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- Mayor Pro tem Peggy Gutjahr called to order the city council workshop at 3:13 pm.
- Present: Mayor Pro tem Peggy Gutjahr, Councilors; Bill Brown, Joshua Ramsell and Jim Winters.
Present: City Manager Dr. Martin Moore, Municipal Clerk Lisa Adair, Finance Officer Stephanie Finch (virtual) and Finance Clerk Angela Valadez (virtual)

Audit Report Presentation – SJT Group – discussion

- ❖ Jeremiah Armijo introduced his company and who was present during the audit and then went over Management responsibilities, auditor's responsibility. He then explained required communication of findings, revenue that came in later and had to be adjusted, and said if there were disagreements, we would report those to you, but we did not have any issues because your staff is great. He began to review audit results, the financial statement had no issues, we found two significant deficiencies related to internal control and those were a segregation of duties, a problem of having finance being able to sign checks and have access to the general ledger and having GRT taxes that came in late in 2019 and that made revenues understate in the previous period and we have to restate beginning balances. He then explained compliance findings: the previous City Manager arranged a trip, and the travel cost should have been approved by the Council because it was over the State allotted limit and she did not stay the entire duration of the conference and you paid for the training, but we did note she was let go. He explained the use of the City vehicle for personal reasons was also a finding. He then explained purchases that were not correctly approved by the City, including: Purchases by the previous City Manager including Christmas decorations without evidence of quote obtained, a park survey done without purchase order, and a magazine advertisement without proper procurement procedure. He then explained an anti-donation finding and a repeat finding for lack of supporting documents for credit card purchases although this year was much better than the past. He then explained accounts receivables and payables and City projects.
- ❖ Jeremiah Armijo went over the statement of new financial position and explained net position which includes assets and liabilities. He then explained the statement of activities, which are revenues including grants and State contributions. He continued to explain City expenses, saying that because it is a newer City it costs more money to get the infrastructure in place, and explain depreciation.
- ❖ Manager Dr. Moore stated on our net position what we received capital projects were frozen by the legislature that have now been unfrozen, so we might have some changes to make and began a discussion.
- ❖ Councilor Brown said part of the reason they were frozen was because of the decrease of oil and gas in our oil fields and that cause recalculation of the State budget and continued the discussion.
- ❖ Jeremiah Armijo said he is happy to see the City is being good stewards of their money.

Accounts payable report – discussion

- Finance Officer Finch gave a report on items totaling more than \$500: ACAVATI LLC in the amount of \$959.94 for a grass mower for Public Works; Administrative Services for employee health insurance totaling \$2,497.73; Wells Fargo Financial Leasing for the leasing of the server in the amount of \$2,497.73; SJT Group LLC in the amount of \$6,654.71 for FY 2019-2020 Audit; Sego Insulation Inc in the amount of \$775.13 for the insulation installment in the library; Waterway of New Mexico, LLC for the

testing of all pumps for NFPA 1911 in the amount of \$1,184.56; WEX Bank for fuel for the Fire Department vehicles in the amount of \$688.95; ABC Door Company for the replacement of the fire department doors in the amount of 49,796.00 and that comes out of the County EMS GRT Fund; HRD Engineering totaling \$12,746.79 for Project Administration, Capital Improvement Planning, Master Drainage Plan and tax.

- Manager Dr. Moore said the fire department doors were made possible by the EMS funds and began a discussion.

Signature on Bank Account (adding) – discussion

- Manager Dr. Moore said one of the audit finding was not having the correct signatures on the bank account.
- Mayor Pro tem Gutjahr said Councilor Ramsell will be the other signer and we will be voting on this tonight.

Bonding (municipal bonds) dedicated revenue services – discussion

- Manager Dr. Moore said when we have types of purchases that become critical but do not have a funding source to pay for them, a bond would be a way to dedicate a certain source of money for a certain amount of time to pay for something. He continued to explain the different funding sources that can mature over a year so that you can show that there is a likelihood that that source of money would continue to grow and gave examples of what type of things might be funded by a bond. He then said we have to decide what we would be comfortable with and explained that good planning of replacement vehicles and equipment, and roadwork would be the best way is important to bonding. He continued to explain bonding.
- Mayor Pro tem Gutjahr asked the difference between a bond agent and bond attorney.
- Manger Dr. Moore said a bond attorney would be responsible for all the documents, but the bond consultant would be the one to bring in the bond attorney. He then said when there is a big project you can use an industrial bond and continued the discussion.
- Councilor Brown said he was wondering if you had an idea how we might use bonding in the future or did you have a project in mind.
- Manager Dr. Moore said it depends on what the analysis it, such as a tanker for the Fire Department that needs replaced is going to be about \$350,000 and a small community like we might require a bond to pay for that.
- Mayor Pro tem Gutjahr said we really need a clear assessment of how long that vehicle will last, because even if it is approved on the ICIP it would be some time before we could get it.
- Councilor Ramsell said we should have the whole fleet looked at and see when we will need to replace the rest of them.
- Manger Dr. Moore said we do need to have a vehicle replacement/depreciation schedule, the Fire Chief said we need an assessment and continued the discussion.
- Manager Dr. Moore said we can take large projects, such as roads, to the voters to increase tax to replace the roads.
- Councilor Ramsell said his reluctance to replacing the road is that the water and sewer lines are at end of life too. He then said if we were to replace the lines, would the City be able to take over the water and sewer company's ownership, and maybe they would be willing to do that, so the private company is not having to replace them. The discussion continued.
- Councilor Ramsell said if the public did agree to a bond it would say the City would dedicate that increase directly to what it was for and began a discussion.

- Mayor Pro tem Gutjahr said we need to look at different bond consultants so that when we are ready for one, we know where to go and began a discussion.

FY 2020-2021 Capital Projects - discussion

- Manager Dr. Moore said everything we have on there now is on its way to construction, the authorization was approved for streetlights and the City has budgeted for \$10,000 to help replace about 30 on highway 304, and 13 nonworking lights on highway 47. He then said the authorization of the fire apparatus was approved; he is concerned about the Library is coming along but is asking the architects to come back to Council and redesign some of the building, and he thinks he has found money in the budget for a sign.
- Mayor Pro tem Gutjahr said she is happy to hear that because people don't know that we are a City and something that shows the public what is happening in the City would be helpful and began a discussion.
- Manager Dr. Moore said the Tahoe to have it evaluated and it is having significant engine problems and fixing it might cost more than replacing it and began a discussion.
- Councilor Winters began a discussion regarding getting a project board for the Council room.
- Municipal Clerk Adair said she would add Capital Projects on the next agenda along with grants and continued the discussion.

Agenda items to discuss at the next Joint meeting with EDC

- Councilor Winters said as a Council we need to decide how to help Welcome neighbor/business because they both need some help.
- Municipal Clerk Adair said they have asked me to update some of their flyers and information.
- Mayor Pro tem Gutjahr said this is something we should bring to the EDC and said we need to update the magnets we got from Vista print and continued the discussion.
- Councilor Winters said he received a list of schools, utilities, and other updated contacts and continued the discussion.
- Municipal Clerk Adair asked Manager Dr. Moore would let EDC know those are items that we would like them to work on.
- Manager Dr. Moore said we should also discuss with them what they are planning on doing with the SWOT analysis after they update it.
- Councilor Brown suggested asking the EDC what concerns and problems they are having and what they need to do their job better.
- Manager Dr. Moore said EDC would like an update on the sign and City logo and began a discussion.

Resolution 2021-XX - Open Meetings Act – discussion

- Mayor Pro tem Gutjahr said regarding Resolution 2021-XX - Open Meetings Act, the only change was the date of the meetings so the attorney can attend and began a discussion.

Ordinance 2021-xx Chapter 3 Rev & Finance Article 5 Municipal GRT .25% - discussion

- Council had no discussion on this item.

Manager Report

- Manager Dr. Moore said public works has completed the hot water loop and the air vents on the roof are complete, they have installed a door in the hallway to prevent people in the library from wandering around the building. He then said we are looking to reopen soon. He explained he spoke with the architect to let them know that we are only looking to get the three staff members moved.

Council General Discussion & future agenda items

- Councilor Brown said he is working on a legal proclamation to be delivered at least 20 days to ban fireworks because of the exceptional drought.
 - Mayor Pro tem Gutjahr said we have done this before, but she would like to have a draft of the proclamation by the first meeting on May 10, 2021 and continued the discussion.
 - Councilor Ramsell would like to know if the drops have been installed for the Fire Department Administration office so they can start moving over.
 - Manager Dr. Moore said the fire department would like to buy some fireproof cabinets and have that in their budget, the drops are not in their yet, but they will be installed. The discussion continued.
 - Councilor
 - Mayor Pro tem Gutjahr said she and Dr. Moore visited some residents and local businesses, she had a great conversation with Universal Waste and gave the amount of addresses services and 105 on credit holds for the Code Enforcer to start going after. She then explained some people don't think we are a City, some who think they are their own sovereignty, and a few that are just unwilling, and said at some point we have to come up with a fund within the community, apart from the City, that would be able to help the handful that just cannot afford the service. The discussion continued.
 - A discussion began about the tire cleanup on April 17, 2021.
 - Councilor Winters said after the last parks meeting, the engineer began designing the park when we are not going that direction and began a discussion.
- The City Council workshop was adjourned at 5:27.

Respectfully submitted,

Lisa Adair, Municipal Clerk
(Taken and Transcribed by Amy L. Lopez, Deputy Clerk)

Date: _____

Approved:

Mark Gwinn,
Mayor

Margaret (Peggy) Gutjahr,
Mayor Pro-tem/Councilor

Bill Brown,
Councilor

Joshua Ramsell,
Councilor

Jim Winters,
Councilor