



# NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

## MINUTES

### BOARD OF DIRECTORS

### WINTER MEETING

April 20, 2022

Hybrid Meeting – CDEC Board Room, Grants, NM  
Held via ZOOM

## I. PRELIMINARY BUSINESS

### A. CALL TO ORDER/INTRODUCTIONS/QUORUM.

Chairman *Billy Moore* (McKinley County) convened the meeting of the Board of Directors at 10:03AM. Roll call proceeded and in attendance were 12 Board Representatives/Alternatives, representing a quorum 7 of the 9 voting entities of the Board (77%), along with COG staff, guests, and their CPA.

#### BOARD MEMBERS IN ATTENDANCE:

CIBOLA COUNTY: Judy Horacek; Dr. Christine Lowery  
MCKINLEY COUNTY: Billy Moore; Anthony Dimas, Jr.; Doug Decker  
SAN JUAN COUNTY: *Excused*  
CITY OF AZTEC: *Excused*  
CITY OF BLOOMFIELD: Jason Thomas  
CITY OF FARMINGTON: Julie Baird;  
CITY OF GALLUP: Michael Schaaf; Fran Palochak; JM DeYoung  
CITY OF GRANTS: Erik Garcia; Donald Jaramillo  
VILLAGE OF MILAN: Linda Cooke; Vivian Brumbelow

#### PRESENTERS IN ATTENDANCE:

Armando Sanchez, CPA  
Cheryl Lee Hills, Executive Director, Region 5 Minnesota  
Jim Townsend and Charla Glendening, Wilson & Company  
Nancy Peay, Smith Engineering  
Susan Begay (IT, Gallup); John Wheeler (GJU Electric, Gallup);  
Eileen Yarbrough (CCEDF); Warren Unsicker (Farmington)  
Lloyd Felipe, Lt. Governor, Pueblo of Acoma

#### STAFF IN ATTENDANCE:

EXECUTIVE DIRECTOR: Evan Williams  
ADMINISTRATIVE ASSISTANT: Martina Whitmore  
PLANNING TEAM: Michael Sage; Brandon Howe

### B. AGENDA ADOPTION.

Chairman *Moore* provided an overview of the day's agenda topics.

**ACTION:** *Fran Palochak* (Gallup) moved and *Judy Horacek* (Cibola County) seconded adoption of the agenda. Motion carried by acclamation.

### C. MINUTES ADOPTION.

Chairman *Moore* reviewed the minutes of January 13, 2022 for review and approval.

**ACTION:** *Michael Schaaf* (Gallup) moved and *Judy Horacek* (Cibola County) seconded adoption of the minutes. Motion carried by acclamation.

## II. SPECIAL PRESENTATIONS

All presentations will be emailed as part of the COG Board Meeting De-brief and available on the COG website at: <http://www.nwnmcog.com/board.html>

*Spotlight: Continental Divide Electric Cooperative & Red Bolt Broadband Mac Juarez*, Service Director provided a look at the CDEC and their current programs, new building, strategic direction, and broadband service roll-out and expansion.

*Regionalism: The Power of Harnessing a Region | Cheryal Lee Hills*, Region 5 Council, Minnesota provided an overview of how her COG and region are seeing the opportunities and attacking them to provide the COG Board more insight into how COG's can advance their regions.

*Prewitt-Milan Transportation Master Plan | Jim Townsend*, Wilson & Company provided a high level overview of this study to plan transportation assets needed for planned and future growth.

## III. EXECUTIVE/STAFF REPORT

- A. **Staff Summary Report:** Executive Director *Williams* provided a summary of the past quarter's key activities and issues.
- B. **Legislative Session 2022 Report.** Brandon Howe provided a written report on the outcomes of the Session mostly from the standpoint of funding.
- C. **Strategic Plan:** Based on the outcomes of the October 20<sup>th</sup> Strategic Planning Session, where the Board received two presentations as follows:

1. An Organization Review of the NWNMCOG by Sheldon Bartel, National Development Council (2021)
2. A Regional Development Sustainability Plan for Northwest New Mexico by Patty Lundstrom, LAMGA (2010)

This information was reviewed again including recommendations at the January 20, 2022 Board meeting. This meeting Director *Williams* reviewed and presented each item:

**1. Annual Work Program:** The new program would re-align our current work program and all programs would remain. This would add several key programs that if funded would be moved forward.

**ACTION:** *Donald Jaramillo* (Grants) and *Michael Schaaf* (Gallup) moved to approve the new work program. Motion carried by acclamation.

NWNMCOG				
MISSION SUPPORT		CORE MISSION		
MS-1 Regional Leadership & Partnerships	MS-2 Operational Innovation	CM-1 At-Large Planning, Implementation & Integration	CM-7 Revised Strategic Infrastructure	CM-5 Center for Regional Innovation
MS-1.1 Memberships, Partnerships & Strategic Networking	MS-2.1 Technology Deployment	CM-1.1 Member Services & Work Programs		
MS-1.2 Enterprise Loan Fund	MS-2.2 Building & Asset Management	CM-2.1 Economic Development Planning & Implementation	CM-3.1 Infrastructure Planning & Prioritization	CM-4.1 Water System Regionalization & Support
MS-1.3 Assessments/VETA Program & Internships	MS-2.3 Marketing & Branding	CM-2.2 Transportation Planning & Development	CM-3.2 Proactive Trip Planning & Wastewater	CM-4.2 Energy Efficiency & Conservation
MS-1.4 Economic Resilience & Recovery Teams	MS-2.4 Data Management & Dissemination	CM-2.3 Water Planning & Development	CM-3.3 Economic Action Plans & Financing Strategies	CM-4.3 Trail Planning, Design, & QA/QC
MS-1.5 Shovel-Ready Site Coordination	MS-2.5 Recruiting & Training Support and Training	CM-2.4 Broadband Planning	CM-3.4 Investment Attraction & Grantmanship	CM-4.4 Brownfields
MS-1.6 Four Corners Commission Revitalization	MS-2.6 Fiscal & Financial Management	CM-2.5 Local Strategic Comprehensive, and Land Use Planning	CM-3.5 Legislative Technical Assistance	CM-4.5 Regional Tourism, Arts, & Outdoor Recreation
	MS-2.7 Regional HPC Strategy		CM-3.6 FUND	CM-4.6 Special Fee-for-Service Projects & Services

**2. Regional Non-profit Formation:** To develop a non-profit Regional Development Corporation to fill the gap in community and economic development that exists between the COG and EDO's as show on this depiction. There was broad support, but Board members wanted to understand organization structure, sustainability and funding plan, pro's and con's, staffing, and the details. COG staff was directed to bring this back at the next meeting.

Northwest New Mexico Regional Development Partnership  
March 2022

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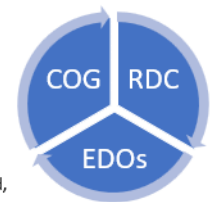
**Northwest New Mexico Council of Governments (COG)**

- Form: Quasi-Governmental Planning and Development District
- Focus: Regional
- Function: lead the planning and process for the Comprehensive Economic Development Strategy



**New NPO Corporation (RDC)**

- Form: 501 (c) 3 corporation independent and private sector Board members
- Focus: Regional
- Function: implement the regional plan and programs of an Economic Development District
  - Enterprise Loan Fund – growing from RLF to CDFI
  - Economies of Scale – conferences, marketing, service contracts, etc.
  - Collaborative Projects – regional authorities, redevelopment corporation, and holding company
  - Innovations, Pilots, & Special Initiatives – Energy Clearinghouse, Healthcare, Housing, Retail, Broadband, Agriculture & Food Systems, NPO Roundtable, Wealthworks, DEI, and Asset-building



**Economic Development Organizations (EDOs)**

- Form: Various, 501 (c) 3 corporations
- Focus: Local
- Function: deliver local economic development programs
  - Business Recruitment & Attraction
  - Business Retention & Expansion
  - Business Creation, Start-ups, & Entrepreneurship
  - Workforce & Special Projects

**Recommendations based on:**

- An Organization Review of the NWNMCOG by Sheldon Battel, National Development Council (2021)
- A Regional Development Sustainability Plan for Northwest New Mexico by Patty Lundstrom, LAMGA (2010)

**ACTION:** *Fran Palochak* (Gallup) moved and *Judy Horacek* (Cibola County) seconded to approve moving forward with the Regional Development Corporation – bringing more details and structure back at the next Board meeting. Motion carried by acclamation.

**3. Membership Structure & Increases:**

**BACKGROUND:** The COG Board was surveyed in the Summer 2019 on the four revenue strategies an organization has including:

- Sell More Existing Services to Existing Members
- Sell More Existing Services to new Members
- Sell New Products Existing Services to existing Members
- Sell New Products to Existing Members

There was not a clear direction provided except to caution the additional new members that would not be able to support services required and dilute services to other members. The Board of Directors did adopt a Wage & Classification Plan that provide annual increase of 2.5%. COG staff has worked diligently to add new fee-for-service contracts and temporary programs, but these do not provide the base from which to grow.

**ACTIONS TO DATE:** The Executive Committee has meet over the past year to discuss this item and provide direction. Staff provided an initial briefing at the July meeting and was instructed to hold a Strategic Planning session on October 20, 2021 with key consultants. A follow-up session was held in January 13, 2022 to discuss further.

**PROPOSAL:** The proposal is two-fold:

- (1) Ask each member to provide a 2.5% increase annually in order to keep up with inflation and staffing costs;
- (2) To provide staffing capacity in San Juan County, ask each member to double dues until they reach their FY2010 levels and enough to sustain 1 full-time equivalent. Once achieved (FY2025), San Juan area members would go on 2.5% annual price increase.

**WORK ANTICIPATED:** If approved, staff is recommending the following steps by end of April:

1. Update COG Membership Dues Policies;
2. Sending out letters to each entity on new levels; and
3. Follow-up with members to present for approval as no action of the COG Board ties members into contributing at the proposed levels.

**ACTION:** *Anthony Dimas, Jr. (McKinley County) Fran Palochak (Gallup)* seconded to approve moving forward with the membership increases. Motion carried by acclamation.

**D. Revolving Loan Fund (RLF) Plan:** Michael Sage, RLF Coordinator, provided a report on the program and its progress to date as well as the annual review and approval of the RLF Plan.

**BACKGROUND:** In February 2021, the Northwest New Mexico Council of Governments was awarded \$990,000 by the US Economic Development to capitalize a revolving loan fund to address the economic development needs of small businesses and entrepreneurs impacted by the COVID-19 pandemic in Cibola, McKinley and San Juan counties. The project aims to create 100 jobs and retain 100 jobs. Originally created in 1996, the Enterprise Loan Fund was awarded \$990,000 in February 2020 from the US Economic Development Administration (EDA) CARES Act funding. The Enterprise Loan Fund intends to use its recent capitalization of funds to provide business loans ranging from \$20,000 to \$100,000.

**ACTIONS TO DATE:**

In August 2021, the NWNMCOG Board of Directors approved policies and procedures for the ELF. In addition, the NWNMCOG Board of Directors took action to appoint Jim Cox, CPA, COG Board member for San Juan County, as the Loan Committee Chair for the ELF.

In September 2021, the NWNMCOG executed a professional services contract with National Development Council to provide underwriting services as well as technical and program assistance.

In October 2021, the NWNMCOG Board of Directors approved nominations for the RLF Loan Committee and empowered the Executive Committee to review and approve any other needed members recommended by Jim Cox and Evan Williams.

In November 2021, the program forms including application intake, business analysis review, loan report summary, and closing documents are developed.

In December 2021, began populating the Loan Committee which is envisioned as an 11-member committee with members drawn from the tri-county area and representing segments of the regional economy. Additionally, completed orientation training with US Economic Development Administration for reporting and financial compliance including utilization of Salesforce CRM software to track and report loan activity.

#### WORK TO DATE:

For the period of January 2022 – March 2022, the following items outline our work to date:

- January: Completed RLF Loan Committee orientation. Launched RLF Program.
- February: Created RLF Loan Program landing page on NWNMCOG website. Launched Marketing & Outreach.
- March: Compiled revisions for RLF Policies and Procedures. Continued Marketing & Outreach.

#### WORK ANTICIPATED:

The RLF Loan Program will continue marketing and outreach including on site engagements with lenders, businesses, and community stakeholders to generate loan demand and applications. In addition, the RLF Loan Program will conduct another training of the RLF Loan Committee in preparation for submission of an application.

**RECOMMENDATION:** Executive Director Williams and Loan Committee Chairman Jim Cox are recommending two actions:

Approval of the RLF Plan including policies and procedures as updated and discussed at the NWNMCOG Board of Directors:

- a. 'Ineligible Businesses' – includes a new paragraph to define businesses ineligible for consideration under the RLF Program. The new language is drawn from the SBA 7(a) Loan Program. (Pg. 5 - RLF Policies and Procedures)
- b. Loan Application Documents – Reformats the loan document checklist to ensure consistency with the RLF loan application. (Pg. 13 – RLF Policies and Procedures).
- c. General Edits – Update the document to correct grammatical and typographical errors including spelling, punctuation, acronym consistency, and entity references.

**ACTION:** *Fran Palochak* (Gallup) moved and *Don Jaramillo* (Grants) seconded on approval of RLF Plan with the recommended changes. Motion carried by acclamation.

## IV. FINANCIAL REPORT

- A. Audits:** For the second year, the COG has received an unmodified opinion with no audit findings including on its Federal Single Audit.
- B. FY2022 Financial Reports:** Armando Sanchez, CPA provided a brief overview of the second and third quarter financial reports.
- C. FY2022 Budget, Revision #2:** Mr. Williams explained that no budget changes were needed this

quarter – just some end of the year adjustments.

**D. FY2023 Budget:** Mr. Williams presented the draft FY2023 budget.

**ACTION:** *Michael Schaaf* (Gallup) moved and *Michael Padilla* (Milan) seconded, to accept the Financial Reports, Budget Revision, and FY23 Draft Budget as presented. Motion carried by acclamation.

## V. ANNOUNCEMENTS; OTHER BUSINESS

**A. 2022 Board Meeting Calendar.** Mr. Williams reviewed the approved COG Board Calendar. Next meeting will be July 20, 2022, which will be held in person in McKinley County. This will include our Annual Meeting & Luncheon that will be the COG's 50<sup>th</sup> Year Anniversary.

**B. Announcements & General Comments:** Chairman Moore announced that Board Elections will be held at the next meeting and any nominations should be sent to Director Williams, and that he is coming to the end of his Commission term and will be stepping back from the COG Board.

## VI. ADJOURNMENT

**ACTION:** *Michael Schaaf* (Gallup) moved and *Donald Jaramillo* (Grants) seconded, to adjourn. Motion carried. Chairman Moore again thanked the City of Farmington for hosting and adjourned the meeting of the Board of Directors at 12:44PM. Motion carried by acclamation.

Respectfully submitted,



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Evan J. Williams  
Board Secretary and Executive Director

ATTEST: \_\_\_\_\_



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Billy W. Moore  
Board Chair