

VALENCIA COUNTY BOARD OF COMMISSIONERS

Special Meeting

July 28, 2004

The Meeting was called to order by Chairman Gary Daves at 10:00 A.M.

PRESENT	ABSENT
Gary Daves, Chairman	
Paul Edward Trujillo, Vice-Chairman	
	Aurelio H. Padilla, Member
Alicia Aguilar, Member	
	Mary J. Andersen, Member
Mike Trujillo, County Manager	
Wimberly Law Firm, County Attorney	
Tina Gallegos, County Clerk	
Press and Public	

Pledge of Allegiance led by Sheriff Richard Perea

Approval of Agenda

County Clerk, Tina Gallegos read the agenda. Commissioner Trujillo made a motion to approve. Commissioner Aguilar seconded. Motion carried. 2-0.

County Manager, Mike Trujillo said that the budget had not changed much from the preliminary budget. He directed the commission to a summary sheet on what had occurred. Major items, in local government of DFA approving the preliminary budget, conditionally in taking care of those issues. In terms of the general fund, there were three major changes. They are noted on the county commission budget, after the preliminary budget had been approved. NMAC workers caught it, and so it increased our rates by about thirty some odd thousand. That is now reflected in your county commission's budget, to cover that particular premium increase. One of the issues that he would be working on, was workman's comp and general liability. He had contacted the Albuquerque Solid Waste Management Department and they would be providing us with their safety director, who will give special safety training in areas like Conejo.

Under the Fire Marshall's budget, they had failed to appropriate for the lease purchase payment on the emergency generator that is outside of the 911 center.

The other major change in the general fund was for Juvenile Detention. They had worked out a Joint Powers Agreement, which, in their revised premium, and based on Bernalillo County budget, they had increased their health insurance to an 80-20 match, which increased that particular budget. However, overall, we have decreased that budget by 84,000 of which we will see approximately 42,000 of that benefit.

The overall general fund total expenses being recommended is \$6,214,399.00. Department of Transfers are 3,709,310.00. This brings it down to the cash balance and reserves requirements. Beginning cash balance is \$2,357,025.00, a bit higher than anticipated. Projected revenue remains the same with the revised expenses and transfers, a projected ending cash balance of \$2,014,635.00, with the 3/12 required by local government division being \$1,553,600.00, which leaves us with a reserved requirement of over \$461.035.00. We will have to be conservative with this number, because, the second comment they had in their conditional approval, is that the county was going into their cash reserve, by about \$250,000 a year.

County Manager directed the commission to page one of the budget, that gave them the projected cash balance for the year before which was \$2,273,814. The beginning cash balance for this fiscal year was \$2,002,210.

Commissioner Aguilar said they had just gotten the final budget in the morning, so she hadn't had an opportunity to review it. But, going back to what Manager, Mike Trujillo was saying, she was a bit concerned, and if she recalled a letter from DFA, it talked about them meeting the 3/12, but she thought that they also wanted them to balance the budget, where expenditures did not exceed revenues. Mr. Trujillo read the letter that had instructed them on what they expected. He said that they have taken care of the issue of local government division's concern's of the \$248,000, and that they now have the operating reserve requirement. Their second and only other issue was, the 1/12 in the road fund.

Chair Daves asked what the general fund cash balance at the end of the 2003-2004 fiscal year. Mr. Trujillo said it was \$2,273,814.

Commissioner Aguilar wanted conformation that in the total budget, with everything put together, were revenues exceeding expenditure? Manager Trujillo said, to phrase it objective, FY04-05 expenditures would surpass FY04-05 revenues. However, when you use the beginning cash balance, you are still in the positive.

Commissioner Aguilar wanted assurance that if they approved the budget, there would be no liability, and no one could come back and say, that they had approved a budget with no revenues. Mr. Trujillo said yes, because the way local government is set up, the beginning cash balance is used as projected revenue, however, if they fall within anticipated revenue projections and anticipated expenditures that they have approved, then in fact, he could say that there is no liability. Commissioner Aguilar said that knowing about Conejo and the Landfill and other expenditures issues that they are aware of, had these been budgeted and nothing was laying back that would come back at them. Mr. Trujillo said Conejo had not been budgeted, because they are waiting for the final stipulated order and that is why they have their cash reserve requirement. He would be bringing it to the commission for a budget adjustment and at that point, he will justify that the revenue profile is there to cover the anticipated expenditure.

Commissioner Aguilar had not been present for the preliminary budget, but there had been some requests that were not budgeted, because they were waiting for the final budget, and she asked if any of those request had been incorporated into this budget. Mr. Trujillo said that the only request, or expansions, position recommended in this budget, was in the treasurer's office that could bring in revenue that would exceed the projected expenditure.

She asked if there was any opportunity to reduce the expenditures on the adult facility. Mr. Trujillo said no, however they would be looking at it in the next two to three months to see how they could bring it down to allow the general fund some additional leverage.

On the judicial complex, there was nothing budgeted, because the project was not anticipated to be completed until the spring of 2006.

She asked about raises and Mr. Trujillo said this was something they were going to work out for the January 1st, budget.

On the beginning road cash balance, the other issue brought up by the local government division, was the fact that they had not budgeted the 1/12 reserve requirement for the road fund. The beginning cash balance will be \$560,651 less expenditures, the ending cash balance of \$347,436, on which the 1/12 requirement will be \$102,104, so they have met both requirements under the conditional approval of preliminary budget.

Commissioner Aguilar said that the state receives revenue from the federal government. When they talk about the state incurring expenses for maintenance, they do get revenue from that. Her whole contention, when she met with them two years ago, was the fact that the people that are occupying the facility are carrying the burden of the utilities. So, you have the county health department, motor vehicle and the state police, and when the bill comes in, it is divided, but the vacant buildings are not charged for anything. This was supposed to be temporary, but after four years we still have the cost. Mike Trujillo said he was meeting with them and it looks like they are finally moving forward with that concept.

Commissioner Aguilar made a motion for the \$73,408 Extension Service money to go in the budget, however, if they are able to reduce the rental amount from the Los Lunas Hospital and Training School, then the extension service money will get reduced by that amount. You have operation and their contribution, but we are also paying for the facility. She wanted to make it conditional, for that one amount.

Chair Daves had a question on what the county pays or rents at the Los Lunas Hospital and Training School. As he understood it, the state concurs costs and then they are charged to the renters. Mike Trujillo said it was all in a master meter and the pro rate share is attributed to the lease payment. There are village offices, state offices, county offices and private enterprises. The Governor wants to see the campus become a multi government campus, as such, they are willing to look at several things.

Commissioner Aguilar said that the agreement was that the check goes to the New Mexico State University. The extension service is a subsidiary or a part of them. Then the extension for NMSU pays the rent, but they get the money from the county. She wouldn't want it to say that they refuse the rent, now they have \$73,408 budget for other things. She would like to keep this in perspective, because we still have to be conservative. Mike Trujillo said that the proper way to do that, is that in order to do that, in order for them to have the money float through to New Mexico State, and to the extension service, we have to contract with them, we can put that provision in the contract.

Chair Daves said there was a motion, to the extent, that the rent payment for the extension office, for its facilities, is lower. The budget for the extension service be lowered in the same amount. Commissioner Trujillo seconded. Chair Daves he did not see any problems and that the extension office has been conservative in its budget and would not expect a windfall from any decrease in their rent, but would expect the county to adjust the budget with or without this change.

Motion carried. 2-0.

Manager, Mike Trujillo asked if the commissioner had any other concerns. On page two of tab one, was a summary of all the funds and it included the judicial complex.

Commissioner Aguilar wanted to know if any money for lease purchases of equipment had been budgeted in the road fund. Mike Trujillo said that the road fund partakes of 20% of the gross receipts tax and that is where all the purchase of the equipment is coming from. It's not coming from the road fund, because of the inadequacy. He also said that some leases were up and the equipment had been returned and so it freed up money to re-engage in some other equipment.

Commissioner Trujillo said that at the last budget hearing, several entities and individuals had made requests for allocations from the budget, including the Sheriff on PERA. He did not see the list. Mike Trujillo apologized for not having the list. They had not put that in, since that action had actually, by adapting the preliminary budget, had been put aside. Their recommendation then and now, is that by October they would start looking at mid-year budget adjustments, as well as projected revenues, and, additional revenues and he recommended doing that as part of mid-year budget adjustment. They would be looking at PERA, salaries increases and those additional requests.

Commissioner Aguilar said she knew that the budget was very conservative, but the health department in Belen had some serious issues and wanted to know if they had budgeted any to help alleviate those. Mr. Trujillo said there was money in the budget for that, but his concern was that it was the owners responsibility and they were trying to work that out.

Mike Trujillo said this sums up the review of the budget. Page two summarizes everything in a format that was easily understood.

Beverly Gonzales, Valencia County Assessor, said she had also received the budget in the morning and she wanted to make sure she understood it. In the preliminary budget she had requested money to paint her office and re-carpet and she did not see it in this budget. Mike Trujillo said it was not in there, because the general fund was so tight and that was one of the issues that they were looking at as part of the money that they had reserved for this facility, out of the bond issue money. Beverly said this was not general fund money, it was out of her 1% budget. Mr. Trujillo said this should be for equipment, and, carpet should not come out of that. He would meet with her to discuss it further.

On her mileage reimbursement, she said the amount of \$4,500, that she had requested, and had been agreed on, had been changed to \$1,500. This was just enough to send two people to school and, they would be going in two weeks.

She had requested \$1,850 for registration. Mike Trujillo said that in this particular budget they did have \$10,000 leeway to take care of mileage, per diem and registration. One of the things that he had advised the commission at the meeting, was that all the travel money has been placed in their budget for general fund expenditures, and, what they will be doing, until they get an actual cost accounting, is, as they approve the travel, they will be charging it to their line item, then in mid-year, he would be moving it out of the commission line item back to her line item, so then they will have an actual true picture. Beverly said her schools comes out of her 420, so this does not affect the general fund.

Marcel Reynolds said he understands the budget as it is now and he hoped in October it would look better. He would appreciate any efforts in the coming budget revisions to consider the expansion budget that was reviewed earlier in the year.

Chair Daves said that working on the jail might be worth neglecting other duties and was very happy that the first RFP fell through the cracks. This county needs relief, budget wise.

Commissioner Aguilar said that they get \$30,000 from Cornell for a jail monitor and it is a vacant position that they don't fill. It was her understanding that this is where they also pay for the community service monitor, Emiliano Sanchez, and the rest of the money lands up in the general fund and used for other expenses. She would like to see that looked at and if it given to them for community service, maybe those amounts could be used to help supplement the \$2,210 request.

One other comment on the adult detention contract, was that last year when it was approved, she did not approve it. Originally on that contract, it referred to a \$200,000 fee, for the software, that if they terminate the contract early, they would re-reimburse Cornell for that fee, but, if they extended it for a year, then it would come to them. When last year's contract was approve, that was removed, so we lost out on that benefit. She believed that it would behoove them, for administration, to go back to Cornell and in matter of intent, that item should be put back in there. As far as the software, it should belong to the county. This way when they go out to bid it would be easier and cost efficient for the county, because then we would be looking for someone to manage it, and the whole system is set up. It's already there, and, it belongs to us and that system is worth \$200,000. This would be the money for raises for the employees. She was willing to come back help out and try to do that to benefit the employees. In going back to the jail, the funds for the jail monitor are there to address the request of Judge Perea of an additional \$2,200 for his community service and she asked for that to be taken care of.

Commissioner Trujillo added emphases to Commissioner Aguilar's request regarding the monitor. if the money was there, he didn't see why they should have to wait. Mike Trujillo said this was just a minor adjustment and if it needed commission approval it would come back to them.

Commissioner Aguilar made a motion for a budget adjustment for the community service for the magistrate court. Commissioner Trujillo seconded. Motion carried. 2-0.

Commissioner Aguilar said it was important that on the Cornell contract, as a priority, administration look at addressing the software issue, that was on the original contract, and has since then been deleted, that there be an agreement between Cornell and Valencia County that it should belong to the county now. She made this in the form of a motion. Commissioner Trujillo seconded. 2-0.

Commissioner Trujillo said the detention contract has taken longer than anticipated and he asked for the people's patience.

Commissioner Aguilar and Commissioner Trujillo were in agreement that the needs of all the employees be fair.

Commissioner Aguilar made a motion based on the information and the assurance from administration that they have a budget that meets statute and balances, she moved for approval of the budget. Commissioner Trujillo seconded. Motion carried. 2-0. **Resolution 2004-42. See Exhibit.**

The next Regular Meeting of the Valencia County Board of County Commission will be held on August 18, 2004 at 5:00 PM in the County Commission Room at the Valencia County Courthouse.

Adjournment

Motion by Commissioner Trujillo. Seconded by Commissioner Aguilar. Motion carried. 2-0.

NOTE: All proposals, documents, items, etc., pertaining to items on the agenda of the, July 28, 2004 Special Meeting (presented to the Board of County Commissioners) are attached in consecutive order as stated in these minutes.

VALENCIA COUNTY BOARD OF COMMISSIONERS

**ss/
GARY DAVES, CHAIRMAN**

**ss/
PAUL EDWARD TRUJILLO, VICE-CHAIRMAN**

**ss/
AURELIO H. PADILLA, MEMBER**

**ss/
ALICIA AGUILAR, MEMBER**

MARY J. ANDERSEN, MEMBER

ATTEST: ss/

TINA GALLEGOS, COUNTY CLERK

DATE: August 18, 2004