr>
<tr>
<td>Synchnomy bank</td>
<td>01/19/18</td>
<td>24</td>
<td>01/21/20</td>
<td>2.10%</td>
<td>$245,000.00</td>
<td>$2,551.36</td>
<td>-</td>
</tr>
<tr>
<td>Morgan Stanley- Utah</td>
<td>03/22/18</td>
<td>24</td>
<td>03/23/20</td>
<td>2.55%</td>
<td>$245,000.00</td>
<td>$3,149.42</td>
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**Brokered CD Total**  
18.43  
1.79%  
$5,135,000.00  
$44,959.46  
$970,000.00  
$4,209,959.46

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**Short Term Investment**  
6  
0.71%  
$3,106,208.20  
$1,193.43  
-  
$3,107,401.63

**Total Investments**  
12.14  
1.00%  
$8,490,110.24  
$47,376.95  
$970,000.00  
$7,567,487.19
North Central Regional Transit District  
Quarterly Investment Report - 2nd Qtr FY2019  
Investment Allocation Graphs  
As of December 31, 2018

### NCRTD's Investment Allocation

- **Checking Account**: $2,262,584.93 (29.90%)
- **Local Government Investment Portfolio**: $10,540.12 (0.14%)
- **Cetera Fund Interest & T-Bill**: $834,276.58 (11.02%)
- **Local Banks/Credit Unions CDs**: $250,126.10 (3.31%)
- **Brokered CDs**: $4,209,959.46 (55.63%)

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<th>Amount Invested YTD</th>
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<th>% of portfolio</th>
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<td>Cetera Fund Interest &amp; T-Bill</td>
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<td>Brokered CDs</td>
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<td><strong>Total</strong></td>
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1.00% Average Rate of Return  
12.14 Average Length of Maturity (months)  
2.25% Treasury Security Return for 12 months*  
0.79% 10 Yr Average Treasury Security Return
Memorandum

To: Finance Committee
From: Hector E. Ordonez, Finance Director
Thru: Anthony J. Mortillaro, Executive Director
Date: January 25, 2019
Re: Automatic Clearing House (ACH) Payments over $20,000 from October 1, 2018 thru December 31, 2018

Background:
The NCRTD Board passed a resolution in November 2013 allowing the District to pay its vendors through the Automatic Clearing House (ACH) system that withdrawals funds from the District’s account and deposits into vendor’s checking accounts. To date, the District has 92 vendors signed up for ACH payments. Changes to Finance Policy #1 in November 2016 and January 2017 incorporated a quarterly reporting requirement to the Finance Subcommittee and Board to provide oversight and governance of the program.

Summary:
Between October 1, and December 31 2018, there were twenty-seven (27) payments over $20,000 made to different vendors in the amount of $1,849,807.05. The payment categories breakdown is as follows:

- Six (6) payments totaling $136,047.39 were made to the Federal Government for social security benefits, federal tax withholdings and Medicaid.
- Four (4) payments totaling $1,076,425.37 made to other transit agencies for GRT contributions.
- Seventeen (17) payments totaling $637,334.29 were made for goods, services and capital assets acquired by the District.

Recommendation:
It is recommended that the Finance Committee discusses and reviews the information presented regarding vendor payments and advise on any modifications needed. If no modifications are recommended the Finance Subcommittee should commend the report to the full Board for final review and acceptance.

Attachment:
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<tr>
<td></td>
<td></td>
<td>Report Total</td>
<td></td>
<td>$ 1,849,807.05</td>
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* Federal Tax deposits include social security payments, medicaid and federal withholding taxes.
ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Quarterly Investment Report

Hector Ordoñez, Finance Director reads through salient points of 2019 first quarter report. Value of the investment portfolio at the end of the first quarter was $7,437,913.43. Continuing to invest through various FDIC insured institutions; mostly Certificates of Deposit and one Treasury Bill.

This is a decrease of $589,696 from Q4 2017, presents breakdown.

Antonio Maggiore: It says it’s a decrease (number in question is not in parenthesis).
Hector Ordoñez: It was a decrease from the prior Quarter. Q4 2017 which was around $8.1 million; the total investment portfolio is now $7.4 million dollars.

Antonio Maggiore: Total (Net) Increase in Agenda Item K should be in parenthesis, as it’s a decrease.

Hector Ordoñez: Agrees.

Presents summary of investments.

Leandro Cordova: On a year to year basis, this is generally where the NCRTD stands, right? Traditionally there is a lull around the end of first quarter.

Hector Ordoñez: Agrees. Asks for further questions.

Antonio Maggiore: As long as the parenthesis get added, let’s send it to the full Board.

Leandro Cordova: I’ll second the motion.

Ed Moreno: All in favor, signify by saying ‘aye.’

Motion to forward: Unanimous ‘ayes,’ motion passes.

B. Electronic Payment Report

Hector Ordoñez, Finance Director presents overview of amount of payments made over $20,000, for the first 3 months of FY2019.

Since July 1, 2018, there were 30 payments over $20,000 that were made to different vendors totaling $2,198,539.33. Mr. Ordonez, reviews the details of those payments.

Ed Moreno: Anything to mark on this end?

Antonio Maggiore: Move to forward.

Leandro Cordova: I’ll second.

Ed Moreno: Motion and a second, all in favor say ‘aye.’

Antonio Maggiore, Leandro Cordova and Ed Moreno: ‘aye,’ motion passes.

Ed Moreno: Item C, Fiscal Year and Ending Budget Review.

C. Fiscal Year and Ending Budget Review

Anthony J. Mortillaro, Executive Director explains that the District’s financial policies require that at the end of the budget year that we forward the Finance Committee and the Board a report indicating how the budget performed during the prior fiscal year. This report usually comes about the same time that the auditors have completed their work.
Turns discussion over to Hector Ordoñez, Finance Director to talk about how the revenues and expenditures performed, and NCRTD reserve balances.

Hector Ordoñez states that the financial audit is complete and are awaiting the final auditor financial reports. Expresses that the numbers being presented, though not final, should not change significantly.

Explains there is another Governmental Accounting Standards Board (GASB) direction that might throw us for a loop; last year it was the PERA reclassification, this year it is the retiree healthcare. The auditors say this shouldn’t affect us significantly; possibly $90,000.00; it shouldn’t be as dramatic as the PERA adjustment.

Discussion about negative adjustment because of PERA ensues between Leandro Cordova and Hector Ordoñez.

Hector Ordonez, explains that there are financial reporting adjustments reflected on the audited financial statements that are not a true reflection of where we are; that GASB requires us to be conservative and take into consideration liabilities that we may never incur.

Leandro Cordova: But you’re comfortable with cash? Your cash numbers are good?

Hector Ordoñez: When it comes to expenses and revenues, these numbers shouldn’t change.

Antonio Maggiore: I think it’s great, another year not using cash balance.

Hector Ordoñez: We’re going to talk about the reason why we didn’t use cash balances, and when we think we’re going to be using them, and how that will affect the reserve fund balance we talked about when last year’s budget was adopted.

The intent of this review is to appraise the Board of the result of the fiscal year, and start preparing for the 2020 budget.

Hector Ordonez, moves on to overall revenues and expenditures for the year.

Hector Ordonez, presents actual Revenues; Projected Fund Balance; Revenue by Sources; GRT (budgeted at $7,222,500, with year-end total surplus of $840,603; GRT revenues exceeded more than budgeted for).

Leandro Cordova: Looks like a highwater mark for you, probably the highest you ever brought in on GRT. Or do you recall better years?


Antonio Maggiore: Most of the drop is attributed to Los Alamos National Laboratories, because they fluctuate so much?

Anthony J. Mortillaro: What’s nice about this economic county diversity is that Santa Fe County’s economic performance has picked up the slack.
Hector Ordoñez: Moves on to Federal Grants. Received $3,128,009; $298,000 less than budgeted, which is mostly to do with capital projects that did not materialize.

Anthony J. Mortillaro: It’s our 5307 money and the reason we changed that was we didn’t want to get tagged to do a triennial review for $97,000. We made some changes with the State, so they would be the entity receiving it, drawing it down and reimbursing us.

Leandro Cordova: With most Federal Grants, you may not experience revenue, but you also won’t experience expense.

Anthony J. Mortillaro: We’re not losing the grant . . .

Hector Ordoñez: We’re carrying it over. 5311c, member contributions. Budgeted $605,829, received $173,602, due to only being able to close on a couple of 5311c grants

Anthony J. Mortillaro: The “c” behind the 5311 always indicates tribal funding.

Hector Ordoñez: Explains difference between what was received and the budgeted amount, and that NCRTD will be getting this funding in 2019.

Goes on to Miscellaneous Revenue; GRT by Month (received $8,063,103, budgeted $7,227,500; about $494,000 more than prior year, about $840,000 more than we budgeted). Examines this by County.

Los Alamos County, budgeted $1,355,000, received $1,728,000; $374,000 more than budgeted, $226,000 more than prior year.

Rio Arriba County, budgeted $575,000, received $507,711. Received about $67,000 less than budgeted and about $8,000 less than the prior year.

Leandro Cordova: Speculates that the hospital in Santa Fe will probably hurt Rio Arriba County in the short term.

Hector Ordoñez: Santa Fe County, received $4,916,102, budgeted $4,400,000. Increase of $516,000 from what was budgeted and about $325,000 more than the prior year.

Taos County, received $910,400, $18,000 more than budgeted, about $47,000 less than prior year.

Antonio Maggiore: That’s mostly due to The Blake.

Leandro Cordova: The prior year was a high-water mark for some of those big projects like The Blake, the airport construction, Chevron environmental cleanup. Last year we didn’t have those projects and we didn’t have snow, I’m glad that it’s up at all; that you beat budget.

Hector Ordoñez: Moves on to Grant Revenue; Variances. Subject of salaries and overtime due to short staff prompts discussion.
Leandro Cordova: How’s overtime now? Have you been able to staff up?

Hector Ordoñez: Lists staffing factors pertaining to overtime issue.

Discussion ensues about the difficulty of keeping a full staff between Anthony Mortillaro, Leandro Cordova and Hector Ordoñez. Anthony Mortillaro mentions authorizing Human Resources and Operations to over-hire in order to mitigate the problem of overtime.

Hector Ordoñez: Moves on to GRT Contributions; Expenditures by Month; Administrative Expenses; Operating Expenses; Capital Expenses.

Antonio Maggiore: Regarding the increase in operating expense (increased $420,000 from previous year), as the system grows, we should expect it to cost more to run.

Anthony J. Mortillaro: Is the payment to our regional partners in the operating budget as well? With the Rail Runner, we have that extra money which also drives it up.

Agreement from Antonio Maggiore and Hector Ordoñez.

Hector Ordoñez: Delilah Garcia and I were talking about reclassifying that money to reflect Operating more accurately.

Anthony J. Mortillaro: It’s more contractual in nature which makes it more of an Administrative expense. My concern is when the general public sees “Admin,” they think the money is going to the people at the top of the organization, so where do you put it that it doesn’t cause perception issues?

Hector Ordoñez: I’ll talk to the auditor and see if we can tweak the financial statements, so they show it’s a non-operating expense because it’s neither part of Operations nor Administrative; maybe create a non-operating expense revenue line item.

Ed Moreno: Like a pass-through.

Antonio Maggiore: Or revenue sharing.

Hector Ordoñez: It’s not really a pass-through which is when you receive a grant of $2,000,000 on behalf of another entity and but you have to pass it forward.

Conversation ensues regarding grant money.

Hector Ordoñez: Wraps up. Any other questions, concerns or recommendations for the presentation to the full Board?

Leandro Cordova: Move to pass it on to the full Board.

Antonio Maggiore: Second.

Ed Moreno: All in favor say ‘aye.’
Unanimous ‘ayes,’ motion passes.

*Anthony J. Mortillaro:* I’m going to go get Peter for these next couple of items.

**D. Board Meeting Procedures**

*Ed Moreno:* We’re onto item D.

*Peter Dwyer, Legal Counsel:* The first item I’m here for is consideration or revision of Procedural Rules for the Board.

Rules were adopted in 2011, were principally drafted by then Los Alamos County Councilor Wismer, are modeled largely on procedures followed in Los Alamos County. Rules didn’t get a lot of scrutiny by the NCRTD staff at that time and haven’t really been considered since. Felt there were several issues that should be raised with Chair Barrone, did so with Anthony Mortillaro, and pointed out issues that might come up at a Board meeting. Felt that since the Board is currently unanimous and undivided, it is a good time to consider procedural rules and possible changes.

Focuses on highlighted text starting on page 23 (of Agenda), but first reviews the Executive Summary.

*Goes point by point through 9 points in summary.*

Feels point 2, requiring a majority of both voting members and voting units requires clarification, expanding on the points in the paragraph dedicated to this in the Executive Summary.

Discussion between *Anthony J. Mortillaro, Executive Director* and *Peter Dwyer* ensues regarding Members’ concern about the dilution of voting units when new members are added.

*Ed Moreno:* Enquired if members of all constituencies within the District wanted to be on the Board, how many would there be.

*Anthony J. Mortillaro:* Replied there could be 22 Board members total. Taos Ski Valley has requested to join, then there is Questa, Red River, Picuris, Taos Pueblo and Jicarilla Apache Nation. Pointed out that Questa might request to join because their new Village Councilor, Charlie Gonzalez used to be a County Commissioner and sat on the Board, so he’s familiar with it.

*Peter Dwyer:* Moves on. Addresses point 3 of the Executive Summary regarding the broad discretion the Chair has to run the Board. Points out the only way to reverse the chair is through a majority vote of the Board.

Point 4, allowing public comment on every item; NCRTD does not do that, this came from Los Alamos County which encourages active public participation. Recommends removing from the rules and changing it to allow a public comment section at the beginning, and at the Chair’s discretion.
Discussion ensues regarding how to handle public comment. Suggestion include allowing public comment at the beginning and the end of the session, and during public hearings, and public comment at the beginning and discretion of the Chair.

Peter Dwyer: Acknowledges there needs to be a flexibility and balance depending on the situation although current rules say the Chair can limit peoples time as much as he wants.

Further conversation follows.

Peter Dwyer: Summarizes that the direction is beginning and end and then at the Chair’s discretion.

Peter Dwyer: Item 5, voice votes can be used instead of Roll Call. If it’s an important matter and if there’s divisiveness and multiple different opinions, then it’s better to do the Roll Call, but when it’s mostly 14-to-nothing votes, we might want to do general acclamation.

Ed Moreno: Have a motion to have acclamation.

Peter Dwyer: That might help, but it would have to come from the Chair. Under the current rules, the Chair decides what kind of vote it’s going to be. Or we could change the rule and say to allow members ask that the motion be heard by general acclamation or voice vote, which I am not proposing we do.

Antonio Maggiore: I think we just leave it at the Chair’s option.

Peter Dwyer: Would like to delete provision that says Board can suspend the rules (Executive Summary, point 7); if you can suspend rules, then basically you don’t have rules.

Antonio Maggiore: The only time we suspend or amend our rules is if we must act on something during a work session.

Peter Dwyer: I would rather have clear rules and just follow them.

The abstention rule (#8, Executive Summary) says the abstainer does not count toward the tally of votes and voting units but this rule conflicts with the various rules about what constitutes a “simple majority” and presents myriad problems. Because our abstention rule subtracts you from the membership number, thus effecting the simple majority and voting units rules, which remain in place with the lesser number of members. It muddies the waters.

Discussion ensues proving issue is a confusing one.

Peter Dwyer: Explains the recommendation is have it (the vote) be either a yes or a no, with an abstention meaning you go with the majority, or they say it’s an automatic no vote. People often abstain for ethical or other important reasons; they don’t feel that they’re able to make a decision or like in the case of a Pueblo that they don’t have the authority to support the decision because they feel they must go back to their entity for guidance.

Anthony J. Mortillaro: If the rule is the abstention is a yes vote, it makes people think really carefully about whether they want to abstain or not. It seems that abstention as a no vote is much
easier to do than one that goes with the majority, because you put yourself in a position where you might have to do some explaining.

Leandro Cordova: I agree because a lot of times it’s because you feel conflict or don’t want to be put on the spot, but it works against your stance if the abstention is counted as a yes. It also doesn’t seem fair if you have quorum and one abstaining vote causes the item to be thrown out because of lack of quorum.

Peter Dwyer: The other thing to consider is to only allow people to abstain in cases where is an ethical issue or they question their own authority to vote on the matter, so they can’t use abstentions extensively to halt the process.

The problem is there is no one answer, and people believe that there is, so the best thing to do is to have a clear rule one way or the other.

My recommendation would be to tell people they can only abstain if they have an ethical issue, otherwise they have an obligation to vote. If they abstain, I would go with concurrence by the majority; it seems to be the one that allows the rest of the body to do business.

It is important to note that the Chair or Vice-Chair must be present for us to have a meeting (Executive Summary #9), so if both are absent, we can’t have a meeting. We can change that if you want, but it’s never been a problem.

Anthony J. Mortillaro: I think our By Laws state that if neither one of them are there, defaults to the Secretary Treasurer.

Peter Dwyer: The rules say you must have the Chair or the Vice Chair. We can change it if we want to.

Do you want to change it or leave it the same?

Anthony J. Mortillaro: Add Secretary Treasurer to it.

Leandro Cordova: I think Secretary Treasurer, but I would be uncomfortable if I were forced to lead a meeting as the Director.

Antonio Maggiore: I would say Secretary Treasurer.

Peter Dwyer: I’ll add that to the list.

Anthony J. Mortillaro: I don’t think we’ve ever had a meeting where we didn’t have at least one of them there.

Ed Moreno: Could the Board, if there were no majority, would it be possible to appoint a subcommittee?

Peter Dwyer: Without the procedural meeting the requirements for holding a meeting, you can’t take any action at all, the only motion that is appropriate is to adjourn and that is the only action you can take.
Anthony J. Mortillaro: At least twice we didn’t have a quorum, so we just did presentations. We didn’t call the meeting to order, there’s no minutes, we just did presentations to make use of everyone’s time. And usually if Dan has a conflict and can’t attend, he’ll let me know and ask me to call the Vice Chair and make sure the Vice Chair is going to be there and the Secretary Treasurer, if the Vice Chair had a conflict too.

Peter Dwyer: I’ll take it as your direction to add one to the list.

We already talked about the voting units and total numbers and I don’t know what your guidance is on that. Do you want to take that up or leave it alone? The potential change to the Intergovernmental Contract to clarify that it requires both a vote of the total membership and the majority of voting units. We could make those clarifications if you wanted or we could just let it be the way it is and interpret the rule the way we do right now.

Ed Moreno: Has there ever been a case where you had to go into the fractions of voting units in order to conduct business.?

Anthony J. Mortillaro: The only time we had to do the calculations was a year or two ago when we had two individuals that were vying for Vice Chair.

Peter Dwyer points out that there isn’t a clear rule on the election of Officers and that within that subject, the way this has been handled has not been consistent.

Discussion follows examining different scenarios demonstrating that the rules as they are now could lead to an impasse.

Peter Dwyer suggests there should be some kind of rule about how to narrow the field of candidates when a position on the Board becomes available and numerous potential candidates vie for that position.

Anthony J. Mortillaro says this can be addressed in a bylaws update, which won’t require everyone’s signature, thus circumventing delays.

Peter Dwyer: The tiers of importance are State Statute, Intergovernmental Contract, Bylaws and then these Procedural Rules. Being the lowest on the list, they’re the easiest to change; you can make them in accord with bylaws and IGC without causing waves.

Proceeds through highlighted items in Analysis section of Summary of NCRTD Board Procedural Rules (pp 23-36).

Regarding Article V, point 7., the Chair, the Motion Maker or the Stenographer repeats the motion for clarity; requests deletion because it never occurs.

Consent from Ed Moreno and Antonio Maggiore.

Peter Dwyer: Article V, 10, “The Chairs asks the Clerk;” wants to change “Clerk” to staff member.
Consent from Anthony J. Mortillaro, Antonio Maggiore and Ed Moreno.

Peter Dwyer: ‘10’ changed to “Designated Staff Member” after brief discussion.

Wants to delete “Chair announces the tally of votes by directors and identifies by name each dissenting vote” because it is potentially humiliating; it seems unnecessary and unduly harsh.

Antonio Maggiore agrees.

Peter Dwyer: We already discussed Voice and Roll Call (page 25) which we are leaving the way it is for now.

Article IX, the Chair seeks a second immediately after the motion’s been called. Ideally, the first thing you do is get a motion on the table if it’s going to be divisive at all, then see if there’s a second which cuts off all debate. The other thing about getting a motion on the table immediately is you’re supposed to be debating the motion, not the topic. Do you want to leave it the way it is which is basically that the Chair is supposed to immediately seek a second before continuing?

Ed Moreno: You ask for a second and that’s it, right now.

Leandro Cordova: Any further debate, then if none, call for the vote is how it seems to work.

Antonio Maggiore: If it’s a controversial issue, someone can make a substitute motion; if there’s enough consensus for a second on the substitute, the way our council rules are, if someone makes a substitute motion, you must vote whether the substitute motion is now the motion on the floor; to confirm it being the motion. It’s not that the substitute motion automatically eclipses, it’s got to get confirmed as eclipsing the primary motion.

Leandro Cordova: What our Chairman does is call for a vote on the original motion, if the substitute is agreed upon by everyone, then the vote dies. They usually don’t vote on the original if they want the substitute, then it (the original motion) is off the table, then the second motion is made. Or I’ve seen the request of friendly amendment if it’s a simple change, but if it gets debated and is a big deal, our Chair will let the vote happen and die.

Peter Dwyer: I’m open to whatever you think is best, we do have occasional friendly amendments, but we don’t have a lot of problems with substitute motions. Do you want to leave it the way it is?

Leandro Cordova: I don’t think it’s a problem.

Peter Dwyer: Then leave it the way it is.

Objects to “Motion to Object to consideration of an item” because it is non-debatable and precludes the Board from even considering an item on the agenda. Do you want a rule where you can strike things off the agenda so it can’t even be discussed?

Ed Moreno: That would be rare, but there should be a pre-meeting about what’s on the agenda, or if a member has a problem with it, they should approach the Chair.
Peter Dwyer: That’s what our current practice is. If the Chair says no, then they’re entitled to raise it at the meeting and say they want it on the following agenda and are entitled to have it so; all this really does is delay the item 30 days.

Antonio Maggiore: How is the motion to object consideration of an item?

Peter Dwyer: I don’t’ understand what this is about, I don’t know why it’s a rule because it seems very unfair to me; it’s not debatable and it precludes you from even discussing an item.

Antonio Maggiore: I don’t like it.

Peter Dwyer: I would suggest striking it. Let there be a debate and have people discuss the pros and cons of the item.

Antonio Maggiore: A motion to table.

Peter Dwyer: Technically, people call it a motion to table but that’s really a motion to postpone, and the difference is a motion to table is non-debatable as well. That’s why a tabling motion is used to punt something within a meeting agenda because you have other more pressing matters, or a key person is not in the room. Whereas a motion to postpone is very substantive because fundamentally, you can be killing an agenda item by postponing something indefinitely.

Ed Moreno: Those are the final words when the legislature ends their session for the day. Everything that’s left on the Speakers table is postponed indefinitely.

Peter Dwyer: If there’s no objection, I’m going to get rid of that rule.

Ed Moreno: Good.

Peter Dwyer: There is no rule regarding the vote on Officers. We’ve had some issues about that, I think we’ve decided not to take any action at this time, is that correct?

Antonio Maggiore: Yes.

Anthony J. Mortillaro: Yes.

Peter Dwyer: That will be an issue again in 2020, our next election of officers.

We’ve talked about a Motion to Suspend the Rules, do you want to leave it in for the limited purposes of procedural stuff and not substantive?

Antonio Maggiore: Objects to the phrase “a Motion to Suspend the Rules can obviate all the rules . . .” (p26).

Peter Dwyer: Those are my words. The words of the rule are that basically there is such a thing, that it is permitted, which to me means you no longer have rules at that point in time.
Antonio Maggiore thinks it should only be allowed for procedural things but doesn’t think it applies to the NCRTD Board’s format.

Peter Dwyer: My concern would be if someone didn’t like the rules, especially if they didn’t like the way the Chair was conducting the meeting, it would be an appropriate motion to suspend the rules, leading to a free-for-all. My recommendation would be this only be used for procedural reasons, so it’s clear that you can’t negate all the rules, you can just suspend them briefly.

Ed Moreno: Those things tend to be clarification of when are we going to be voting on this, or maybe an adjustment in the agenda.

Peter Dwyer: I’ll put in a clarifying comment saying they can be used to adjust procedural conduct within a meeting but that fundamentally they can’t obviate the entire system of rules.

We have a rule that says a motion to reconsider can only be made by a person who voted in the majority.

Antonio Maggiore: If Wizmer put these rules together, that’s one from Los Alamos.

Ed Moreno: That’s the “Oops” provision, where you can do it within the same meeting.

Antonio Maggiore: If people had voted in the minority, it doesn’t work.

Peter Dwyer: Because at that point, they can just keep bringing up the same issue repeatedly.

Antonio Maggiore: You really want reconsideration to only be done by people who voted in the affirmative.

Peter Dwyer: My concern is what do you want to do for ties, because there is nobody voting for a majority in a tie?

Anthony J. Mortillaro: It depends on the voting units.

Peter Dwyer: But if there is a tie, it’s obviously a hotly contested issue. Normally what I would say as your council at your meeting is, the motion fails, the issue is resolved, we move onto the next item in the agenda. But a lot of people would be very dissatisfied with that.

Antonio Maggiore: Why don’t you say a motion to reconsider can only be made by a person who voted in the majority, and in the case of a tie vote, the issue is automatically brought back at the following meeting?

Peter Dwyer: But that can keep it going on agenda after agenda for years.

Leandro Cordova: Can you limit that to one or two times?

Anthony J. Mortillaro: It depends on the voting units of the five. You can have a tie because five members on each side voted a certain way, but when you start counting those underlying votes, mathematically it might not work out as a tie.
Conversation ensues examining different scenarios of voting ties between number of members and number of voting units, using the example of 5 yes and 5 no votes.

*Peter Dwyer:* If it’s 5-5, you don’t have a majority, the voting units do not matter. Our rule is that you need a majority of both (members and voting units), and there’s nothing in the rules stating that in a tie situation, you default to voting units.

*Anthony J. Mortillaro:* But then you’re giving more weight to the member voting than to the voting units.

*Peter Dwyer:* You’re requiring both. It’s a high hurdle; you must get both a majority of members and a majority of voting units.

*Anthony J. Mortillaro:* A simple majority of the voting members and the voting units, so if you don’t have both, you lose.

*Peter Dwyer:* And then that item is basically dead, and no one can bring it back up again because of the tie. The current rule that we’re talking about is if it’s a tie, you must be in the majority to bring it back up, but if it’s a tie, no one’s in the majority.

*Ed Moreno:* But a member could put it back on the agenda for the next meeting.

*Peter Dwyer:* Disagrees. The person who was against can petition stating they won the vote because the vote failed, the motion failed, the issue is done, not to be considered again. And I would have to agree with them. That’s why I’m raising this issue, because we need a better rule.

*Anthony J. Mortillaro:* What if someone who wasn’t present at the meeting request the item be placed back on the agenda at a future meeting?

*Peter Dwyer:* The idea of the general rule that you must be on the majority is that you don’t empower the minority to continuously bring issues back up. That’s generally good, it just doesn’t work in the event of a tie. Maybe in the event of a tie it automatically comes back but only once or twice so it doesn’t keep being raised.

*Antonio Maggiore:* I would say that it shouldn’t come right back at the next meeting, that you allow a 60-day period and then it can be raised again. This allows time for reflection and discussion and doesn’t allow it to become a hot-button issue meeting after meeting.

General agreement.

*Peter Dwyer:* Wrapping up, almost done. Goes down list quickly.

What did we say we were going to do about abstention? Only unethical or a vote on the minutes.

*Anthony J. Mortillaro:* But it counts as a yes.

*Peter Dwyer:* You want it as a yes? Concurrence with the majority I think is what we talked about.
Chair’s decisions are subject to appeal is only mentioned in passing. We should clarify what we want to do here. Basically, it’s a rule about interrupting and it says The Chair’s decisions are all subject to appeal, which I presume would mean when the Chair gavels you down, you move to appeal to the full Board so you can continue speaking. Everything under our rules can be decided by the Chair and reversed by a majority vote of the Board. The only question becomes at what point does the majority vote of the Board get raised? If the Chair keeps gaveling you down and saying I’m not hearing your motion, how are you going to get your motion on the table?

*Antonio Maggiore:* You would have to have a motion to remove power from the Chair.

*Peter Dwyer:* The question is just procedurally how do you seize the power from the Chair to get that motion on the table? Maybe a motion should be defined as it takes precedence over all others. That a motion to overrule a decision of the Chair takes precedent over all other motions and cannot be gaveled down.

We’re done.

*Anthony J. Mortillaro:* All we need is a general motion to present these modifications to the Board at their November 2nd meeting.

*Peter Dwyer:* Do you want them for discussion or approval? We can do either or both.

*Antonio Maggiore:* Let’s bring it for discussion.

*Leandro Cordova:* I’ll second that.

*Ed Moreno:* Motion to show the proposed Board Meeting procedure changes for discussion.

*Antonio Maggiore:* Show the proposed Board Meeting procedure changes for discussion at the next meeting and then we can reconsider at the end of November and incorporate any suggested changes from the Board.

*Peter Dwyer:* It is listed as an action item at present, do you want us to move it or do you want to leave it as a potential action item?

*Leandro Cordova:* From our discussion here, I didn’t think it would be as long and insightful as it is, I imagine the full Board will have something to say.

*Anthony J. Mortillaro:* It’s complex, there’s a lot to think about.

*Peter Dwyer:* As I said at the inception, it’s good time to be talking about it now, because the bad time to be talking about this thing is when two different people are interpreting it differently and it causes friction.

*Ed Moreno:* Can I have the motion?

*Anthony J. Mortillaro:* Motion for discussion at the November 2nd meeting by Antonio; second Leandro.
Ed Moreno: All in favor say “Aye.”

Unanimous ayes.

E. Code of Conduct

Anthony J. Mortillaro, Executive Director, we had a staff meeting on this and it went maybe an hour and a half or two hours at the Staff level. It starts on page 36 of your packet.

Peter Dwyer, Legal Counsel, the Governmental Conduct Act regulates not only my conduct as a public employee but yours as an official. That applies to Leandro in his capacity as a County Manager, and also Leandro in his capacity as a Board member here.

Constitutional Amendment Number Two is on the ballot and that would basically create an agency that would implement this law. It’s an ethics law that applies broadly to all public servants in New Mexico, both officials and employees, because that law is extremely likely to pass, I thought it a good time to adopt a Code of Conduct. One alternative in my staff memo to the Board is not to adopt a code of conduct and just go with the law, but the laws are many (gift act, code of conduct laws, specific statute for conflicts of interest, among others); a lot of different laws but no set of uniform principals. A code of conduct would be a good idea, but it is extremely controversial. The legislature took ten or twelve tries to come up with this constitutional question on the ballot because they were unwilling to impose a code of conduct and ethical standards on themselves that might be used politically against each other. The fear is that these things will be abused, not used, which is why an independent agency was created.

Code of conduct is required of the Governmental Conduct Act for the Governor’s office and the legislature and certain other bodies, but it’s not required for the RTD and entities like us. We’re covered by the Act, but we’re not required to have a code of conduct.

Leandro Cordova: My question is how do you enforce it? Typically, it just makes the fight more intense.

Peter Dwyer: The enforcement I’m proposing in the last section, page 46 of the packet, the sanctions for employees would be under the Personnel rules, it would be Tony’s obligation to enforce it, or the collective bargaining agreement if it’s covered by that, and officers can be sanctioned only by the Board. Officer violations of conflicts of interest would be separate because they’re enforced by the Attorney General’s office. And, this new body if brought into power would have general authority over both of us. They would enforce the Governmental Conduct Act’s provisions against us as employees or you as Board members, regardless of what we say. Basically, we don’t have jurisdiction to tell them no. But they might consider enforcing our own code of conduct against us.

I talked to the Secretary of State’s office, they’re the ones who are responsible for the Governmental Conduct Act at present. Their word to me is they do not do any proactive enforcement, they just take cases on a referral basis.
After discussion of possible Code of Conduct scenarios, Leandro Cordova expressed that maybe no action should be taken until Constitutional Amendment Number 2 was voted on, stating that enforcement is the hard part, and controversial as well.

*Peter Dwyer:* This is on the Board agenda as a non-action item, it’s potentially not going to be adopted at the upcoming meeting because it’s understood that these are difficult issues.

*Anthony J. Mortillaro:* Agrees with Leandro to wait and see what happens at the election.

Further discussion takes place regarding the merits of a code of conduct policy, to whom it should apply, the potential problem of it being used politically to smear an opponent.

After further dialog as to whether to continue discussion of this subject, it is decided that Peter Dwyer will give a quick overview at the November Board meeting, with a more thorough discussion planned for a later date.

*Peter Dwyer:* We currently have a series of rules including professional standards and values. We do site those in our disciplinary action and both Tony and Dora are serious about them, thought we don’t have a real Code of Conduct. Let’s just hit the high points; starting at page 38.

Skips the first sections that are preparatory remarks, skips prescribed employee conduct as there’s nothing controversial there.

Goes quickly point-by-point through memo. Solicitation and gambling policy generates animated discussion. Expands on weapons, respecting personal property and Second Amendment rights.

*Antonio Maggiore:* (re: 13.0 Weapons) Makes the point that the phrase “district property” is vague, doesn’t want District bus drivers armed, and feels any guns on buses should be with public safety officers or security personnel; contracted security officers from a firm are background-checked and bonded. By allowing our drivers to be armed, we are exposing ourselves to a much higher risk which is not something I would support.

*Peter Dwyer:* You would want a rule that prohibits employees who are not security-related from carrying arms, other than in their cars?

*Antonio Maggiore:* Referring to the line “the weapon will be securely stored (in the persons vehicle or otherwise);” where will the weapon be securely stored on a bus?

*Anthony J. Mortillaro:* This wouldn’t allow them to have a weapon.

*Peter Dwyer:* It doesn’t say that. They basically have to disclose to you (Tony) and you would have to okay it. But if they came to you about conceal carry, it would be permissible under this rule.

*Antonio Maggiore:* I would interpret district property to include buses.

*Peter Dwyer:* Some employees have pushed back that their cars are private property even though they are parking on district property, and we’ve had to disagree.
Antonio Maggiore: I’m okay with an armed security person on a bus. Getting onto a bus and noticing the driver is armed, is a different cognitive element. It feels intimidating and the purpose of public transit is safety, accessibility to everyone, not even creating the slightest perception that the driver might pose a risk.

Leandro Cordova: What’s the restriction on passengers?

Peter Dwyer: Our rider policy states passengers are not allowed to board with any weapons at all. Mentions that during a Renaissance Fair, swords had to be secured with zip ties because of the no weapon policy.

Antonio Maggiore: Restates that weapons should not be allowed on buses unless it’s a public safety or security officer. We make that expectation of our riders, I think we should hold our drivers to the same expectation.

Peter Dwyer: Resumes with Gifts and Favors; reads through list, some discussion, no objections.

Reads through Conflicts of Interest, some discussion, no objections.

Reads through Political Activity, little discussion, no objections.

Reads through Solicitations, Travel, Confidentiality, Books and Records and Outside Employment, very few comments, no objections.

Hiring and Contracting Employees and Officers (item 23, p45).

Anthony J. Mortillaro: Directs attention to first sentence in item 23, “The District may consider applications from existing and former Officers but shall not hire as an Employee any sitting Board Member.”

Peter Dwyer mentions the retention of former Chair Rosemary Romero who was hired as a subcontractor. Discussion reveals she was hired indirectly by the contractor. Mr. Dwyer concludes that there was nothing inappropriate about the matter, points out that what would not be okay is if a former Board Member was hired for something they substantially acted on when they acted as a Board member or a staffer, and now are going to make money in their post-Board member/staff member career as a direct consequence

Mr. Mortillaro again brings up not being able to hire sitting Board Members, Mr. Dwyer points out that would lead to a dysfunctional situation with the Executive Director supervising a Board Member who has the power to vote on his contract.

Leandro Cordova: What about a designee?

Peter Dwyer: The rule as proposed would be no current members, the tough issue is the former, where there might be a one-year grace period before you could work with us.
Leandro Cordova: It is pretty well written, I don’t think there is a problem with it as written, the issue is a little tough.

Anthony J. Mortillaro: I believe you want us to bring this back to the Finance Committee in November and then sometime after that, to the Board.

Leandro Cordova: I’ll make that motion then.

Antonio Maggiore: Second.

Ed Moreno: All in favor say “aye.”

Unanimous ayes.

Ed Moreno: Carries.

Anthony J. Mortillaro: Then we just need the minutes approved.

Ed Moreno: Anybody have comments or corrections?

Antonio Maggiore: Given the amount of discussion that was going on during this meeting, I think the minutes are pretty good. There’s the occasional spot maybe where a question mark is missing and things like that, but I think they’re fine to approve.

Anthony J. Mortillaro: Delfina left these and she got the bulk of them, but I had to go back through them, and I wasn’t present at the meeting so I had to make some guesses as to what was being discussed, part of that reflects the best I could do in terms of these minutes.

Antonio Maggiore: Move to approve.

Leandro Cordova: Second.

Ed Moreno: All in favor.

Unanimous ayes.

Ed Moreno: Anything else?

Anthony J. Mortillaro: Normally your next Finance Subcommittee meeting would be on November 23rd, but that’s the day after Thanksgiving, so we would like to move it to November 30th.

All agree.

MATTERS FROM THE SUBCOMMITTEE

Mr. Cordova asks to raise two issues.
One is that he wanted everyone to be aware that the Executive Director and Board Members of PERA were conducting roadshows to get feedback on member priorities. That because of the timing of these events, they have been dominated by retirees, who have the time to attend such events, who are advocating for Cost of Living Adjustment (COLA), which, although should be a consideration, but without commensurate funding, could dry out the fund by 2046.

The concern is that this effects the hiring of young people who won’t see the point in funding someone else’s retirement if there will be nothing for them. Points out this affects a manager’s ability to hire and retain and expresses the hope that managers will encourage their employees to attend the PERA roadshows to advocate for people currently in, and now entering the workforce.

The other issue is that Mr. Cordova was approached by both the Superintendent of Schools in Peñasco and a Board Member of the Questa School Board who both inquired into the NCRTD providing transportation for schools.

The matter is discussed. Mr. Dwyer points out it is illegal for the NCRTD to provide school bus service, although as a general service, kids of a certain age can ride. Mr. Mortillaro believes there is a provision stating school service can be provided as a contractor; needs to look into it. Mr. Dwyer feels School Boards can be very political and thinks the NCRTD should not get involved.

Mr. Cordova mentions that many School Boards have been moving away from contracted service and are in the process of bringing busing in-house, without realizing what they were getting into, and not knowing the ins and outs of transportation, not to mention the difficulty in finding drivers. States that he thought some brainstorming was in order because the issue is likely to eventually make it to the NCRTD Board if these questions are being raised at the County level; that he wanted to give the Finance Subcommittee a heads up.

Mr. Cordova thanks the other Members for listening and wraps it up and the subject conversation winds down with a discussion of the difficulty of keeping employees when there is no budget for raises and there are issues with benefits (PERA).

Conversation turns to economic considerations of emergency workers between Los Alamos and Taos Counties and wraps up.

ADJOURN

Antonio Maggiore: Move to adjourn.

Leandro Cordova: Second.

Ed Moreno: All in favor?

Unanimous ayes.

Ed Moreno: Meeting adjourned.

NEXT FINANCE SUBCOMMITTEE MEETING: Friday, November 30, 2018
If you are an individual with a disability 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
FINANCE SUBCOMMITTEE

Friday, November 30, 2018
9:00 A.M. - 11:00 A.M.

Executive Conference Room
1327 N. Riverside Drive
Española, NM 87532

Board Members Present: Leandro Cordova, Taos County; Antonio Maggiore, Los Alamos County; Commissioner Ed Moreno, Santa Fe County

Staff Present: Anthony Mortillaro, Executive Director; Hector Ordoñez, Finance Director; Peter Dwyer, Legal Counsel

Absent: Commissioner Danny Garcia, Rio Arriba County; Lillian Garcia, Pueblo of San Ildefonso

Transcribed By: Stephen Dahlquist, Executive Assistant

CALL TO ORDER: Ed Moreno

ROLL CALL: Anthony J. Mortillaro

ITEMS FOR DISCUSSION/RECOMMENDATION

Anthony J. Mortillaro announces first Agenda item (Audit Exit Conference), asks Board to make a motion to adjourn to closed session as information is not yet public and has not yet been submitted to the State Auditor’s Office. Requests motion to go into closed session.

Chair Moreno calls for a motion, Antonio Maggiore moves to go into closed session, Leandro Cordova seconds, motion passes unanimously. Meeting goes into closed session, recorder is switched off.

A. Audit Exit Conference – Closed Session

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

Reconvene in Open Session: Possible action item(s) from closed session.
B. Board Meeting Procedures

Mr. Mortillaro asks the Chairman to take a vote to reconvene into open session (motion and vote), with a statement that no action was taken during closed session.

Chair Moreno calls for a motion, Mr. Maggiore moves to come out of closed session, Mr. Cordova seconds, motion passes unanimously.

Mr. Dwyer makes the following statement: “Have the record reflect that no action was taken in closed session and that the discussion was limited to the topics listed on the Agenda. I’ll note that for the record.”

Mr. Mortillaro discloses to the Board that he had sent the Financial Subcommittee Board Packet to Councilor Carol Romero-Wirth and invited her to the meeting but hadn’t heard back from her. Chair Moreno mentions that she had spoken with him the night before, states she had one issue, which was that absentees don’t count. Mr. Mortillaro suggests waiting for that item to come up to further discuss, Chair Moreno agrees.

Mr. Dwyer prepared a ten-page memo on abstentions as a result of being instructed to clarify this matter at November 2 Board Meeting. Proceeds to go point-by-point through the memo.

The topic of abstention is not clear-cut. Because there is open to interpretation different entities apply different rules to the act of abstention. Definitions are not uniform, are often misunderstood, and many jurisdictions do not even have rules on abstention. The tendency is to fall back on Robert’s Rules of Order, but legal experts say they are incorrect and that abstaining from a vote is not necessarily an impartial act. The Black Law definition of abstention is essentially withholding a vote. Then there is recusal, which is generally interpreted as abstaining in the context of an ethical dilemma or conflict of interest. Finally, there are excusals, which seek the approval of the majority to excuse a member from the need to vote. The concept of whether a member is required to vote or not did not meet with general approval at the Board level, citing example of Councilor Romero-Wirth who felt a Board member should not be required to vote, and should have the right to abstain. It is up to the Board to decide if they want an abstention, recusal or excusal rule.

Discusses how abstentions effect the three kinds of votes the NCRTD uses; simple majority, absolute majority and (two-thirds) super majority votes. Defines simple majority as more than half of the people present and voting, refers to example on page 4 of the packet prepared for the meeting referencing the upcoming vote to accept the Village of Taos Ski Valley onto the Board, in which a two-thirds vote is required (out of fifteen members). An initial vote of nine to six fails, six members decide to abstain (three for, three against), the new vote is six-three and the Motion passes by the two-thirds vote majority required. This demonstrates how abstention is not neutral.

Mr. Maggiore raises the issue of voting units.

Mr. Dwyer clarifies that NCRTD rules require two thirds of voting units, not of Directors; State statute requires two thirds of Directors, not voting units. Feels the best thing to do would be to require two thirds of both.
Mr. Mortillaro mentions that the statutes were written before the district was formed, then the District developed its Bylaws, Inter Governmental Contract (“IGC”) and voting mechanism, including the voting units. Believes the only time voting units needed to be counted was about two years ago during the contest for the Vice Chair.

Mr. Dwyer states that the issue of voting on Officers has not been addressed in the revised rules.

Mr. Maggiore feels non-weighted voting makes the most sense when picking a leader of a group as this affects all members regardless of voting units.

Mr. Dwyer concludes that the general understanding of abstentions is that they are neutral, but in actuality, are not; that people who think they are making a statement by abstaining, often end up supporting the proposition they are objecting to. Sites possible reasons why people abstain as not wanting something to move forward or being directed not to take a position.

Statutory Regulation (from memo). Have authority to establish voting requirements in the IGC but we still must follow the state statutes.

Statutes require super majority for acquiring property and adding new members. Through bylaws, added a few things that require two thirds – changing the bylaws, and changing the IGC. Conclusion is that wherever there is an implied two thirds majority, both members and voting units are counted.

Conflicts. Absolute majority (out of 15 members, it must be 8; as opposed to simple majority of members present and voting). Opinion is on two-thirds majority votes, to require absolute majority; one of the benefits of this is that an abstention vote becomes neutral. Absolute majority is used to get a quorum.

Reiterates that absolute majority applies to both members and voting units.

If absolute majority is not used, and members are missing on the day of an important vote, using the two-thirds majority rule means that a minority of Board members can pass an important policy; something that absolute majority rules could prevent.

District Regulations are self-imposed. In guidance for voting regulations, highest order of importance is statutes, second IGC, third bylaws, fourth, district regulations.

Voting strengths are broken down into Voting Strength of Members, Quorum, Simple Majority, Two-Thirds Vote.

Mr. Mortillaro raises the point that there are instances where only Directors and not alternates can vote.

Mr. Dwyer clarifies: two things – purchases of land and issuance of bonds; has nothing to do with majorities, but rather with whether you are an elected official. Board would need to know in advance that they are required for this type of vote. In this instance, would only be comfortable if there was an absolute majority available of elected officials.
Budget is simple majority of voting units. Mr. Mortillaro points out the District has always used both (members and voting units). Only way to change IGC is to amend and submit it to all sixteen members for approval. This is not unintentional; whoever drafted the IGC wanted the voting units to have real power and be able to defeat a simple majority of members present if necessary.

Mr. Dwyer Emphasizes that the rule is if you have the voting units, you don’t have to recognize the other directors, which will cause a lot of problems the day it is decided four people can out-rule nine.

Mr. Mortillaro mentions that there is a history document within the IGC that is a preface to section B, voting units, that talks about how they came to that conclusion, and the sense is that those agencies that had a larger population wanted to carry more weight, because their area brought more revenue to the RTD. The reason it (simple majority) is interpreted as both majority of members and voting units is to keep the peace.

Mr. Dwyer lists historic samples of instances of abstention, recusal and excusal in both the State of New Mexico, and smaller political sub-divisions therein (pp 3-6 of Abstentions memo). The NCRTD’s rule is on page 6: “Abstentions shall not be counted in the tally of the vote unless the vote requires approval based on the number of the entire body.”

Analysis of Abstentions (p6 of memo) reflects recent legal thought and analysis on the subject, acknowledging the confusing and vague nature of the subject matter.

Mr. Dwyer’s ultimate recommendation is to count abstentions proportionate to yes and no; 50% yes/50% no. One recommendation omitted from the memo was to modify the IGC to correct problems with the voting units and voting on officers. (Referring to the “Recommendations” section that concludes the ten-page Abstentions memo.)

Mr. Mortillaro agrees this omission is a good idea, the reason being that it will result in sixteen different councils debating the issue.

Mr. Dwyer concludes that the rules exist as they do because the Board didn’t want the rules by which the District runs to be changed without a strong super majority.

Everyone agrees, Mr. Maggiore reiterates that he likes the idea of an abstention being 50% yes and 50% no because it unequivocally demonstrates a Member is not voting one way or the other. Expresses curiosity as to what Councilor Romero-Wirth’s concern was.

Chair Moreno summarizes it as people who are not present do not count.

Mr. Dwyer explains that this reflects the simple majority rule, which is those present and voting, as opposed to absolute majority, so her concern is whether we use a simple or absolute majority rule. Simple is those members present and voting, excluding abstentions, although we might change that to count as 50% each way, and the absolute majority rule means it doesn’t matter if you are present.

Mr. Maggiore recommends using graphic examples when this subject is presented to the Board because of the confusing nature of the subject.
Mr. Dwyer summarizes that the problem is, there are many concepts here: absolute and simple majority, the effect and intent of an abstention, voting units versus voting members, members who are elected officials versus members who are not.

Staff recommendation of Finance Subcommittee is to split the (abstaining) votes?

Mr. Mortillaro let’s verify with Finance Subcommittee.

Mr. Cordova weighs in that not being an elected alternate, he would rather abstain. Feels this is a matter he should not be weighing in on.

The decision is made to make no recommendation and allow the full Board to decide.

Will present to the Board what was presented at Financial Subcommittee meeting with simplification and examples.

Irony of outcome of Mr. Cordova’s decision (to recuse himself from vote since he is not elected) is appreciated by Committee.

Mr. Dwyer has two other things: the issue of a tied vote, which can be simply resolved.

The current rule says that the in a motion to reconsider, the person raising the issue must be a member of the majority. The problem with this rule is that if you have a tie, you don’t have a majority. What other people do is phrase the rule differently using “prevailing side,” because when there is a tie, the side opposing prevails (because the motion doesn’t get passed). Default action on a four/four decision is that no action is taken, so the people who voted against, won. If the rule is that anybody on the prevailing side can reconsider, then you don’t have any issues with ties; a tie is a decision against the proposition.

The second issue is Motion to Reconsider. Recommendation of Finance Subcommittee was that it automatically be moved to two months after the fact. Councilor Romero-Wirth said yes to the cooling off period (of a contested issue), but no to automatically putting the item back on the Agenda in two months; she preferred having someone affirmatively raise it.

Mr. Maggiore agrees with Councilor Romero-Wirth’s stance. But wants clarification as to who can affirmatively raise it?

Mr. Dwyer states anyone on the prevailing side is what this Committee is proposing, which means if it were a tie, the “no” voters can.

Mr. Maggiore is satisfied with this and agrees with the Councilor (Romero-Wirth).

Mr. Cordova points out that sometimes Members change their minds and may not want the contested issue to be automatically raised after having time to reconsider.

Mr. Dwyer believes he already has permission to remove the provision for a contested Agenda item to automatically be put back on in two months, has to refer to notes and excuses himself for a moment. (The notes in question being a Wiki page on Motions to Reconsider from
Robert’s Rules of Order that Mr. Mortillaro took out of the official Financial Subcommittee packet.)

Mr. Cordova excuses himself in order to get to another meeting.

Mr. Dwyer returns with Wiki page document. As with Abstentions, there are no set parameters. Robert’s Rules are most familiar. Made within a limited time by someone on the prevailing side. Other people often make a distinction between a reconsideration and items that are new, but it is a fine line. Some say finality is not that important; if it’s the same issue in a different form, you can raise it as many times as you want, yet for some, finality is very important; you can’t just recharacterize an issue and raise it again. Basically, your choices are whatever you want them to be.

Discussion ensues on variances discussed in document.

Mr. Dwyer asks if the Committee wants to make a recommendation on how to treat Motions to Reconsider.

Mr. Maggiore feels it should be Motions to Reconsider through the prevailing side in a tie, which is the “no” vote, with a two-month time limited to raise the issue again.

Chair Moreno agrees.

C. Code of Conduct

Mr. Dwyer asks if Code of Conduct will be discussed at this meeting.

Mr. Mortillaro says that while Mr. Dwyer was getting the Motion to Reconsider document, he indicated to the other members that the only direction we need is whether to move the item to the Board or not, as the subject was discussed extensively at the previous Finance Subcommittee meeting.

Mr. Maggiore moves to send it to the full Board. After some discussion, it is agreed to put on January’s Board Agenda.

Mr. Dwyer mentions that there is the option to not do anything and wait to see what the State Legislature does, even though he is prepared to proceed.

Mr. Maggiore and Chair Moreno feel they can move forward regardless of what the State Legislature does; wants to bring it up for discussion.

Mr. Mortillaro reminds those present that there will not be a meeting in December and that the next Finance Subcommittee meeting will be January 25.

Mr. Maggiore asks if at the end of January both the October and November minutes will be available for approval.

Mr. Mortillaro concurs, clarifies whether the Financial Subcommittee wants the minutes to be as verbatim as they had been, offers to make them like the Board minutes which try to capture
the relevant points and the outcome. Mr. Maggiore says that would be preferable, especially since the audio recordings are kept available in the event of future questions arising as to what took place. Chair Moreno agrees.

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

Chair Ed Moreno: Shall we adjourn?

Antonio Maggiore: Move to Adjourn

Chair Moreno: Second.

All concur

NEXT FINANCE SUBCOMMITTEE MEETING: Friday, January 25, 2019

If you are an individual with a disability 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.