



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MINUTES

BOARD OF DIRECTORS REGULAR BUSINESS MEETING

March 27, 2019

at the Clubhouse Conference Room
Coyote del Malpais Golf Course
2001 George Hanosh Boulevard *** Grants, NM

I. PRELIMINARY BUSINESS

A. CALL TO ORDER/INTRODUCTIONS/QUORUM.

Interim Chair *Billy Moore* [McKinley County] convened the meeting of the Board of Directors at 10:05 am. Roll call proceeded in the form of introductions around the table. In attendance were 15 Board Representatives, representing a quorum 8 of the 9 voting entities of the Board (88.9%), along with 3 COG staff. City of Grants Mayor Martin 'Modey' Hicks provided a welcome to the Board and provided an overview of economic challenges that Grants, Cibola County, and the greater region are facing with current and impending traditional energy market and related business closures.

BOARD MEMBERS IN ATTENDANCE:

CIBOLA COUNTY: Martha Garcia
MCKINLEY COUNTY: Billy Moore; Bill Lee; Doug Decker
SAN JUAN COUNTY: GloJean Todacheene; Fran Fillerup
CITY OF AZTEC: Steve Mueller
CITY OF BLOOMFIELD: *absent – [Jason Thomas, excused]*
CITY OF FARMINGTON: Rob Mayes; Julie Baird (alternate)
CITY OF GALLUP: Fran Palochak
CITY OF GRANTS: Manuel Vasquez; Laura Jaramillo
VILLAGE OF MILAN: Helen Dayan; Ellen Baca

GUESTS IN ATTENDANCE:

None

STAFF IN ATTENDANCE:

EXECUTIVE DIRECTOR: Jeff Kiely
DEPUTY DIRECTOR: Evan Williams
ADMINISTRATIVE ASSISTANT: Martina Whitmore

B. AGENDA ADOPTION.

Executive Director *Kiely* provided an overview of the day's agenda topics.

ACTION: *Fran Palochak* (Gallup) moved and *Manuel Vasquez* (Grants) seconded adoption of the agenda. Motion carried.

C. MINUTES OF NOVEMBER 14, 2018.

Mr. Kiely introduced the minutes of November 14, 2018 for review and approval.

ACTION: *Fran Palochak* (Gallup) moved and *Steve Mueller* (Aztec) seconded, to approve the Minutes of November 14, 2018 as presented. Motion carried

- D. ELECTION OF OFFICERS.** The Board had deferred to the San Juan area members the opportunity to nominate a representative to hold the vacant 1st Vice-Chair seat for the balance of the term until the new officers election. This seat had been vacated when former 1st Vice Chair Genevieve Jackson left the Board after terming out in December 2018 as McKinley County Commissioner.

Chairman Moore solicited a nomination from the San Juan area members. It was noted that former Board Chair GloJean Todacheene, who had vacated her Board seat in 2017, had now been re-elected to the San Juan County Commission and subsequently re-appointed to the COG Board.

ACTION: *Rob Mayes* (Farmington) nominated GloJean Todacheene to serve as the COG Board's 1st Vice-Chair and *Fran Fillerup* (San Juan County) seconded that nomination. Motion carried. The Board welcomed back and applauded Commissioner Todacheene's willingness to serve.

II. EXECUTIVE/STAFF REPORT

Executive Director Kiely provided a summary of the past quarter's key activities and issues.

- A. STAFF SUMMARY REPORT.** Mr. Kiely noted the Staff Summary Report would be completed in early April for the third quarter (January – March 2019), showcasing the breadth and depth of work performed by COG staff.
- B. QUARTERLY NEWSLETTER.** Mr. Kiely presented recent activities of the COG by reviewing the "Connecting the Dots" quarterly newsletter.
- C. NEW MEXICO LEGISLATIVE SESSION RE-CAP.** Evan Williams presented the "Snapshot of the Session: Results" report and provided a re-cap of the 2019 NM Legislative Session. Mr. Kiely stressed that this member service is a tremendous value add for all COG members and our Legislative Delegation.

III. FINANCIAL REPORT

- A. INTRODUCTION OF NEW CPA CONTRACTORS – LOFTIS GROUP LLC:** Mr. Kiely provided a quick background on the status of COG financial management, reporting that at the Board's direction, the COG had gone through a procurement process to select a new Certified Public Accountants (CPA) firm. The firm that was selected was Loftis Group LLC, which previously was our auditing firm. It has proven to be very positive, and Loftis has been tremendously helpful in moving the COG forward.

Loftis Group managing principal Armando Sanchez joined this meeting by conference call.

- B. FY2018 AUDIT, APPROVED FOR DISTRIBUTION.** Mr. Sanchez provided a quick re-cap and review of the 2018 Financial Audit, noting that the audit was submitted on time and was released by the Office of the State Auditor on March 11, 2019. The financial statement received an unmodified opinion and has three findings. The COG will need to improve in the areas of payroll liabilities, internal control over financial reporting, and internal control over payroll. COG staff reported that these are being proactively addressed, including via retaining

Loftis as our contract CPA.

C. THIRD QUARTER FINANCIAL REPORT, FY2019.

Mr. Sanchez offered that it was not possible to provide financial reports for today's meeting, as his firm is working with COG staff to rectify some balance sheet issues that include accrued liabilities that are materially inconsistent. He did, however, offer his assessment of current financial status, focusing on the steps that have been made since Loftis started its COG CPA work in January 2019. These include:

- **Transaction Cycles and Process:** Loftis Group and COG staff have improved and consistently recorded all transactions, including Accounts Payable disbursements, Accounts Receivable, payroll (has been outsourced to a third-party payroll service Paychex), and payroll liability reports and taxes have been brought up to date. *Completion: March 2019*
- **Analysis of Quickbooks:** Now that transactions are consistent, Loftis Group and COG staff will concentrate on review of the COG's QuickBooks accounting system; viability of balances; FY2018 carry-over, adjusting entries, and reconciliation; and hold a meeting to review the logic of COG's financial management systems. *Goal for Completion: Resolution by the end of April 2019*
- **Audit Preparation:** Loftis will assist in getting all COG financial records ready for the 2019 audit, including reconciliation of other balances and drafting financial statements. *Goal for Completion: May 2019*
- **Budget:** COG staff will need support in finalizing a budget amendment for the FY2019 COG Budget for Board approval in the May meeting and a preliminary budget for FY2020 with scenarios on staffing patterns. *Goal for Completion: May 2019*

ACTION: *Rob Mayes (Farmington) moved and Manual Vasquez (Grants) seconded, to accept the financial report as presented. Motion carried.*

IV. SPECIAL CONSULTATION

A. Transition Strategy: Based on Jeff Kiely's plan to retire on April 26th as COG's Executive Director, the Board resolved itself into closed session to discuss options and determination of a pathway forward.

ACTION: *Bill Lee (McKinley County) moved and Doug Decker (McKinley County) seconded to go into closed session. COG staff members were excused from this session.*

ACTION: *GloJean Todacheene (San Juan County) moved and Helen Dayan (Milan) seconded, to come out of closed session. Motion carried.*

ACTION: *Rob Mayes (Farmington) moved and Martha Garcia (Cibola County) seconded, to appoint with gratitude Evan Williams as the Executive Director upon Jeff Kiely's retirement, effective and based on final contract negotiations. Motion carried.*

Chairman Moore invited comments from staff and members. Martha Garcia expressed appreciation for Mr. Kiely's long term of service and wished him well in his retirement. Mr. Kiely expressed his warm support for Evan Williams as Deputy Director, offered his gratitude to the Board and pledged support and best wishes going forward.

B. Work Program Priorities: At Chairman Moore's invitation, Evan Williams provided his vision for moving the organization forward, including:

- Needing member patience in this transition and heightened Board support and involvement;
- Shoring up COG's financial management and audit;
- Focusing on training and coaching COG staff on expectations and recruiting valuable members to the team;
- Completing and delivering on contracts that the COG has currently, including McKinley County Comprehensive Plan, Farmington MPO, etc.
- Positioning the COG as the regional economic development organization to uplift local efforts to sustain and diversify our economy and workforce in our current and impending crisis.

V. ANNOUNCEMENTS; OTHER BUSINESS

A. 2019 Board Meeting Calendar. Mr. Kiely presented the COG Board 12-month Master Calendar as modified on 2/1/2019.

B. Set the Next Board Meeting. The Board set the next meeting for **May 15th | 10AM | Gallup.**

C. Announcements & General Comments: Evan Williams announced that he would alert the Board of celebration plans to honor Jeff Kiely's legacy [April 26th, Gallup Cultural Center, Noon].

VI. ADJOURNMENT

ACTION: *Doug Decker* (McKinley County) moved and *Bill Lee* (McKinley County) seconded, to adjourn. Motion carried. Chairman Moore again thanked the City of Grants for their hospitality for this meeting and adjourned the meeting of the Board of Directors at 12:01 PM.

Respectfully submitted,



Jeffrey G. Kiely
Board Secretary and Executive Director

ATTEST: _____

Billy Moore
Interim Board Chair

