

VALENCIA COUNTY BOARD OF COMMISSIONERS

Regular Meeting

December 18, 2001

The Meeting was called to order by Chairman Alicia Aguilar at 4:40P.M.

PRESENT	ABSENT
Alicia Aguilar, Chairman	
Aurelio H. Padilla, Vice-Chairman	
S. T. Frank Pando, Member	
Gary Daves, Member	
Helen Baca, Member	
James Fernandez, County Manager	
Thomas Garde, County Attorney	
Tina Gallegos, County Clerk	
Press and Public	

Public Workshop for Budget Issues

Commission Chair Aguilar welcomed Jeff Condrey and Darlene Marez from the Department of Finance & Administration (DFA) and State Auditor Domingo Martinez.

Commission Chair Aguilar asked Attorney Tom Garde if the Commission is within its legality as far as going into executive session and having discussions to allow these individuals to be present. Mr. Garde said that under the Open Meetings Act, the Commission could go into closed session with regards to pending litigation or litigation they may anticipate with regards to prorated shares of existing contracts. Mr. Garde said those are issues the Commission needs to be aware of, and that they have options to. The other concern Mr. Garde had with regards to the Open Meetings Act is that the Commission is not allowed to discuss budgetary impacts with regards to the budget but they can discuss the affect that lay offs may have with regards to the ordinance and any potential litigation they have coming from employees as a result of failure to comply with the reduction or ordinance. Commission Chair Aguilar asked if it is okay to discuss the concerns. Mr. Garde said as long as they keep within those parameters. Commission Chair Aguilar said that whatever gets discussed has to be disclosed in an open meeting anyway. Mr. Garde agreed. Commissioner Pando said he feels uncomfortable having executive session only with the Commission and feels the other elected officials should participate in this discussion. Commissioner Daves said the Commission can take some steps that are needed because of the budget problem and he understood that there might be some action related to that. He also said he doesn't know what can be discussed in executive session with regard to steps to take to deal with the budget problem without really discussing, in some detail, the budget problem and approaches that might be taken. Commissioner Daves asked for a reiteration of what will be discussed in executive session and he also believes that the other elected officials should be present. Commission Chair Aguilar understood that when Mr. Condrey sent a memo with the concerns and recommendations, he suggested that they wanted to meet with the Commission in a closed session. Commission Chair Aguilar was not sure if that was possible and she shared this with County Manager James Fernandez and Administrative Assistant to the County Manager Monica Mireles. Commission Chair Aguilar said she asked Ms. Mireles that when it was advertised, to make sure it was advertised as such, and also to check with Mr. Garde to make sure there were no complications. Commission Chair Aguilar said she feels comfortable leaving this meeting open. Commission Chair Aguilar said the Commission could go into executive session for personnel matters later and consider this portion the workshop with DFA. Commissioner Daves thought that would be more appropriate. Commission Chair Aguilar feels this would be a much more productive meeting and that people will know the truth.

Commission Chair Aguilar told the public that what brought the Commission here is the approval of the budget that was done and DFA at that time mentioned to the Commission that they had to have 2/12 by June 30, 2002, that was statutorily required. Commission Chair Aguilar said that there were some recommendations and discussions that DFA had with Administration at that time. Commission Chair Aguilar asked Mr. Condrey and Ms. Marez if there were any recommendations given to Valencia County at that time. Commission Chair Aguilar said there was a letter a month ago indicating to the Commission that they were to look seriously at the budget and not pay for any non-essentials and there was a letter that came last week that identified the concern of the County's financial stability in the future and DFA made some recommendations. Mr. Fernandez asked if the Commission has to approve what DFA is going to be dealing with first and vote on that. Mr. Garde said they are presenting a workshop. Commission Chair Aguilar asked for a motion to discuss the budget and to discuss the issues with DFA, the Commissioners, and the Elected Officials. Commissioner Pando made a motion to that. Commissioner Daves seconded the motion. Mr. Garde said that is with the understanding that no decisions can be made. Motion carried with a vote of 4-0.

Mr. Condrey said he never requested an executive session and said there is no need for that as far as DFA is concerned. The purpose of DFA wanting to meet with the Commission and also the letter is simply to make the Commission aware of concerns that DFA has about the trends with the Valencia County budget. The Local Government Division of the Department of Finance & Administration requires that Counties begin the fiscal year with 3/12 or 3 months worth of their forecasted expenditures as a reserve to be able to manage the cash flow throughout the year. Mr. Condrey said that would dip below 3/12 as the County goes towards the first session of collecting taxes for the first half of the year, it may rise a little, and then dip again. DFA would like to see the County at 3/12 of the estimated revenues. For Valencia County that is about 2.3 million dollars. The County was pretty much in that area as of June 30, 2000, as DFA's numbers indicated that the County had almost 2.5 million dollars to begin the year with. At the beginning of this fiscal year, the County only had 1.5 million dollars; DFA still processed the budget but is concerned about the trend and noted that. DFA's major concern is that the forecasted cash balance for June 30, 2002 is only \$365,000.00. DFA does not think the County will be able to get from June 30, 2002 to December of 2002 with that little amount of cash. Mr. Condrey said he is not making any specific recommendations, all they did in the letter is outline issues that the Commission might want to consider. It is not DFA's role to tell the County what to do, but they can offer assistance if the County requests. According to Mr. Condrey, it is the prerogative of the local elected officials to manage the fiscal affairs, as they deem appropriate for their community. All DFA wanted to make sure is that there's an agreement of a bad trend and a serious problem.

Mr. Condrey said when he visited with the people in Taos County and Grant County, those people said that DFA's numbers were wrong and that they didn't have a problem, and put off the issue for over a year and it built to a crisis situation. In Taos's case, they had to cut their payroll in half. Grant County has been going through similar things as a result of economic down turns. Mr. Condrey said that as long as the County and DFA have some kind of understanding and agreement that there are serious trends here in terms of revenues growing much lower than expenses are growing, therefore the reserves are declining, that is DFA's sole purpose in being here. Mr. Condrey introduced Darlene Marez, Chief of the Financial Management Bureau for DFA, who heads the group that monitors budgets for cities, counties, and special districts throughout the state. Commissioner Pando asked if the State has a time period in regards to correcting the issue. Mr. Condrey said that DFA does not have a steadfast rule as to time line, DFA has worked with many counties who have fiscal difficulties and each case is different, so they try to work out a plan that would be reasonable for that particular circumstance. In Valencia County's case, what DFA had proposed in working with the Fiscal Officer and the County Manager is to get to a somewhat higher level of reserves before the end of this fiscal year so there can be cash to manage as the taxes come in later in the year and to try to rebuild the reserves up to 2/12 by the end of June 30, 2003. The purpose of that reserve is strictly for cash flow purposes and if the Commission can demonstrate that they can manage their affairs with a lesser amount, DFA has worked with many counties and cities for a lower amount. Commission Chair Aguilar asked Mr. Condrey what happens if they can't do that. Mr. Condrey said if they can't then they end up in a real bind, in a worse case scenario, and Taos County is probably the most difficult that DFA has come across, they just refused to acknowledge DFA's forecast of a difficulty coming down the road and refused to do anything until it built right to a crisis situation. That resulted in a series of audit findings and rule violations. Because DFA wasn't getting anywhere with trying to make the point that there was a serious problem, they asked the State Auditor's Office, under a very specialized statute, to conduct a special audit in Taos County to see if there was any willful misconduct or violation of a DFA rule to that affect, and if there was, the extreme is that the Secretary of the DFA department has the authority to suspend elected and appointed officials and assume the functions of those offices if it doesn't look like they're going to be able to continue to operate. Mr. Condrey said that is extremely rare, and it's easier to deal with earlier than later, that's where it almost came to in Taos County. Mr. Condrey believes DFA came within about two weeks of implementing that statute and fortunately managed to avoid doing that.

Commission Chair Aguilar said other elected officials asked her about suspending their salaries across the board, they feel that they're being penalized or being put at a disadvantage because they weren't responsible for approving the budget or of warrants every two weeks. Mr. Condrey thinks that the reason the legislature put that statute in place was a tool for Commission's that deal with elected department heads to be able to emphasize the importance of managing within the budgets. Mr. Condrey believes that NMSA section 6-6-13 is to be able to say that if there is an elected department head that is not making any effort to help resolve the budget crisis, there is certainly a method there to get their attention. To Mr. Condrey's knowledge it's never been implemented but it is the law and is on the books. Commissioner Pando asked if there is some type of grant in which counties can borrow from the state when they are really in financial trouble. Mr. Condrey said the State Board of Finance has an emergency fund that the legislature provides every year that is available for emergencies that come up throughout the year when the legislature is not in session. That is only a million dollars statewide. The Board of Finance is by no means an attractive option, according to Mr. Condrey, he said that counties want to use that as a last resort. Mr. Condrey said that if a County goes before the Board and they haven't demonstrated that they've taken every step to manage it's way out of the situation, DFA will not be sympathetic. In the case of Grant County, their timing was good, as they went to the Board of Finance late in June, there was a balance of about \$189,000.00 in the fund and it was unlikely that anybody else was going to come in and make a demand on that money, so the Board authorized them to have a loan because they were right on the verge of missing a payroll. If that had been earlier in the fiscal year, the Governor stated in the meeting that he would not have been supportive, but since it was right at the end and already set to be reauthorized July 1<sup>st</sup>, they went ahead and made that loan.

Commissioner Daves thinks this is a revenue/expenditure problem that manifests itself inadequate cash at the end of the fiscal year and thinks that if the County ends this fiscal year with \$300,000.00, that Mr. Fernandez is capable of projecting out within a pay period or two when the County would not be able to pay salaries. Mr. Condrey said that Taos County endured a lot of pain to work themselves out of a problem and they're still not there yet, they're two years behind in audits as records are in bad shape. Taos County had to endure personnel cutbacks to 250%. There was a lot of bloating of the payroll going on there and there was a sense that they might reduce personnel for a few months, work themselves out of the problem and then put everyone back on the payroll, but that has not happened. Mr. Condrey is not saying that is what the situation is in Valencia County. Taos County and Grant County have gone through some difficult times. Grant County was a result of specific economic downturns. Many counties and cities keep their reserves much higher than the minimum that is required by DFA. Mr. Condrey said that on June 30, 2000, Valencia County met the 3/12 requirements and had 2.5 million dollars in reserves and a year later that went down to 1.5 million, and that is a result of revenue/expenditure issues. Mr. Condrey's real concern is the forecast for where the County is going in the next seven months and it looks like the County will be down as low as \$365,000.00 and that will get the County down to a point where it will not be able to manage from July 1<sup>st</sup> to December. DFA believes the County will not be able to cover payroll if the cash balance is that small on June 30<sup>th</sup> and that is their sole reason for bringing this to the County's attention and for being here.

Commissioner Pando asked how Albuquerque is able to operate if they are six million dollars in the hole. Mr. Condrey said that Albuquerque has substantial reserves and they are talking about budgeted numbers compared to real dollars. According to Mr. Condrey, the city is not broke, they have a budget for so many dollars that they did not adjust throughout the year and they ended up spending more, but they have plenty of money to be able to balance that budget and still have reserves that are required, without losing any cash. Commissioner Pando said the state has been unfair to counties as they burden counties with health services, Valencia County is mandated to bring in another District Judge, and the jail is 60% district and state prisoners. He went on to say that the state doesn't supply County's anything for that and if the Magistrate Judge's fine someone, the County does not get anything out of that. Mr. Condrey agreed and said there are two trends that are of great concern to him affecting counties, which are the rising costs of detention services and rural healthcare costs. Mr. Condrey is surprised that the New Mexico Association of Counties isn't pursuing those issues.

Commission Chair Aguilar asked Mr. Condrey, a year and a half ago the County was at two million and DFA approved the budget and apparently there were unbudgeted expenditures or expenditures that were paid that depleted the budget, didn't DFA approve those, so they would've been able to say your reserves are coming in and the County needs to revise their budget and meet with DFA. Ms. Marez said if there is an unbudgeted item in the general fund and the County Manager requests approval to pay it out of a different line item in the general fund, just transferring money in a fund, doesn't require DFA approval, it just requires Commission approval. Ms. Marez explained if it is adjustments within a fund, it doesn't require DFA approval, just Commission approval. Commission Chair Aguilar said she thought when the Commission approved the budget that gave administration authority to transfer internally. Ms. Marez said a County Commission cannot give blanket approval to a County Manager, because the Commission is liable for adjustments to a budget, and by giving blanket approval, how would a County Commission know what's going on in their county? Ms. Marez said that is a local issue. Ms. Marez explained that transfers from one fund to another would need DFA approval, and the reason for that is that some funds are restricted by law and you can't transfer out of those funds. For example, DFA might not say no to the transfer because it may be a transfer that is required to pay Cornell for a prison expense, but yet it is depleting the general fund, DFA probably would approve the transfer and then caution the County.

Commissioner Daves said that according to information he received from the County Manager, the budgeted revenue for the fiscal year that ended this last June 30<sup>th</sup> was 8.36 million dollars, the budgeted expenditures were rounding 9.5 million dollars. He is not sure what the requirements are to have a balanced budget, he said the 3/12 had come down to 2/12 and that's a revenue/expenditure problem. Ms. Marez said a good budget would be revenues equaling expenditures or revenues exceeding expenditures. Generally expenditures will exceed revenues, however there's substantial cash balance to cover those additional expenditures. In addition to that, Ms. Marez said there could be expenditures that are not recurring, so they can dip into the reserves to cover those one-time expenditures, but when there are expenditures that exceed the revenues due to recurring costs, it eats up the reserves, and that's what it seems like is going on in Valencia County. When DFA issued the budget approval letter, they issued a warning on there about the depletion of the reserves. Commissioner Daves said projecting this year's budget down into the next fiscal year, and no recurring is in there, it's just simply estimated revenue for fiscal year 2002-2003, this is something that Mr. Fernandez did and assuming a 5% increase in tax revenue of 9.19 million estimated expenditures at our status quo situation assumes a 5% increase of 10.197, so the County has about a one million dollar deficit embedded in the budget.

Commissioner Pando said when they purchased the land to buy the jail; he imagined that was a budget transfer that DFA had to approve. Ms. Marez said if they did a transfer from the general fund to another fund for the purpose of paying that project, DFA would've approved it, however, the County could've had revenues dedicated for that purpose and already budgeted, and it would've been approved in the budget. Commissioner Pando asked if it is part of DFA's job to look at the budget and everything in it, such as budget transfers. Ms. Marez said if they are transferring from the general fund, since the general fund is not restricted, they could use that anywhere in the County, so

they would look at where it's being transferred to and see if it is depleting the general fund reserves below the 3/12. If the County was transferring from the road fund to the general fund, DFA would check to see why they are transferring from that fund since it is restricted, they would see if the road fund owes that fund, other than that, DFA would deny the request. DFA denies most transfers from restricted funds. Mr. Condrey said there is an Attorney General's opinion that the local government division cannot substitute its judgment for that of elected officials. He told the Commission if they wanted to spend money on a project that was legal and not coming from a restricted fund, it's not DFA's place to say the Commission can't do that. Commissioner Pando feels this is a local problem and it needs to be solved locally. Ms. Marez said that about Taos County, when they were depleting their cash and still operating, the reason they were still operating is they were using all their restricted money in order to operate, and that is illegal. Taos County Commissioners are still under litigation, and the 50% of employees that were laid off have not come back, they are operating under a smaller government, and not providing the services to the taxpayers that they used to. Commission Chair Aguilar thought there was personal liability on the Commissioners when they approve expenditures when they don't have the revenues. Ms. Marez said there is a state law that makes a County Commission liable and there's a statement that says an elected official, or a County Commissioner should make decisions as if it were their own personal business.

Ms. Marez told the Commission that when she received the interim budget, she was very concerned and called the County Manager and Finance Director to go to Santa Fe so they could discuss the issues, which they discussed the reserves, the problem with Correction fees, juvenile and adult detention, and public safety. Commissioner Padilla told her that ultimately she approved it. Ms. Marez said she approved it with the condition that the County would use all additional revenues coming into the County to build up the reserves to 2/12 on June 30<sup>th</sup>. Commissioner Padilla asked what constitutes public health, safety, and welfare. Ms. Marez said she is looking at the Sheriff's Department and anything that can come back to the County in a lawsuit. DFA would not want the County to go into the Sheriff's Department and lay off half the deputies and not be able to provide public safety. Commissioner Padilla asked if they could still do it. Ms. Marez said the Commission could still do it if that's what they want to do as a County Commission. Commissioner Padilla asked about the jail and the County taking it over. Ms. Marez said if the County wanted to take it over or switch the contract with someone else, that's a local issue. Ms. Marez looked at the contract with Cornell and it sounds like if the County couldn't pay them then the contract could be null and void. Commissioner Padilla asked about the Bateman Act. Mr. Garde said the Bateman Act provides that you have to live within the confines of the budget and if there is not enough in appropriations to finance it, then that's a method to void a contract. Commissioner Pando asked where the County is right now and if they are in liability at this point. Ms. Marez said that based on the cash flow analysis that she received from the Manager's Office, she feels that if the Commission doesn't do something immediately, at least to try to build up the reserves, the County will get to a point, sometime within July through November or December where the County will not meet payroll. Commissioner Pando does not feel that the Commission is liable for anything at this point.

Commissioner Padilla asked what kind of a correction would need to be done as far as money between now and June. Ms. Marez said it's going to take longer than that and part of the recommendations she made is a reduced workweek and reduction in work force. Cuts in payroll is what Ms. Marez believes will build up the reserves. Commissioner Pando asked how much the County would have to bring in every month and how long it will take. Ms. Marez said that DFA is not requiring the County to be at a 2/12 by June 30<sup>th</sup> or 2003, but they want the County to get there as soon as possible because right now, with the information that was submitted by the County Manager, it shows everything that the County can possibly receive, and they do not have the liability that the County has with ED included in the expenditures. Commissioner Pando asked what happens if ED says that the County owes money. Ms. Marez said that eventually the County will have to budget for that, and it will still have to be included in these expenditures as a liability that the County has. Commission Chair Aguilar asked, if revenues come in that were unbudgeted, is that considered money that should be placed aside for cash reserves or can it be used for the expenditures. Ms. Marez said that the way the cash balance looks right now, if the County wanted to spend that money and submit a budget increase for it, DFA wouldn't approve the budget increase so it would go into cash reserves. The County received 1.1 million dollars from taxes on November 30<sup>th</sup> which is what was anticipated. Mr. Fernandez explained they have to look at excess revenues for the whole year, not on a monthly basis. Commission Chair Aguilar talked about expenditures where the Commission approved transferring from court settlements to telephone maintenance because telephone maintenance had only been budgeted for \$3,000.00 for the year and it's really \$3,000.00 per quarter, so in paying all those in the budget that's basically the revision of the budget and the fact that when the preliminary budget was submitted, the 1/8 for the Sheriff's Law Enforcement, DFA was under the impression that was going to be used for cash reserves. Ms. Marez was under the impression that part of it would be used; she knew part of it would be used for the Sheriff's Department. Commission Chair Aguilar said that it's not and the budget wasn't revised to reflect that, so the Commission would only dig a deeper grave by not revising. Ms. Marez said that the way the budget was submitted, that gross receipts implementation wasn't included in the interim budget because it wasn't passed until later. Ms. Marez said right now she's more concerned with the funds that can cause the County grief such as the general fund, road fund, and corrections. Commission Chair Aguilar said she does not know where the money was spent and thinks there were a lot of expenditures done in the form of warrants.

Mr. Fernandez gave the Commissioners handouts of his recommendations, those handouts are confidential because it has specific individuals names on there that are being talked about. Commission Chair Aguilar feels that if the Commission were going to do any cuts or make any

adjustments, she would like to allow the elected officials to look within their budgets and make the recommendation, as she is not prepared to make a decision for them. Commissioner Pando agreed as he thinks this is the County's problem and feels the elected officials have to have a very active part in this. Commissioner Pando said there is a way out and the elected officials have ideas but if the Commission doesn't talk to them about it they're not going to find out what they are. He believes that each department is unique and has its own functions but in order for these people to do their jobs they need to have the personnel. Commissioner Pando said that if there's going to be cuts in payroll, he wants to be the very first to volunteer part of his salary and he thinks every elected official should do the same. The last time this happened, not one elected official was penalized that he knows of.

Mr. Fernandez said that with the direction of the Board and with conversations with DFA, he submitted a revised cash flow estimate to DFA. When this was presented to the Board a couple of weeks ago, there was an estimated cash balance of about \$360,000.00, subsequent to that he received a letter that was addressed to Commission Chair Aguilar with some recommendations from DFA. Mr. Fernandez started looking at revising the budget. He looked at having more realistic expenditures. In the juvenile detention facility, only \$350,000.00 was budgeted for and expenditures are actually going to be running about \$516,000.00, so he added to that. Administration also knew there was a problem with the transfer station, so they added to that. Also there were problems with adult corrections, so they added there. All of these that had potential shortfalls, administration went back and made realistic revisions. At the same time they made realistic revisions to the revenue. The original budget as submitted, had estimated revenues of 9.3 million dollars, and they revised that downward. That brought the County to the \$360,000.00 cash balance as of June 30<sup>th</sup>. Mr. Fernandez explained that with some of the recommendations, they would be done in accordance with the personnel ordinance and any reductions were done based on the County Ordinance.

Working on the assumption that the County would look at a reduction of the hours worked by each of the departments with the exception of public safety, individuals going to 64 hours per pay period and a reduction of roughly 9 positions that are either probationary employees or last in particular departments or vacancies the County has that were not filled, a combination of those things and moving 5 full time and 3 part time Assessor employees to the reappraisal fund for one full year, that would provide savings to the County the amount of \$768,546.00. All of the assumptions that Mr. Fernandez will be talking about would be based on the remainder of this fiscal year and would be in effect for the next fiscal year, which is 18 months. The list of cost saving measures is for one fiscal year. Commission Chair Aguilar asked County Assessor Beverly Gonzales if she is okay with moving these individuals within the Assessor's Office. Ms. Gonzales said she is okay with it but at the time, she did not know it was going to be such long term because she doesn't know if she is going to have any money left in that fund. Mr. Fernandez said he would get to that. Mr. Fernandez said the most drastic was the Assessor's Office and he had conversation with the Assessor. He has also spoken with the Treasurer but has not had opportunity to speak with the Clerk or Sheriff. This would include all the elected officials. Mr. Fernandez said in speaking with Mary Ann Gonzales from the Senior Citizen Program, she feels that they can have some consolidation of some of the Senior Citizen Centers, and that would be a savings of roughly \$20,000.00 that would not have to be transferred from the general fund to the Older American Program, that would also be a reduction in hours for some of the employees, and that varies by employee and what kind of funding source it came from.

The other items that were looked at were the contributions that the County makes to special programs and based on the elimination of the contribution to the Extension Service, the County would save \$62,800.00 a year. The elimination of contribution to the Soil Conservation would be \$10,000.00. The elimination of a couple of contracts the County has would save in combination about \$29,000.00. In reducing travel, originally \$10,000.00 was budgeted and that will be reduced by \$7,000.00, which will allow money for mandatory training as required by law. The elimination of take home vehicles with the exception of public safety would save about \$2,000.00. Utilizing existing County personnel for early voting boards would save the County \$7,300.00. Mr. Garde said that is still under review. All of those items added up over a year would save the County roughly \$905,486.00. Commissioner Pando had concerns about the contract with the janitors as the prisoners could do that, and he thinks they could eliminate that contract. Mr. Fernandez said when they originally looked at this contract he had conversations with the Judicial System and some of the sensitive departments such as the District Attorney, who indicated that they would not allow inmates to go into their facility to clean.

The next are positions that would be eliminated based on seniority and by department and the total savings for that added to the departments going to 64 hours over one year, would be \$768,545.69. Commissioner Pando asked if he is talking about eliminating these positions completely. Mr. Fernandez said yes and it was done in accordance with the personnel ordinance. Eliminating 8 positions will save \$216,703.69. The \$551,000.00 is the reduction to 64 hours for the other departments with the exception of public safety. Commissioner Pando said that figure is not correct because by eliminating people you have to give people their sick leave, vacation, and unemployment. Mr. Fernandez said the majority of those individuals, one of them is a Field Trainee position that has been eliminated, another one is an individual who is no longer with the County, and other ones are either probationary or relatively new employees who have relatively small amounts with the exception of one individual.

Mr. Fernandez broke down the savings by department, which includes the Commission, Manager's Department, Recording & Filing, Bureau of Elections, and Assessor's Office with the revisions of moving 5 full time and 3 part time. For the remainder of this fiscal year, eliminating positions that he mentioned as well as moving people to 64 hours would save the County \$370,649.19 this fiscal year.

In the Sheriff's Office, this did not affect any of the field personnel or dispatch. Mr. Fernandez said the Sheriff, the Under Sheriff, and office personnel would get reduced. In going to Ms. Gonzales's question on what affect that would have on her reappraisal fund, Mr. Fernandez said right now she has a cash balance of \$144,845.00 as of this morning, estimated revenues yet to come in is \$130,000.00, that would give a total of \$274,845.00, deducting from that payroll requirements for the remainder of the fiscal year would still leave her a cash balance of \$153,000.00. Mr. Fernandez looked at having these individuals remain on 80 hours but that only reduces the cash balance, so his recommendation would be going to 64 hours.

What he did after that was look at, based on these numbers, how the County would be affected the first three months of the coming fiscal year. What he did was take the last five fiscal years revenues for July, August, and September, and averaged that to come up with revenue that would come in based on that average of \$1,283,826.80. The next thing Administration did was look at operating expenses, for the actual fiscal year 2001-2002, they provided the Commission with the operating expenses for July, August, and September excluding payroll and payment of the corrections fees for the adult and juvenile departments. Actual operating expenses for July 2001 was \$116,159.00, August was \$182,000.00, and September was \$128,000.00. Administration estimated what expenditures might be for 2002 of July, August, and September. Those were estimated at \$200,000.00 a month basically adding \$150,000.00 to those operating expenses, having operating expenses for a total of \$600,000.00 for those two months. Based on the reduced hours, estimated payroll for the next three months, the base pay would be \$521,477.64, PERA would be \$63,359.53, Medicare would be \$7,561.43, retiree health would be \$5,214.78, and insurance would be \$60,474.00, that makes a grand total of payroll \$658,087.38. Mr. Fernandez now took the Commission through the estimated available cash. Estimated cash balance on June 30, 2002, operating under the assumption that these cuts would take place during this fiscal year, would give the County a beginning cash balance of \$733,020.00. That ties to the front page that the Commission started off of. Administration added to that the estimated cash that would be coming in for July, August, and September, and the total available cash during this three-month period would be \$2,016,847.00. Now, Mr. Fernandez started to take away the operating expenses from that, which was the \$600,000.00 that he mentioned earlier, as well as the payroll expenses of \$658,000.00, and that gives a total of \$758,760.00 available to use towards corrections. So what Administration has done is figured out what the estimated cash balance would be based on the revenue that would be coming in and making these reductions for the remainder of this fiscal year, and that would give a total cash of roughly \$2,000,000.00 for that period. From that they start deducting the expenses, which are the operating expenses for those three months of \$600,000.00, payroll of \$658,000.00, and after those two items are deducted there is \$758,760.00 available towards corrections. With correction bills, the adult detention is running on the high side of \$272,000.00 a month, juvenile is \$42,000.00 on the high side, so administration projects those out for those three months and for the adult detentions that would be \$816,000.00 for the three month period, and for juvenile detention it would be \$126,000.00 for total detention bills of \$942,000.00 for a three month period. Taking that from what would be available for corrections, there would be a shortfall of \$183,240.00. There is a provision under the existing contract with the adult detention provider that does allow the County to defer payment. Administration looked at deferring one month's payment only at a cost of 1.5% of the total contract, roughly about \$4,000.00. Mr. Fernandez suggested if the County was looking at total expenditures of roughly 9.3 million dollars, if the County has the cost savings that they would be applying to this, would be reducing that to right at the revenue projections coming in and allowing the County to build a little toward the cash reserves, so the Commission would have a balanced budget for the next fiscal year. This is taking into consideration that there are no extra expenditures. Mr. Fernandez said what he also did in terms of some of the liability issues, is added to those in the expenditure projections.

Commission Chair Aguilar asked about the Environmental Department. Mr. Fernandez said that is a big "if", and what he's been doing is working with ED. Mr. Fernandez met with ED about a week ago, and asked them to come out and do an inspection at the County's request. Commission Chair Aguilar asked about litigation that is pending. Mr. Fernandez said he added to those particular line items of roughly about \$20,000.00. Commissioner Pando asked what happens if something unforeseen comes up. Mr. Fernandez said when they get into the refinement of 2002-2003, they have to look at making provisions for those. Based on this, it will take 18 months before the Commission sees "light at the end of the tunnel", according to Mr. Fernandez. Commissioner Pando asked where the County would be after the 18 months as far as reserves. Mr. Fernandez said they should be at the point of about 2/12. Commissioner Pando said there's no law that says they have to do this, it's a policy. Mr. Fernandez said it's prudent for the County to try to build up those reserves and deal with the inevitabilities. Commissioner Daves asked if Mr. Fernandez has projected a budget for the fiscal year following 2002-2003. Mr. Fernandez said no. Commissioner Daves thinks this shows substantial savings and that it is having employees bearing cuts for 18 months without Mr. Fernandez telling the Commission what they might be able to afford to pay the employees at the end of 18 months. Commissioner Daves has a concern about that and said the only impact on the jail bills is to postpone a month or two some of the payments under the contract as it exists right now. Mr. Fernandez said the bills that he will be presenting to the Commission bring the County current with the exception for the month of November. The bills that he is going to be presenting today, and making sure the County is getting current with the detention bills and the juvenile detention bill that he received on December 12<sup>th</sup> is not part of this. The County has until the 8<sup>th</sup> or 9<sup>th</sup> of January in which to pay them, so the County is current on the bills. Commissioner Padilla asked if on some of these reductions, if some positions will be filled, because some people may be retiring as it would affect their retirement. Carol Anaya, Personnel Manager, said the retirement is based on the highest three years and this will not affect the retirement. She went on to say that if we go into the 32 hours,

anyone working 20 hours or 32 hours will continue service credit as it is. In spite of the budget problems, Commissioner Daves believes the County has a fundamental obligation for some of the things that Mr. Fernandez recommended to be deleted. Commissioner Daves said that remains to be a difficult issue with him and hopes that the County looks at that fiscal year at the end of the 18 months and project it out. Commissioner Daves asked if this would affect the juvenile contract. Mr. Fernandez said that is assuming that it goes on as it is. Commissioner Daves believes the County has to look at that contract and thinks that the jail contract must be looked at to see what might realistically be done to help the budget situation. What Mr. Fernandez presented is a base plan and now it is in the Commission's hands to decide whether or not to approve these recommendations. Mr. Fernandez recommended discussing specific individuals in executive session. Commissioner Daves asked Mr. Fernandez that in this document that was presented at the beginning of the meeting, if he could take out the pages that would affect certain individuals, in order to make this a public document. Mr. Fernandez is not aware of any employees that want to retire. Commissioner Pando said that Mr. Fernandez's figures are not correct because the County will still have to pay vacation, sick leave, and unemployment. Mr. Fernandez said of those individuals, 6 of them wouldn't even qualify for their sick leave. Commission Chair Aguilar recommended discussing this in executive session. Mr. Garde said as long as they're talking about the individual employees, that would be appropriate. Commissioner Daves said that he thinks counties have obligations over and above their ability under the present tax code that was designed for country counties and that's a fundamental problem.

Commission Chair Aguilar said the Commission would go into executive session at the end of the agenda and invited the elected officials to be part of the executive session. Commissioner Padilla made a motion to end the workshop. Commissioner Daves seconded the motion. Motion carried with a vote of 4-0.

Commissioner Baca made a motion to go into regular session. Commissioner Padilla seconded the motion. Motion carried with a vote of 4-0.

**Pledge of Allegiance** was led by Commissioner Padilla.

### **Approval of Agenda**

Commission Chair Aguilar recommended adding executive session as item D. Commissioner Padilla made a motion to approve the agenda as amended. Commissioner Pando seconded the motion. Motion carried with a vote of 4-0.

### **Approval of Minutes**

Commissioner Pando made a motion to approve minutes for December 4, 2001 as presented. Commissioner Baca seconded the motion. Motion carried with a vote of 4-0.

### **Public Requests**

Ray Garcia thanked the Commission for giving the residents some zoning in the County because of what's going on in Socorro County and realizing they have no zoning. Mr. Garcia thanked the Commission for progressing on the comprehensive plan. Mr. Garcia thanked the trash committee for moving on the trash situation. He has concerns that people who already take their trash should be allowed to take it without any problems. And the other concern is that families who share a big bin should not be punished for taking care of their trash. Mr. Garcia came to the Commission a couple of weeks ago asking about two things. One, he wanted to know who owned Lobo Valley Acres because there are three abandoned mobile homes on that subdivision and it appears that none of the covenants were not taken care of. The other is he wanted to know what the status of the junkyard near the Tome Hill was. Ruben Chavez, Planning & Zoning Administrator, said the junkyard has gone to court and they have almost finished cleaning all of that. On Lobo Valley Acres, Mr. Chavez said that just went into foreclosure and one of the local banks now owns it. Mr. Garcia thinks one of the best things the Commission can do is go to the State of New Mexico and ask the state to make a law that if you throw trash out your car, there's a \$1,000.00 fee for that, and he thinks the money should go straight to the Sheriff's Department.

Gil Grey said a group of people met over breakfast on Sunday as a result of issues that have come up about car plants. These people decided to create an organization called the Middle Rio Grande Valley Community Association. The purpose of this is to act as a networking organization for the smaller community groups and various associations around like Tome/Adelino and Los Chavez. This would be a common place for representatives for these organizations to meet and discuss issues and be a common voice. Mr. Grey requested to have representatives from the various community organizations contact him so they can begin a more formalized process. Mr. Grey asked if there was any way they could have a moratorium on power plants for a while. Mr. Garde said the Commission would have to vote on a moratorium and there would have to be a substantial basis as far as fact finding to determine in fact if there is justification for a moratorium. Commission Chair Aguilar received calls and she mentioned to these people that they had to go to Planning & Zoning. Mr. Fernandez said that people that come to the County for zoning issues are referred to Planning & Zoning. Commission Chair Aguilar directed Mr. Grey to meet with Mr. Chavez.

James Ashmore from Highland Meadows thanked the Commission and the County residents for all their support and help that they're getting in their community.

**Request Approval of Intra Budget Transfer.....James Fernandez**

Mr. Fernandez requested to do intra budget transfers before payroll and warrants because it has an effect on one of the warrants. Mr. Fernandez is requesting to transfer \$117.00 in the road fund from the full time salaries to surveying and engineering. This is to cover the cost of labor tax on a survey that was conducted for the County. Commissioner Padilla made a motion to approve Resolution 2001-52. Commissioner Pando seconded the motion. Mr. Fernandez said anything that is within a budget from one line item to another does not require DFA approval. Motion carried with a vote of 4-0.

**Request Approval of Payroll & Warrants.....James Fernandez**

Mr. Fernandez asked approval of warrants that were presented to the Board at the last Commission Meeting but were not approved which were warrant #66951 in the amount of \$11,625.00 to New Mexico Correction, warrant #66965 in the amount of \$618.55 to Molzin & Corbin, warrant #66967 in the amount of \$77,291.02 to Bernalillo County Juvenile Detention, and warrant #66995 in the amount of \$2,116.25 to Sammy Sais Land Surveying. Commission Chair Aguilar asked about Molzin & Corbin as it was called a retainer. Mr. Fernandez explained that under the existing contract with Molzin & Corbin, if the County accesses any of their services, there is a retainer portion of the contract that kicks in and it is based on an hourly rate. After payment of all the warrants that will be presented to the Commission, the general fund balance will be \$417,349.23. Commissioner Pando asked about the \$11,000.00 bill and asked if it was a hospital bill for an inmate. Mr. Fernandez said that is correct and that individual is no longer at the facility. The warrants that he mentioned were already taken into consideration in terms of the cash balance. Mr. Fernandez believes this is an obligation that the county does need to pay. Commissioner Pando made a motion to approve 3 warrants but not to approve warrant 66951 for \$11,000.00. Motion dies for lack of a second. Commissioner Daves made a motion to approve the 4 warrants. Commissioner Padilla seconded the motion. Motion carried with a vote of 3-1, as Commissioner Pando voted no.

Mr. Fernandez presented the computer printout list of all checks issued by the fiscal office on December 14, 2001 covering vendor bills processed on that date of warrant #67039-#67119 inclusive for a listing total of \$401,632.56. The attached have been reviewed for appropriate documentation approvals authorized by appropriations, compliance with New Mexico Statutes, and DFA rules and regulations. Of that, \$636,765.14 is from the general fund. Commissioner Pando asked about warrant #67100. Mr. Fernandez said this is a deductible on a law enforcement settlement on a case. Commissioner Pando made a motion to accept warrants as presented. Commissioner Daves seconded the motion. Motion carried with a vote of 4-0.

Mr. Fernandez presented the computer printout listing of all warrants issued by the fiscal office on December 14, 2001 covering payroll processed on that date of warrant #67009-#67038 inclusive and payroll check 50161-50347 inclusive for a listing total of \$187,641.79. Commissioner Padilla made a motion to approve warrants. Commissioner Pando seconded the motion. Motion carried with a vote of 4-0.

**Workshop-Trash Study in Valencia County:**

**Request for Public Input on Trash Study Committee Proposal**

Commissioner Daves made a motion to go into the workshop. Commissioner Pando seconded the motion. Motion carried with a vote of 4-0.

Commissioner Daves said that at some point in the workshop he would like to make a recommendation that the Commission move forward with passage of an ordinance, which reflects this program. Commission Chair Aguilar turned the workshop over to Commissioner Daves as Chairperson. Commissioner Daves told the other members of the Trash Committee that he would like their input also. Commissioner Daves thanked Representatives Fred Luna and Kandy Cordova for being present. The Trash Committee is Chaired by Commissioner Daves and composed of citizens of Valencia County. The recommendations that the Committee came up with are to provide good, convenient stations or transfer stations for people in the unincorporated areas of Valencia County. The goal would be that people can dispose anything at no cost to the individual that is bring stuff to that convenient station. The other recommendation is to be able to carry out a rigorous and appropriate program of enforcement against illegal dumping. The Committee's idea is to establish a Solid Waste Department funded through an enterprise fund and discuss the budget implications and how this fits into the County's budget problems. This department will need a professional director and will need to be run through an enterprise fund. Robin VerEecke did research on various counties and Dona Ana County rose to the top in terms of a model that the proposal essentially will be modeled after. The model is that over half of the households in the unincorporated areas of the County have no contracts with haulers. The Dona Ana Program and the recommendation that the Trash Committee is coming up with is to assess the property owner of each occupied residence of the unincorporated areas of Valencia County that does not have a contract with a hauler and assess them an amount that would have them pay in general. The Committee would like to have every owner of every residence pay a fee monthly that will fund, along with continued assessment through the franchise fee, which might need to go up in terms of a fair share of costs and to meet the costs of people who have the contracts. There is already a franchise fee that goes to the County that is disbursed in the general fund. The core of the program is to make it convenient through not being charged at a convenient station, but a person will be billed if they do not have a contract. There will



be an ability to file a lien on the property, which can be a tool to recover that fee. The Committee's recommendation is that the fee is higher than the monthly charge by contractors and the reason is to create an incentive for those people to go to a contractor. The basic concept is that every unincorporated household that doesn't have a contract be billed and have a continued assessment. For that fee, the County would have to provide services to those people, and those services would be in a place that's convenient. The Committee hopes to cooperate with Los Lunas and Belen. In Dona Ana County, their convenient stations are no more than a burn and a roll off and there is a person who stays there during the day and leaves at night. The Committee will have to develop some seed money to start this program. There are Environmental Department and State funds. Dona Ana County is experiencing enough of a success that Commissioner Daves is encouraged that this is what the County should do. Solid Waste is a cost whether the County bares it or not. Commissioner Daves said that in using Michael Lundmark's budget numbers, the County's general fund would have to pay into solid waste issues \$140,000.00 in this fiscal year. The Trash Committee is hoping to develop a program that will in fact make it a true enterprise fund that will make it a good service to the residents and no hit to the general fund. Commissioner Daves asked Representative Cordova for her help in terms of some state funds. Representative Cordova said that Senator Sanchez, Representative Luna, and herself would like to meet with Commissioner Daves and Robin VerEecke to discuss that seed money and see if there is some way to look into it this coming legislative session. Commissioner Daves believes that what the Committee is proposing is a real turn around in terms of dealing with the trash problem.

Michael Lundmark from Los Chavez, told the Commission its been three years since he first came before the Board when the Commission was asking for input from the public on solid waste issues. Mr. Lundmark talked about the plan and some of the characteristics of the plan. Mr. Lundmark thinks there is a potential to help the current fiscal challenges faced by Valencia County. Mr. Lundmark said the plan relieves the general fund with some solid waste issue money. The Committee would like to create an enterprise fund separate from the general fund and make sure that the fund remains solvent. There are possible solutions in this plan to the Environmental Department findings, and create convenient stations to reduce the load on Conejo Transfer Station. Mr. Lundmark said the load at Conejo is exceeding the amount that is allowable. He said this plan encourages the use of private haulers further reducing the load on Conejo. Mr. Lundmark said it is hard to believe that if there is an occupied dwelling in this County, that it does not create some form of trash. Mr. Lundmark believes this plan makes it more convenient to obey the law than to break it. Mr. Lundmark believes that the Committee can place Valencia County in the forefront in terms of handling solid waste issues in the State of New Mexico. When this plan is implemented, it can be implemented in phases and expanded to meet the needs of the growth in the community. This also gives the Commission a definite direction of accountability on solid waste issues. Mr. Lundmark also believes that this plan compliments and does not compete with existing efforts. In talking to Mr. Avalos from Dona Ana County, Mr. Lundmark said they found out by going out and working with the community, it actually helped the 911 service, the rural addressing service, and the Assessor's Office. If a household does not have a hauler, by the current ordinance, they're supposed to remove their trash on a weekly basis. They would take the trash to Conejo and get charged \$5.00 for a pickup truck load. In a 52-week year that's \$260.00. Under the current proposed plan, this would be a savings of \$71.56 per household on an annual basis. The program is enforceable, and hopefully with the budget, the program will be able to hire people to enforce the ordinance. Mr. Lundmark said the plan pays for itself. Mr. Lundmark believes this program needs to move forward as quickly as possible. According to Mr. Lundmark, Conejo is overwhelmed and more convenient stations makes putting trash in the appropriate place more convenient and it reduces the load on Conejo.

The Trash Committee went to the Fiscal Officer back in July and what he said is that there was a deficit from expenditures of about \$2,667.41, according to Mr. Lundmark. The Committee tried to figure out what their costs were going to be. The operations are going to cost \$328,903.00, the Committee took the 2000/2001 fiscal year and added 10% to that. The Committee came up with \$2,000.00 cost per month to dispose of certain things that may be refused by the convenient stations such as tires. To hire an Administrator and an Assistant, the Committee figured the wages will be \$100,000.00 and the benefits will be 20% of that. The office rental would be \$12,000.00. The overhead and materials cost estimate came from Frank Holguin. The Committee is hoping to get cooperation from Belen and Los Lunas to allow the residents of the unincorporated areas to use their transfer stations. The billing contract is to bill the assessment fee and Mr. Lundmark got the figures from Dona Ana County. Currently, Dona Ana County has a billing fee of about \$4,500.00 per month. The Committee took that figure and added 10% to it. The committee allowed money for education and promotion. For engineering & construction, to bring Conejo up to standards, Art Crackey came up with a figure of \$50,000.00, as he has experience with that. There are going to be costs that cannot be foreseen so the Committee came up with a contingency of approximately 10% of the budget. The total annual expense will be approximately \$781,000.00.

Mr. Lundmark talked about revenues. From the environmental gross receipts tax, \$126,970.00 was the amount collected in 2000/2001. For the haulers franchise fee, the committee came up with a little over \$80,000.00. For the solid waste assessment fee, the figure was used for 8% over the current haulers cost. The hauler hauls the trash from a residence for \$14.00 a month with the 8%, the committee came up with \$15.12 per month or \$188.44 per year, per occupied dwelling. It costs an occupied dwelling to be in compliance with the ordinance \$260.00. Robin VerEecke did some work and came to the conclusion through research that there are a little over 11,000 residents without trash service in Valencia County right now, and 11,000 times \$188.44 equals a fee of over \$2,000,000.00. When the figures from Dona Ana County, they had a compliance rate of 65% at that time, and 65% comes out to 1.3 million, and as of Friday, their compliance rate was over 68%, so as

education goes out, people are starting to comply with the program. The total there will generate approximately 1.5 million, divided by twelve that comes out to a little over \$129,000.00. In speaking with Dona Ana County, they expressed to Mr. Lundmark that they thought from the time the Commission hired an Assistant and gave the go to put the program in place, the revenue will be generated no later than 4 months. There are always unforeseen circumstances, so the Committee used the figure of 5 months times the \$129,000.00 and ended up with a \$325,000.00 start up fee. The Committee took some figures that they got from the County Manager. From projected revenues verses what the projected costs are, the bottom line is that the program is going to run \$148,000.00 short this year on solid waste issues. Commissioner Daves said the general fund would pay \$148,000.00 this year to meet solid waste obligations that include the old landfill and methane monitoring. Mr. Lundmark believes the Commission needs to take action and move forward with this issue. Commissioner Pando asked where the environmental gross receipts tax goes. Mr. Fernandez said it goes separately into the solid waste. Commissioner Pando supports this project and said that for the unoccupied property there needs to be an annual fee. Commissioner Pando also commented that this did not work in Taos County, as there was no enforcement.

Robin VerEecke said that Taos County didn't embrace the idea fully and they were charging \$81.19 annually, which in no way can cover the costs of the Solid Waste Program. In Dona Ana County, last time Ms. VerEecke talked to Mr. Avalos, they determined that the illegal dumping was reduced by 40% before a year of the program was up.

Gil Grey asked if the program is generating a positive cash flow of several hundred thousand dollars a year. Mr. Lundmark said this program comes in phases, so they're not generating any positive cash flow, but they have to start somewhere for phase one, as they answer the problems that are incurred with some issues, then they can move on to phase 2 and phase 3 and the plan becomes more comprehensive. Mr. Grey would like to see this program enacted as quickly as possible so this County will be a cleaner and better place to live and property values will go up.

Dale Jones, President of Tierra Bonita, was under the assumption that tonight was the first meeting that the public would get a chance to hear about the possibility of passing an ordinance. Mr. Jones asked that to pass an ordinance, if the Commission has to have several meetings about that. Tom Garde, County Attorney, said there would have to be a request to publish an ordinance, so an ordinance would have to be drafted that would be available to the public to review and then the Commission would go through the public comments on that. Commissioner Daves said that the discussion by Mr. Lundmark showed that if the program is implemented and close to success as Dona Ana County, it will pay for itself if the Committee gets the seed money, and by paying for itself it will be a substantial benefit to the general fund. In order to get the program going, the Commission would have to amend the ordinance. Commissioner Daves is hoping to go forward with this ordinance and move forward with the essence of this program. Commissioner Daves said that even if the Commission passed an ordinance, it would have to have a trigger that they could trigger when they are able for it to take affect. In Dona Ana County, their ordinance was in effect for months before the billing started. Commissioner Daves assured the Commission that action on an ordinance would not be a slippery slope except to the extent that it would be a slippery slope in the right direction and that the Commission wouldn't have to have a trigger that had to be pulled when there's nothing the County can do to provide service to the people.

Dottie Hoffman told the Commission that its about time to get the County going on something as structured as this. Ms. Hoffman thanked the committee members and said they have to get started at some point, test it, and make the adjustments that are needed to make it better. Ms. Hoffman thinks that the people who are going forth with this, need the residents to give them that space and support. Ms. Hoffman said that if they hope to work with EPA and Environmental Safety and Health, they better have a phase of recycling into this program. Ms. Hoffman said they could recycle things such as glass, cardboard, newspapers, catalogs, magazines, cans, plastic, etc. Ms. Hoffman said if they don't have hazardous waste incorporated into the program that EPA and Environmental Safety and Health will not help. Ms. Hoffman suggested getting all the county trucks strategically situated throughout the County with garbage bags and theatre tickets and give people bags to pick up garbage and when they have a sack full they get a ticket that is worth \$.50 and they come back to the Commission to get paid. Commissioner Daves said that one of the things that is the core value of this program is that it will raise some revenue, if it's successful, that will allow the County to do things like Ms. Hoffman's suggesting.

Jacqueline Guilbault, from Valley Improvement Association, commended the Committee for the hard work they put in on this. One of the things Ms. Guilbault likes about this plan is that it takes a comprehensive approach, it doesn't just deal with part of the problem it tries to deal with the whole problem. After all the phases are implemented, Ms. Guilbault thinks this County should be a lot cleaner. Valley Improvement Association and Valencia County worked on a cleanup last year and it was a small part of what was out there. They hauled off 400 tons of trash. Ms. Guilbault was out there yesterday and said that area is trashed again. What Ms. Guilbault likes about this plan is that it has options.

James Mack, President of San Clemente Association, said that since he's been President they have done three clean ups in his area. Each time they do cleanups, they get less trash that they pick up and in times between clean ups they try to catch people who are doing illegal dumping to tell them they can't do it. Mr. Mack asked why should the rest of the County that takes pride in the community have to suffer and pay such a high fee, because he hauls his trash off himself. Mr. Mack doesn't understand why he should have to pay a higher fee than if he had a commercial hauler. Mr. Mack

said it's not fair for the County residents as there are a lot of people in the County who cannot afford the fee that the Committee is going to try to impose. Mr. Mack said there are a lot of elderly people who can't afford that type of fee. Mr. Mack also said that there's a lot of roads out there that a commercial hauler won't keep going down and those residents will have to pay a higher fee because the hauler refuses to go down there once the road gets all messed up because of trucks going in and out.

Marvin Klinger, who is also from the San Clemente area, said when they give tickets and fine people for dumping, the fines could be given to the Police or Sheriff's Department and is an incentive for them. Mr. Klinger does not like the fees the Committee is putting on the residents and said they are penalizing the unincorporated areas. Mr. Klinger said he recycles almost everything and hauls once or twice to Conejo. He said it costs him about \$10.00 per year plus his time to do this. Mr. Klinger said that signs would not work because people will dump next to the signs. Mr. Klinger said that of the property taxes or when they buy purchases in the County all those taxes are going somewhere and they won't even let him use the transfer station and he doesn't know why but he thinks it's wrong. Commissioner Daves said there are places where there are elderly people living alone who put out very little trash, so that is unfair, but said they can't make it so that people only pay the costs to the extent that they're a problem.

James Ashmore, from Highland Meadows, is very appreciative of what the Committee is doing. Mr. Ashmore said the real concern that he sees in his community is the education. Mr. Ashmore thinks this needs to have a powerful communication and education program to help people understand their responsibilities, and how they can recycle and reuse some of their materials that are disposable. Another concern is enforcement, he said if there is not an enforcement part of the program it's going to be very weak. Mr. Ashmore suggested involving the rural communities, and to call upon the Neighborhood Associations. Commissioner Daves would like to have some level of commitment from the Commission by January 15, 2002 so they could report to the Legislature it's ideas on what they could do to abate the trash problem. Commission Chair Aguilar asked Mr. Fernandez to review the budget so they could get some input from him, she also asked Attorney Garde to review this. Commission Chair Aguilar suggested placing this item on the agenda for the next meeting as a resolution. Commissioner Daves said he would appreciate that.

Ken Wright, from Bosque, said that in the last two weeks he's been in 7 different states and out of those 7 states, ours doesn't measure up well. Mr. Wright said he was opposed to this plan when he first heard about it. Mr. Wright agrees with the argument of the seniors and low-income people and said there has to be some way around that. Mr. Wright asked the Commission to start the legal process because he's tired of looking at the trash.

Commissioner Daves said he would appreciate comments from the Commissioners.

Charles Eaton asked how many actual haulers are registered in Valencia County. Mr. Fernandez said there are 4 and 3 do residential hauling. Mr. Eaton said what is being presented looks like a form of mandatory trash collection. Mr. Eaton said the County lost revenue when the Tri-Sect landfill closed. He also said that when there is a vendor in Valencia County and they're paying gross receipts and they get a bill, that gross receipts tax dollar goes to Valencia County to offset some of the expense.

Commissioner Padilla said the Committee has worked very diligently and he supports them. He believes this is going to have to be very well coordinated between Administration and this Committee.

Commissioner Baca thanked the Committee for a good job and said she will support a resolution.

Commission Chair Aguilar thanked everyone who came to the workshop and gave credit to the haulers of Valencia County as they have abided by the ordinance. Commission Chair Aguilar hopes the existing haulers are protected.

Commissioner Daves made a motion that a resolution is prepared for the next meeting that will express intent to amend the solid waste ordinance to implement this program with regard to the assessments and with regard to the service that will be provided by those assessments. Commissioner Pando seconded the motion. Motion carried with a vote of 4-0.

### **Executive Session**

Commissioner Baca made a motion to go into executive session. Commissioner Padilla seconded the motion. Motion carried with a vote of 4-0.

Commissioner Pando made a motion to go back to open session. Commissioner Baca seconded the motion. Motion carried.

Diana Coplen, Treasurer, asked the Commission that if they are going to 32 hours and layoffs that it's done soon, as her employees would much rather know and would feel better if a decision was made. Ms. Coplen said that right now it is her office's busy time as they are in the middle of collections and she is already down employees.

Beverly Gonzales said she did a lot of revisions to her budget to try and keep the employees instead of having so many laid off. Ms. Gonzales said her office generates the value that brings in more

money for this county and with having a reduced work week, that's going to bring in appraisers from not being out on the field to be picking up, because now they're reevaluating everything, not just new construction. One thing Ms. Gonzales wanted to get for this reappraisal was a marshall and swift for residential, because the new homes that are coming in, the appraisal system she has and the state not updating the manuals, they're not coming near the value that they need to for a lot of these new homes that are being constructed in the County. Ms. Gonzales said that's okay for the existing homes. Ms. Gonzales feels that a memo coming out tomorrow saying that the employees' checks will be cut next week is not enough notice to give anyone, especially because of the holidays.

Sheriff Juan Julian did not discuss with Administration as to what their recommendations are, so he has some problems with that. Mr. Julian would like to see all the elected officials sit in executive session to see where they're at. Commission Chair Aguilar said that the advice of the Attorney is that each elected official will be called in one at a time.

Tina Gallegos, County Clerk, asked the Commission to take into consideration people's mortgages, budgets, and checking accounts. Ms. Gallegos said the sooner a decision is made the better as long as each department is aware of that and that it can be worked out with them. Ms. Gallegos also does not know what is being proposed, as she did not talk to administration about this. Commission Chair Aguilar told the employees and elected officials that this was given to the Commission before the meeting so they haven't had an opportunity to really review it.

Commissioner Daves asked that the document be made available to the public after the closed session. Commission Chair Aguilar's understanding is that they will go into executive session, the individual employees will be discussed, the elected officials will be called in, then they have to come out into a public meeting and disclose it. At that time, Mr. Fernandez will be making a recommendation as to when this will be implemented. Commissioner Pando asked, there is five people who are being terminated and his understanding is that it's going to take 18 months to regroup, so if they were to go two years, would they still have to lay off or eliminate people? Mr. Fernandez said they looked at reduction and did it in compliance with the personnel ordinance and the first item required is that casual, temporary, or probationary employees will be laid off before any full or part time classes are affected. Commissioner Pando said he would like to go two years to resolve it, rather than a year and a half.

Commissioner Padilla made a motion to go into executive session to discuss personnel matters, new hires, transfers, resignations, terminations, and litigation. Commissioner Baca seconded the motion. Motion carried with a vote of 4-0.

Commissioner Pando made a motion to return to regular session. Commissioner Baca seconded the motion. Motion carried with a vote of 4-0.

Carol Anaya, Personnel Manager, reported that during executive session she discussed the following with the Commission: termination of Henry Villa of the Sheriff's Department Cops II, resignation of Jolene Ortega from the Treasurer's Office, and maternity leave with pay for Kendra Kanishero. Ms. Anaya asked the Commission to ratify what was discussed in executive session. Commissioner Daves made a motion to ratify those actions. Commissioner Baca seconded the motion. Commissioner Baca voted yes. Commissioner Padilla voted yes. Commissioner Daves voted yes. Commissioner Pando voted yes. Motion carried.

Attorney Tom Garde reported that during executive session he discussed with the Commission the status of the BurBen case which is set for hearing this coming Thursday. They also discussed two decisions with regards to Judge Pope concerning an assessment and concerning enforcement of an ordinance with regards to the removal of vehicles at the property owned by Sal Martinez. No action was taken on any of those items.

Commission Chair Aguilar said some elected officials were called into executive session. Mr. Fernandez said the items discussed were the elimination of two positions from the Manager's budget, elimination of one position from the Clerk's Recording & Filing, the elimination of one position from the Treasurer's Office, the not filling of two vacancies one as a Field Trainee in the Assessor's Office and not filling the vacancy of the Business Manager, as well as a bump of one employee from the reappraisal budget who is still on probation and placing all other individuals including the elected officials on 64 hours per pay period with the exception of public safety which would be field officers and dispatch. Commissioner Padilla made a motion that nothing else was discussed in executive session. Commissioner Baca seconded the motion. Commissioner Baca voted yes. Commissioner Padilla voted yes. Commissioner Daves voted yes. Commissioner Pando voted yes. Motion carried.

Mr. Fernandez said that all departments will go on 64 hours per pay period and with the Sheriff's Office, that would include the Sheriff, his Under Sheriff, and any clerical, all other individuals will remain at the full hours of public safety. Dispatchers are not affected, according to Mr. Fernandez. Mr. Fernandez recommended that this begin the next pay period and run for this fiscal year and the upcoming fiscal year if necessary, which is a total of 18 months. Mr. Fernandez said this would be for all departments except Animal Control and Public Safety. Mr. Fernandez also said they are looking at the Road Department as a separate issue. Right now this will affect the general fund and the reappraisal fund.

Mr. Fernandez recommended working with the Senior Citizen Program on consolidation of some of the Senior Citizen Centers to eliminate roughly \$20,000.00 that is needed to be transferred from the

general fund to the Older American Program. Mr. Fernandez is also recommending to eliminate contributions to the Extension Service for the remainder of this fiscal year of completing the two quarters that have completed and meeting that obligation, and the elimination of contributions to Soil Conservation for the remainder of the fiscal year and meeting the two contributions for the first two quarters. Mr. Fernandez recommended elimination of the Jail Monitor's contract and the elimination of the Community Service Monitor contract. He recommended to reduce travel and approve only mandatory training travel, elimination of take home vehicles with the exception of Public Safety for all departments, and utilizing existing County personnel for Early Voting Boards. Commission Chair Aguilar questioned that the Jail Monitor's Contract and the Community Monitor are getting paid out of the adult detention contract, and asked if there would be an adjustment on there. Mr. Fernandez said they receive a separate compensation for that to the general fund and those two contracts require a 30-day notice.

Ms. Gallegos read Resolution 2001-53. One other item Mr. Fernandez failed to mention was the moving of 5 full time and 3 part time employees from the Assessor's Office general fund budget to reappraisal. Commissioner Pando asked what was decided on the five employees that were going to be laid off. Mr. Fernandez said in discussion with the elected officials, there is one in the Treasurer's Office, two in the Manager's Office, one in the Clerk's Office, the Field Trainee position, and the Business Manager, and vacancies would not be filled. Commissioner Baca made a motion to approve Resolution 2001-53. Commissioner Padilla seconded the motion. Commissioner Daves said he doesn't have the stomach to do in 2001 what the Commission did in 1991. He feels the administration and this Commission have failed its employees in failing to look at the handwriting that they probably knew was there, and doesn't think that would unnecessarily change the financial picture. He thinks that it is untenable that they're talking about suspending contracts where people's lives are affected and the services to the community. Commissioner Daves said they do their best not to affect county governments intrinsic services to the public. The biggest budget element and item is the jail contract and juvenile contract so that's beyond his lack of a stomach to support this action. He thinks its untenable that the Commission works and does everything they can to see what they can do to renegotiate that contract or terminate that contract to help the County's budget. If the Commission can't work with Commissioner Daves on the budget issues, he is going to vote no on this resolution. He commits to working continuously on the budget issues but said if necessary he can resign from this job, as he didn't run to have to do this a second time. He said he shouldn't have to do this twice and said the Commission hasn't done a fundamental piece of stuff, which is to look at the largest budget items in enough detail to justify the action that is proposed in this resolution. Commissioner Pando said he is also going to vote against the resolution and there are two things that really bother him. One is that if they are going to go 18 months, he would rather go two years, as he hates to see people lose their jobs. Also because the people from the State of New Mexico said it is a policy not a law. He doesn't think the County needs to go through these extreme measures and also he doesn't agree with laying off people and what's happening with the extension service. Commissioner Padilla said it's very difficult to take a vote like this but he intends to pursue this thing with the jail. He thinks that needs to be studied further and said if the County needs to take that jail back, they'll do it and if they can save money, they'll do it. Commission Chair Aguilar said that as far as the jail and looking at the evaluation of the jail, she brought this up three months ago and was accused that it was a workshop and to take their time and at that time she said this is the time to begin to start looking at that. Commissioner Pando voted no. Commissioner Daves voted no. Commissioner Padilla voted yes. Commissioner Baca voted yes. Commission Chair Aguilar passed. Motion dies for lack of a tiebreak.

Carol Anaya, Personnel Manager, asked what happened here. Commissioner Pando said nothing happened at this point and everything continues as before. He said this needs to come back to the Commission as soon as possible and they need to do some analyzing on the jail contract. He still feels that if they are going to go 18 months, he'd rather go two years. Mr. Garde said there's been no decision so we are as we were at 5:00 P.M. Commissioner Daves said he believes by passing, Commission Chair Aguilar's vote is legally a no vote. He said the Chair has an obligation unless there's a conflict of interest or something to vote on tie votes. Commission Chair Aguilar said she does not have an obligation. Commission Chair Aguilar feels the Commission should be behind the recommendations of the County Manager and it should be unanimous.

The next Regular Meeting of the Valencia County Board of County Commission will be held on January 2, 2001 at 10:00 A.M. with Executive Session beginning at 9:00 A.M. in the County Commission Room at the Valencia County Courthouse.

## Adjournment

Commissioner Pando made a motion to adjourn at 10:34 P.M. Commissioner Padilla seconded the motion. Motion carried.

**NOTE:** All proposals, documents, items, etc., pertaining to items on the agenda of the December 18, 2001 Regular Meeting (presented to the Board of County Commissioners) are attached in consecutive order as stated in these minutes.

**VALENCIA COUNTY BOARD OF COMMISSIONERS**

**ss/  
ALICIA AGUILAR, CHAIRMAN**

**ss/  
AURELIO H. PADILLA, VICE-CHAIRMAN**

**ss/  
S. T. FRANK PANDO, MEMBER**

**ss/  
GARY DAVES, MEMBER**

**ss/  
HELEN BACA, MEMBER**

**ATTEST: ss/**

**TINA GALLEGOS, COUNTY CLERK**

**DATE: January 15, 2002**