



NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

MINUTES

BOARD OF DIRECTORS REGULAR BUSINESS MEETING

July 17, 2019

at the Farmington Civic Center
200 W. Arrington Street *** Farmington, NM

I. **PRELIMINARY BUSINESS**

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

Chairman *Billy Moore* [McKinley County] convened the meeting of the Board of Directors at 10:04 am. Roll call proceeded in the form of introductions around the table. In attendance were 13 Board Representatives, representing a quorum 9 of the 9 voting entities of the Board (100%), along with 2 COG staff.

BOARD MEMBERS IN ATTENDANCE:

CIBOLA COUNTY: Judy Horacek
MCKINLEY COUNTY: Billy Moore; Anthony Dimas, Jr.
SAN JUAN COUNTY: GloJean Todacheene; Fran Fillerup
CITY OF AZTEC: Steve Mueller
CITY OF BLOOMFIELD: Jason Thomas
CITY OF FARMINGTON: Julie Baird
CITY OF GALLUP: Fran Palochak; Louie Bonaguidi
CITY OF GRANTS: Laura Jaramillo
VILLAGE OF MILAN: Helen Dayan; Ellen Baca

GUESTS IN ATTENDANCE:

Alvin Whitehair, District Ranger, USFS
Arnold Wilson, Outdoor Recreation Specialist, USFS
Arvin Trujillo, Executive Director, Four Corners Economic Development

STAFF IN ATTENDANCE:

EXECUTIVE DIRECTOR: Evan Williams
ADMINISTRATIVE ASSISTANT: Martina Whitmore

B. **AGENDA ADOPTION.**

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

ACTION: *Fran Palochak* (Gallup) moved and *GloJean Todacheene* (San Juan County) seconded adoption of the agenda. Motion carried.

C. **MINUTES OF MARCH 27, 2019.**

Mr. Williams introduced the minutes of May 15, 2019 for review and approval.

ACTION: *Helen Dayan* (Gallup) moved and *Fran Palochak* (Gallup) seconded, to approve the Minutes of March 15, 2019 as presented. Motion carried.

II. MEMBER LIGHTING ROUND

Executive Director Williams stated that he had visited with almost all member governments to check-in with Managers on key issues and needs with regards to the COG's work program. He was disheartened by some of the budgetary issues facing many of our members in terms of sustaining annual budgets and critical services. He also noticed that many governments are having similar issues and working on solutions that could be shared across COG membership to help others. Part of the power of the COG is in the network of support and sharing of best practices that can assist each other moving forward. Chairman Moore asked that each entity provide a quick synopsis of challenges and opportunities they face and share a highlight with the membership.

ENTITY	SUMMARY
City of Gallup	The City's top issue is hold harmless and the loss of revenue due to removal of the tax on food and medical and then the phase-out of the hold harmless payments. The City is working with the Governor directly on fixes to avoid raising gross receipts tax (GRT) on some of the poorest New Mexicans and making Gallup non-competitive for business. The City highlights include \$7M in capital outlay for a new police station, the 98 th Gallup Inter-tribal Indian Ceremonial (August 2-11), and the opening of a new State-National Veterans' Cemetery in Gallup.
City of Grants	The City is dealing with aging water and sewer infrastructure that is in need of replacement. Gross receipts tax revenues remain stable. The City is taking advantage of road funding to complete major projects like 1 st & 2 nd Streets.
Village of Milan	The Village was currently without a Manager and is advertising and working hard to fill that key role, in the interim, they are focused on finalizing its budget with the assistance of Paul Ludi, Finance Director at Cibola County.
City of Aztec	The City is concerned about revenues moving forward, and the City is getting ready for a Comprehensive Plan update.
City of Bloomfield	The City is in a similar position regarding GRT concerns. The City has been focused on the delivery of raw water. It hired a new police chief, who has assisted with code enforcement and transition systems into web-based solutions. The City is working on a Asset Management Plan.
City of Farmington	The City of Farmington had a presentation from the Enchant Energy that are proposing to take over operations at the San Juan Generating Station and transition the plant into a carbon sequestration facility. There are definitely huge challenges in moving this forward but the upside would be incredible of the City and region. The major highlight was opening Bista Bay Water Park at Brookside Park, a \$5M state-of-the-art outdoor aquatic facility that will replace Farmington's old brookside pool.
McKinley County	Similar to San Juan County, the County has seen a \$2.2M drop in annual revenues with \$1M from GRT, \$1M in property tax, and the remainder in hold harmless. The County has a balanced budget, but if this continues it will be forced to cut outside contracts. The big capital priority for the County is a new Detention Center; upwards of \$30M. The County is working hard to meet with the Navajo Nation and Nez Administration on common issues and solutions.
San Juan County	The County has had major downturns in its revenues and has been working on personnel reduction by attrition for some time in advance of this. The County recertified its Detention Center. Other priorities include multi-State broadband development, researching transfer station operations, and promotion of outdoor recreation and film.
Cibola County	The County has been focused on turning around its operations, including addressing audit findings, pinning down financial position, and training certified property tax assessors. The County reports that it has made tremendous strides in pulling the County out of its financial doubts and is moving forward under Manager Kate Fletcher.
Four Corners Economic Development	Arvin Trujillo put a call to action to the COG Board that regional partnership is needed now in the face of the major industrial closures scheduled and industrial disruptions, including tribes, pueblos, counties, and individuals. We need to learn how to work together and start with all deliberate speed.
Mt. Taylor Ranger District	USFS staff talked about the partnerships that it depended on to get projects and priorities down on the District under its financial constraints and limited focus, including the Zuni Mountains Trail Project, La Mosca Road, trash and litter eradication projects with the Solid Waste Authority, and landscape restoration projects.

III. EXECUTIVE/STAFF REPORT

Executive Director Williams provided a summary of the past quarter's key activities and issues. Mr. Williams highlighted some of the big news, including the award of \$500,000 from the US Environmental Protection Agency for the COG and State's Brownfield Coalition. No questions were voiced by Committee members.

- A. **STAFF SUMMARY REPORT.** Mr. Williams did provide this report to the Board for their review and understanding. An annual report is anticipated some time in August.
- B. **WORK PROGRAM PRIORITIES.** Mr. Williams provided updates on several high priority items.
- **Financial Stewardship:** continuing to make improvements with Loftis Group.
 - **Staffing:** advertised for four (4) positions, but having trouble finding experienced candidates. The COG Planner position was offered and accepted, unfortunately that start date is October 1, 2019. Promotions approved in COG budget were executed on July 8th.
 - **Contractual Commitments:** continuing to manage large contractual projects and delivering quality products to clients.
 - *Zuni Mountains Trail Project Design & QA/QC* is on track.
 - *McKinley County Comprehensive Plan* is 30-days behind schedule, but COG staff is working hard to close-out in next 10 days.
 - *Farmington MPO* need to sit down and re-group with the City of Farmington on this contract due to lack of staffing.
 - **Economic Development Focus:**
 - **Brownfields Award:** COG as part of a coalition between NM Environment Department (NMED) and Southwest NM Council of Governments received \$500,000 for brownfield environmental site assessments.
 - **Building Resilient Communities Initiative:** The COG and its partners have received positive feedback from EDA on our application to perform site assessment work at Prewitt and Milan Industrial Park and an industrial driven workforce development and apprenticeship pilot.
 - **Building:** \$75,000 contract with State has been executed; next step is to pull the Committee together and decide on a scope-of-work.
 - **Enterprise Loan Fund:** No progress to report.
- C. **FUNDING ELIGIBILITY.** Based on member government check-ins and feedback regarding the need for planning funds, Mr. Williams researched and assembled information and eligibility of the two major planning grant programs: (1) NM Finance Authority Local Government Planning Fund and (2) Community Development Block Grants. The COG is willing to work with member on applying for priority projects under these programs based on eligibility. San Juan County asked a detailed question regarding CDBG Planning Grants and qualifying using limited clientele. Mr. Williams will pass this question to Local Government Division staff to answer.
- D. **BOARD MEMBER SURVEY.** After the last Board meeting, Mr. Williams circulated an online survey to gauge the preferences of the Board on communication methods, preferences, funding strategies, and other key items. To date, there has only been six (6) respondents, so Mr. Williams offered to extend the time period to allow more Board members time to respond to get a better perspective.

IV. FINANCIAL REPORT

- A. **FY2019 Financial Report, Quarter 4:** Mr. Williams 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. Mr. Williams also provided a fiscal year report that showed a loss of ~-\$21,000, but that COG expected reimbursements from several programs and should be credited for Jeff's leave buy-in out to make this a positive revenue for the year.

ACTION: *Helen Dayan* (Milan) moved and *Fran Palochak* (Gallup) seconded, to approve the fourth quarter financial report as presented. Motion carried

- B. FY2019 Financial Report:** Mr. Williams also submitted a final fiscal year report that showed a loss of ~-\$21,000, but that COG expected reimbursements from several programs and should be credited for Jeff's leave buy-in out to make this a positive revenue for the year.
- C. FY2020 Final Budget.** Mr. Williams presented the final budget based on the Board's recommendation at the last meeting. He explained that all member contracts were in place for FY20, and only a couple of special contracts were in final approval. The Executive Director salary is now in line with the employee contract. \There was an adjustment to the expected EDA funding as this is now structured as a partnership grant.

ACTION: *Louie Bonaguidi* (Gallup) moved and *GloJean Todacheene* (San Juan County) seconded, to accept the FY2020 final budget as presented. Motion carried.


V. ANNOUNCEMENTS; OTHER BUSINESS

- A. Annual Luncheon Program:** Mr. Williams reviewed the program and high points of the annual luncheon.
- B. 2020 Board Meeting Calendar.** Mr. Williams presented the COG Board 12-month Master Calendar. Next meeting will be October 16, 2019 in Cibola County. Mr. Williams will work with Village of Milan on an appropriate venue for this meeting, possibly District 6 auditorium.
- C. Announcements & General Comments:** Evan Williams announced that the CDBG Hearing is scheduled for September 5th and ICIP due dates for Cities/Counties are set for September 6th. There were several other interesting events shared by Board members.

VI. ADJOURNMENT


ACTION: *Louie Bonaguidi* (Gallup) moved and *GloJean Todacheene* (San Juan County) seconded, to adjourn. Motion carried. Chairman Moore again thanked the City of Farmington for their hospitality for this meeting and adjourned the meeting of the Board of Directors at 11:50AM.

Respectfully submitted,



Evan J. Williams
Board Secretary and Executive Director

ATTEST:



Billy W. Moore
Board Chair