STATE OF NEW MEXICO COUNTY OF VALENCIA

VILLAGE OF MILAN

ORDINANCE NO. 1

AN ORDINANCE CREATING CERTAIN APPOINTIVE AND ELECTIVE OFFICES; PROVIDING FOR ELECTION AND APPOINTMENT THERETO; PRESCRIBING THE POWERS, DUTIES AND SALARIES THEREOF

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF MILAN

Section 1. The following appointive offices in the Village of Milan are hereby created. Clerk-treasurer, Village Marshall and Fire Chief.

Section 2. The following elective office for the Village of Milan is hereby created. Police Judge.

Section 3. The Mayor shall appoint the Clerk-treasurer and Village Marshall with the approval of the Board of Trustees. The Fire Chief shall be appointed by the volunteer fire department, with the approval of the Council. Provided, that the Mayor shall have the power to appoint a Fire Chief with the approval of the Council before the formation of the volunteer fire department, or at any time that a volunteer fire department does not exist.

Section 4. The office of Police Judge shall be filled by election at the regular village election, and the person so elected shall hold office for a period of two years, provided, that the Mayor shall have the power to appoint such Police Judge at any time prior to the first election hereafter, and also at any time there is a vacancy in such office, and provided further, that any Justice of the Peace residing within the corporate limits of the Village of Milan may act as a Police Judge prior to such appointment or election, or during the vacancy of such office.

Section 5. All other offices and employees shall be appointed by the Mayor with the approval of the Council, unless otherwise provided by law or ordinance.

Section 6. The term of all appointive offices not otherwise fixed by law or ordinance, shall be two years.

Section 7. A vacancy in an appointive office shall be filled in the same manner as the original appointment.

Section 8. All of the above appointive or elective offices shall receive such salary as is fixed by the Board of Trustees from time to time by resolution.

Section 9. It shall be the duty of the Clerk-treasurer, Village Marshall, Fire Chief or Police Judge, in addition to the duties imposed upon them by the general laws of the State of New Mexico to abide by all requirements and carry into effect all orders or demands issued by the Board of Trustees from time to time by resolution.

Section 10. The Clerk-treasurer shall before entering upon his duties, furnish a bond with surties to be approved by the Board of Trustees in the penal sum of 5000.00, conditioned upon the faithful performance of the duties required of him by the general laws of the State of New Mexico, and by the provisions of this ordinance, and such other ordinances or resolutions promulgated by the Board of Trustees

from time to time defining said duties.

Section 11. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision, or part thereof not adjudged invalid or unconsitutional.

Section 12. This ordinance is hereby declared to be an emergency measure and will not take effect and will not be in force until the expiration of 5 days after it is published by posting as required by law.

This ordinance was adopted by the affirmative vote of not less than three-fourths of all of the members of the Board of Trustees of the Village of Milan, Valencia County, New Mexico, and approved by me after due examination as Mayor of said Village and attested by the Clerk of and the corporate seal of said Village affixed on this 4th day of April, 1957.

APPROVED:

Salvador Milan
Mayor

ATTEST:

Robert S. Burnes
Clerk

State of New Mexico

House of Representatives

STATE CAPITOL

Santa Fe

Regarding the introduction of HB [illegible], introduced by Representative Walter Martinez of Grants, which has been co-sponsored by Representatives Fred Luna, Henry Saavedra, and Ron Gentry, all representatives of the entire Valencia County delegation. I would like to inform the constituents of the concerns and thoughts relating to this proposal which would create a new county of Cibola separating present Valencia County as it is. This is a matter which has been considered for many years by our previous elected officials. At this point, the Bill would divide the county in a parallel line north and south in the area of Laguna, west of Los Lunas. The Bill would allow:

a. Grants to be the county seat of the new county;

b. allow the Governor to appoint county officials for the new county;

c. the precincts would remain the same as they are at present;

d. all tax records would be transferred pertaining to the new Cibola county;

e. the judicial districts would stay the same in the Thirteenth District;

f. the county rating of Class "B" would remain the same;

g. all taxes, unexpended funds and securities would be transferred to the respective counties;

h. the voting machines which are stationed in Cibola would become the property of Cibola county; and

i. all road equipment, trucks and real property presently assigned in the Cibola area will become the property of Cibola.

This is the basic approach in the sections covered in HB 373, concerning the western side of the county and how it will be reorganized if the Bill passes. Upon preliminary review and research available through the Department of Public Finance, Elections Bureau, and Tax & Revenue Department, I have been advised that with regard to the Eastern Valencia County area the Governor will appoint the vacancies occurring with regard to the county commissioners, and the county commissioners would appoint the vacancy occurring in the assessor's office due to these elected officials being residents of the new county. I have been advised that Eastern Valencia County would retain its Class "B" rating with no salary decreases to elected officials. The present information indicates that Eastern Valencia County has a large assessed tax evaluation and a much more stable tax base than does the other half of the county, and is sufficient for the operation of Eastern Valencia County.

In considering the geographic square miles of service area, excluding the municipalities, Eastern Valencia County would have a tremendously smaller service area and would enable a better quality of service to the area.

Eastern Valencia County will retain ownership of the Courthouse, Juvenile Detention Center, Road Complex, Valencia Animal Shelter, and all equipment and property physically located in the eastern part of the county, and will not have any indebtedness in other county transactions. At the present time there are no general obligations (or debts) in Valencia County. Therefore, on July 1st, Eastern Valencia County would have a debt free budget and no outstanding obligations or bonds for the taxpayers. It would have title free and clear ownership of the plant facilities.

It is my opinion, with the preliminary information and research which has been done on this proposal, that splitting Valencia County, which philosophically and politically, would be proper to allow the citizens of Grants to seek self-government which they feel would be more relevant and offer better services to their area, which is geographically long in distance from the present facilities.

With regard to the Eastern Valencia County, this would offer smaller geographic service with a stable growing, sub-metropolitan trade base, a solid evaluation which would retain the proper "B" county rating for Eastern Valencia County, which would acquire all assets, buildings and facilities, and debt free status at the

time of such separation. At this time, the indications would tend to allow the county service to be more centralized, therefore offering more direct and prompt service to the business community and rural residential area, in the service which they are mandated to render services.

As the Eastern Valencia County growth pattern continually increases, the smaller service area and larger tax evaluation offers higher efficiency through good government to Eastern Valencia County specifically.

The Judicial Committee in the House, and the House Appropriations & Finance Committee, as well as the Senate, will hold technical hearings and take testimony on the facilities and accountability this measure would offer. I feel with technical experts, tax and financial advisors, and the public hearings afforded by the hearing process, will help render a logical decision.

I have notified and discussed with county officials and different citizens of Eastern Valencia County the various aspects of this proposal since the very day it was brought to us for consideration.

I would request any input, opinions, or recommendations from the citizens, civic groups, business community, and elected officials in the Eastern Valencia County service area. I have already received input from many people in Eastern Valencia County concerning this matter and will take under advisement their concerns and the well-being of my constituency. I feel this decision should be made on logic, financial responsibility, fairness, and considering the long range implications, and not based on petty political differences which would not be in the best interests of good government and good management of Eastern Valencia County.

REPRESENTATIVE RON GENTRY

REPRESENTATIVE FRED LUNA

REPRESENTATIVE HERNY "KIKI" SAAVEDRA

JUDICIARY

THENCE TO

APPROPRIATIONS & FINANCE

HOUSE BILL 373

35TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1981

INTRODUCED BY

AN ACT

CREATING THE COUNTY OF CIBOLA FROM A PORTION OF VALENCIA COUNTY; PROVIDING FOR ITS ORGANIZATION, GOVERNMENT AND ADMINISTRATION; PROVIDING FOR THE ORDERLY TRANSFER OF PROPERTY, RECORDS, UNPAID TAXES AND OTHER FUNDS; ATTACHING TO A JUDICIAL DISTRICT; LIMITING LIABILITY OF CIBOLA COUNTY TO VALENCIA COUNTY FOR INDEBTEDNESS INCURRED FOR PUBLIC IMPROVEMENTS; AUTHORIZING CERTIFICATES OF INDEBTEDNESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. CIBOLA COUNTY CREATED.--The county of Cibola is hereby created out of those portions of Valencia county lying and situate within the following boundaries, to wit:

> Beginning at the southeast corner common to Sections 10,11, 14 and 15 T4N R4W NMPM and running northerly along a line being parallel to and lying two sections west of the fourth range line west of NMPM and extending through Townships 5, 6, 7 and 8 north to the southerly township line of Township 9 north, thence easterly along an extension of said

underscored material = new
[bracketed material] = deletion

southerly township line to the present Bernalillo county line, thence northwesterly along such Bernalillo county line to the present Sandoval county line, thence northwesterly along the Sandoval county line, thence westerly along the Sandoval county line to the present McKinley county line, thence following said McKinley county line south and then west to the present state line thence south along the state line to the present Catron county line, thence easterly along the Catron county line and the present Socorro county line and finally to the beginning at the southeast corner common to Sections 10, 11, 14 and 15 T4N, R4W NMPM.

Section 2. COUNTY SEAT.--The county seat of Cibola county shall be established at the municipality of Grants. The board of county commissioners of Cibola county after their appointment as provided in this act, shall select, designate and acquire a tract of land within that city as a place upon which shall be built the courthouse and public buildings of the county of Cibola.

Section 3. TEMPORARY OFFICERS.--The governor shall within ten days after the effective date of this act appoint for the county of Cibola the county officers now provided by law for counties of this state. The officers so appointed shall serve until the election and qualification of their successors who shall be elected at the next succeeding general election.

Section 4. PRECINCTS.--The precincts now existing in the territory included within the county of Cibola shall remain the same as they are now until changed according to law.

Section 5. TAX RECORDS.--The county assessor of Valencia county, as soon as practicable after the effective date of this act and officers for the new county have been appointed, shall turn over to the

proper officials of Cibola county all tax records, schedules and assessments upon all classes of property that shall have been assessed in and that pertain to the area constituting Cibola county.

Section 6. UNPAID TAXES. The county of Cibola is entitled to all unpaid taxes, which remain unpaid at the effective date of this act upon property within the area [illegible] by the county of Cibola and any funds in the hands of the treasurer of Valencia county at the time this act becomes effective, or which hereafter come into the treasurer's hands which are properly transferable by the treasurer of Valencia county to the treasurer of Cibola county, shall be transferred in the regular course in the administration of the office upon the demand from such authority to receive same.

Section 7. UNPAID INDEBTEDNESS.--The county of Cibola shall not be required to pay the county of Valencia any portion of any indebtedness incurred by the county of Valencia for public improvements which are made or contracted for after the effective date of this act.

Section 8. TRANSITIONAL [illegible].--The officers of the county of Valencia from which the county of Cibola has been created, shall exercise the functions of their several offices over Cibola county until the officers of the county of Cibola shall take office.

Section 9. JUDICIAL DISTRICT.--The county of Cibola shall for judicial purposes be attached to the thirteenth judicial district.

Section 10. CLASSIFICATION.--The county of Cibola, for the purpose of classification and fixing the amounts of salaries of county officers taking office at the organization of the county, shall be

classed as a county of the first class having a valuation over $27,000,000 but less than $40,000,000 thereafter the county shall be classed as other counties are classed.

Section 11. UNEXPENDED FUNDS AND SECURITIES.--Upon the effective date of this act, the treasurer of Valencia county shall ascertain the amount of unexpended funds and securities in the treasury of Valencia county and shall also ascertain the amount of unpaid obligations and expenses of Valencia county government which will be required to be paid between the effective date of this act and the end of the sixty-ninth fiscal year. The excess of such unexpended funds and securities over such obligations and Valencia county government expenses shall be divided and paid by the treasurer of Valencia county to Cibola and Valencia counties in the proportion that the assessed valuation of all property in each county as of January 1, 1981 bears to the total assessed valuation of all property in both counties as of January 1, 1981.

Section 12. VOTING MACHINES.--Valencia county, acting by and through the board of commissioners upon the effective date of this act shall transfer to Cibola county the number of voting machines used in the area now within the Cibola county in the 1980 general election.

Section 13. TRANSFER OF PROPERTY.--Upon the effective date of this act the county of Cibola becomes the owner of all road-working and road-maintaining equipment of every kind and nature, including trucks, pickups and trailers, heretofore assigned to the county commissioner districts now within the area segregated into Cibola county. In ad-

dition, the county of Cibola at such time shall become the owner of all real estate and improvements thereon or appurtenant thereto located within the boundaries of Cibola County, title to which is vested in the county of Valencia. The board of county commissioners of Valencia county shall execute and deliver to the proper officer or officers of Cibola county whatever instruments of transfer are necessary to vest title to all such property in the county of Cibola.

Section 14. CERTIFICATES OF INDEBTEDNESS.--For the purpose of meeting expenses payable out of the court fund, salary fund and general county fund of the county of Cibola, contracted and payable for the seventieth fiscal year, and not otherwise, the county of Cibola may issue certificates of indebtedness of the county of Cibola not to exceed one million dollars ($1,000,000), and tax levies shall be duly made therefor. The certificates of indebtedness shall be issued in a form to be approved by the state board of finance and shall be payable not more than ten years after date of issue. The certificates of indebtedness shall bear interest at a rate not to exceed that permitted by the Public Securities Act. The proceeds of the tax levy shall be pledged to the payment of the principal and interest of the certificates when they fall due.

STATE OF NEW MEXICO COUNTY OF VALENCIA

VILLAGE OF MILAN

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Section 4. The office of Police Judge shall be filled by election at the regular village election, and the person so elected shall hold office for a period of two years, provided, that the Mayor shall have the power to appoint such Police Judge at any time prior to the first election hereafter, and also at any time there is a vacancy in such office, and provided further, that any Justice of the Peace residing within the corporate limits of the Village of Milan may act as a Police Judge prior to such appointment or election, or during the vacancy of such office.

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Section 12. This ordinance is hereby declared to be an emergency measure and will not take effect and will not be in force until the expiration of 5 days after it is published by posting as required by law.

This ordinance was adopted by the affirmative vote of not less than three-fourths of all of the members of the Board of Trustees of the Village of Milan, Valencia County, New Mexico, and approved by me after due examination as Mayor of said Village and attested by the Clerk of and the corporate seal of said Village affixed on this 4th day of April, 1957.

APPROVED:

Salvador Milan
Mayor

ATTEST:

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Clerk

State of New Mexico

House of Representatives

STATE CAPITOL

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REPRESENTATIVE RON GENTRY

REPRESENTATIVE FRED LUNA

REPRESENTATIVE HERNY "KIKI" SAAVEDRA

JUDICIARY

THENCE TO

APPROPRIATIONS & FINANCE

HOUSE BILL 373

35TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1981

INTRODUCED BY

AN ACT

CREATING THE COUNTY OF CIBOLA FROM A PORTION OF VALENCIA COUNTY; PROVIDING FOR ITS ORGANIZATION, GOVERNMENT AND ADMINISTRATION; PROVIDING FOR THE ORDERLY TRANSFER OF PROPERTY, RECORDS, UNPAID TAXES AND OTHER FUNDS; ATTACHING TO A JUDICIAL DISTRICT; LIMITING LIABILITY OF CIBOLA COUNTY TO VALENCIA COUNTY FOR INDEBTEDNESS INCURRED FOR PUBLIC IMPROVEMENTS; AUTHORIZING CERTIFICATES OF INDEBTEDNESS.

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southerly township line to the present Bernalillo county line, thence northwesterly along such Bernalillo county line to the present Sandoval county line, thence northwesterly along the Sandoval county line, thence westerly along the Sandoval county line to the present McKinley county line, thence following said McKinley county line south and then west to the present state line thence south along the state line to the present Catron county line, thence easterly along the Catron county line and the present Socorro county line and finally to the beginning at the southeast corner common to Sections 10, 11, 14 and 15 T4N, R4W NMPM.

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proper officials of Cibola county all tax records, schedules and assessments upon all classes of property that shall have been assessed in and that pertain to the area constituting Cibola county.

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dition, the county of Cibola at such time shall become the owner of all real estate and improvements thereon or appurtenant thereto located within the boundaries of Cibola County, title to which is vested in the county of Valencia. The board of county commissioners of Valencia county shall execute and deliver to the proper officer or officers of Cibola county whatever instruments of transfer are necessary to vest title to all such property in the county of Cibola.

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SAM.GOV®

MILAN, VILLAGE OF CITY HALL

Unique Entity ID	CAGE / NCAGE	Purpose of Registration
GQS7VJUMRA74	**5J7U0**	**Federal Assistance Awards Only**
Registration Status	Expiration Date	
Active Registration	**Mar 24, 2023**	
Physical Address	Mailing Address	
623 Uranium AVE **Milan, New Mexico 87021** **United States**	**PO Box 2727** **Milan, New Mexico 87021-2727** **United States**	

Business Information

Doing Business as	Division Name	Division Number
Village of Milan Transit	**Village Of Milan**	**(blank)**
Congressional District	State / Country of Incorporation	URL
New Mexico 02	**(blank) / (blank)**	**www.villageofmilan.com**

Registration Dates

Activation Date	Submission Date	Initial Registration Date
Feb 25, 2022	**Feb 22, 2022**	**Jun 11, 2009**

Entity Dates

Entity Start Date	Fiscal Year End Close Date
Jan 1, 1957	**Jun 30**

Immediate Owner

CAGE	Legal Business Name
(blank)	**(blank)**

Highest Level Owner

CAGE	Legal Business Name
(blank)	**(blank)**

Executive Compensation

Registrants in the System for Award Management (SAM) respond to the Executive Compensation questions in accordance with Section 6202 of P.L. 110-252, amending the Federal Funding Accountability and Transparency Act (P.L. 109-282). This information is not displayed in SAM. It is sent to USAspending.gov for display in association with an eligible award. Maintaining an active registration in SAM demonstrates the registrant responded to the questions.

Proceedings Questions

Registrants in the System for Award Management (SAM) respond to proceedings questions in accordance with FAR 52.209-7, FAR 52.209-9, or 2.C.F.R. 200 Appendix XII. Their responses are not displayed in SAM. They are sent to FAPIIS.gov for display as applicable. Maintaining an active registration in SAM demonstrates the registrant responded to the proceedings questions.

Exclusion Summary

Active Exclusions Records?

No

SAM Search Authorization

I authorize my entity's non-sensitive information to be displayed in SAM public search results:

Yes

Entity Types

Business Types

Entity Structure	Entity Type	Organization Factors
U.S. Government Entity	**US Local Government**	**(blank)**
Profit Structure		
(blank)		

Socio-Economic Types

Check the registrant's Reps & Certs, if present, under FAR 52.212-3 or FAR 52.219-1 to determine if the entity is an SBA-certified HUBZone small business concern. Additional small business information may be found in the SBA's Dynamic Small Business Search if the entity completed the SBA supplemental pages during registration.

Government Types

U.S. Local Government
Municipality

Financial Information

Accepts Credit Card Payments	Debt Subject To Offset
Yes	**No**
EFT Indicator	CAGE Code
0000	**5J7U0**
EFT Indicator	CAGE Code
9004	**99FK5**

Points of Contact

Electronic Business

DENISE BACA, Clerk

PO Box 2727
Milan, New Mexico 87021
United States

Government Business

DENISE BACA, MUNICIPAL CLERK

PO Box 2727
Milan, New Mexico 87021
United States

Service Classifications

NAICS Codes

Primary	NAICS Codes	NAICS Title

Disaster Response

This entity does not appear in the disaster response registry.

LOBBYING CERTIFICATION

An Applicant that submits or intends to submit an application to FTA for Federal assistance exceeding $100,000 is required to provide the following certification. FTA may not award Federal assistance exceeding $100,000 until the Applicant provides this certification.

A. As required by 31 U.S.C. 1352 and U.S. DOT regulations, "New Restrictions on Lobbying," at 49 CFR 20.110, the Applicant's authorized representative certifies to the best of his or her knowledge and belief that for each application to FTA for Federal assistance exceeding $100,000:

(1) No Federal appropriated funds have been or will be paid by or on behalf of the Applicant to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress regarding the award of Federal assistance, or the extension, continuation, renewal, amendment, or modification of any Federal assistance agreement; and

(2) If any funds other than Federal appropriated funds have been or will be paid to any person to influence or attempt to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any application for Federal assistance, the Applicant assures that it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," including information required by the instructions accompanying the form, which form may be amended to omit such information as authorized by 31 U.S.C. 1352; and

(3) The language of this certification shall be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, subagreements, and contracts under grants, loans, and cooperative agreements).

B. The Applicant understands that this certification is a material representation of fact upon which reliance is placed by the Federal government and that submission of this certification is a prerequisite for providing Federal assistance for a transaction covered by 31 U.S.C. 1352. The Applicant also understands that any person who fails to file a required certification shall be subject to a civil penalty of not less than $10,000.00 and not more than $100,000.00 for each such failure.

AFFIRMATION OF APPLICANT

Name of Applicant: Rocklin Lo Lo Express

Printed Name of Authorized Representative: Melissa A. Chavez

Relationship of Authorized Representative: Transit Manager

In signing this document, I declare under penalties of perjury that the foregoing certifications and assurances, and any other statements made by me on behalf of the Applicant are true and correct.

Signature: Candace L [illegible] Date: 9/9/22

Printed Name of Signing Official: Candace Williams

STATE OF NEW MEXICO

Village of Milan

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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Village of Milan
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Village of Milan
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STATE OF NEW MEXICO
Village of Milan
Official Roster
June 30, 2021

CITY COUNCIL

Felix O. Gonzales ..... Mayor

Helen M. Dayan .....Mayor Pro-Tem

Vivian Brumbelow ..... Trustee

Christopher Archleta ..... Trustee

Ellen Baca..... Trustee

ADMINISTRATIVE OFFICIALS

Sara Austin .....Village Manager

Denise Baca ..... Village Clerk

FINANCIAL SECTION

SAS CPA

Auditors~Consultants~CPA

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, ESQ.
New Mexico State Auditor
and
To the Honorable Mayor and Village Trustees of
Village of Milan, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the fiduciary funds and the budgetary comparisons for the general fund, of the Village of Milan, New Mexico (the Village) as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, no such opinion is expressed.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information, the fiduciary funds, and the budgetary comparisons for the general fund of the Village, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require Schedules I, Schedule II, Schedule III, Schedule IV and the Notes to the Required Supplementary Information on pages 66-72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual non-major fund financial statements (Statement A-1 and Statement A-2), and the Supporting Schedules V and VI required by Section 2.2.2 NMAC, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Supporting Schedules V and VI is the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual non-major fund financial statements and the Supporting Schedules V and VI are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2021 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Village's internal control over financial reporting and compliance.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC
Albuquerque, New Mexico
October 14, 2021

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Village of Milan
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 2,755,074	$ 275,414	$ 3,030,488
Restricted cash	614,506	183,199	797,705
Receivables:			
Taxes receivable	575,883	-	575,883
Other receivables, net	193,634	-	193,634
Customer receivables, net	-	170,840	170,840
Total current assets	4,139,097	629,453	4,768,550
Noncurrent assets			
Capital assets	26,442,549	11,752,257	38,194,806
Less: Accumulated depreciation	(7,889,665)	(7,687,873)	(15,577,538)
Total noncurrent assets	18,552,884	4,064,384	22,617,268
Deferred outflows of resources			
Deferred outflows from pension	639,315	112,820	752,135
Deferred outflows from OPEB	295,428	52,134	347,562
Total deferred outflows	934,743	164,954	1,099,697
Total assets, and deferred outflows of resources	$ 23,626,724	$ 4,858,791	$ 28,485,515

See Independent Auditors' Report and Notes to Financial Statements

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	105,099	41,985	147,084
Accrued salaries and benefits	47,771	14,548	62,319
Unearned Revenue	221,513	24,279	245,792
Accrued interest	2,400	888	3,288
Loans payable	222,986	37,268	260,254
Compensated absences	25,244	14,210	39,454
Total current liabilities	625,013	133,178	758,191
Noncurrent liabilities			
Meter deposits	-	-	-
Loans payable	278,096	601,900	879,996
Compensated absences	28,503	-	28,503
Customer deposits	-	158,920	158,920
Net pension liability	2,010,686	354,827	2,365,513
Net OPEB liability	996,485	175,850	1,172,335
Total noncurrent liabilities	3,313,770	1,291,497	4,605,267
Total Liabilities	3,938,783	1,424,675	5,363,458
Deferred inflows of resources			
Deferred inflows from pension	163,762	28,899	192,661
Deferred inflows from OPEB	519,303	91,642	610,945
Total deferred inflows of resources	683,065	120,541	803,606
Net Position			
Net investment in capital assets	18,051,802	3,425,216	21,477,018
Restricted for:			
Debt service	614,506	-	614,506
Capital projects	352,991	-	352,991
Special revenue	559,185	-	559,185
Unrestricted	(573,608)	(111,641)	(685,249)
Total net position	19,004,876	3,313,575	22,318,451
Total liabilities, deferred inflows of resources, and net position	$ 23,626,724	$ 4,858,791	$ 28,485,515

STATE OF NEW MEXICO
Village of Milan
Statement of Activities
For the Year Ended June 30, 2021

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 1,486,055	$ 19,693	$ 370,923	$ -
Public Safety	1,260,420	-	1,500	219,414
Public Works	274,042	-	-	1,818,046
Culture and Recreation	705,830	-	-	-
Interest on Long-Term Debt	21,201	-	-	-
Total Governmental Activities	3,747,548	19,693	604,373	2,037,460
Business-Type Activities				
Joint Utility	1,581,090	1,480,292	-	-
Total Business-Type Activities	1,581,090	1,480,292	-	$ -
Total primary government	$ 5,328,638	$ 1,499,985	$ 604,373	$ 2,037,460
		General Revenues:		
		Taxes:		
		Property taxes levied for general purposes		
		Gross receipt taxes		
		Gas taxes		
		Franchise taxes		
		Lodgers taxes		
		Interest income		
		Miscellaneous Income		
		Transfers		
		Subtotal, General Revenues		
		Change in Net Position		
		Net Position - beginning		
		Net Position - ending		

See Independent Auditors' Report and Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Government Activities	Business-Type Activities	Total
$ (1,095,439)	$ -	$ (1,095,439)
(1,039,506)	-	(1,039,506)
1,544,004	-	1,544,004
(705,830)	-	(705,830)
(21,201)	-	(21,201)
(1,086,022)	-	(1,086,022)
-	(100,798)	(100,798)
$ -	(100,798)	(100,798)
(1,086,022)	(100,798)	(1,186,820)
346,455	-	346,455
2,678,399	-	2,678,399
159,880	-	159,880
79,039	-	79,039
1,137	-	1,137
2,764	92	2,856
260,712	3,579	264,291
(160,871)	160,871	-
3,367,515	164,542	3,532,057
2,281,493	63,744	2,345,237
16,723,383	3,249,831	19,973,214
$ 19,004,876	$ 3,313,575	$ 22,318,451

STATE OF NEW MEXICO
Village of Milan
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund 101	Capital Projects 399	Debt Service 401	Total Non-major Governmental Funds
Assets				
Cash and cash equivalents	$ 1,763,644	$ 452,088	$ -	$ 539,342
Restricted cash	-	-	614,486	20
Property taxes receivable	38,018	-	-	-
Gross receipt taxes receivable	495,369	-	-	-
Other receivables	7,727	193,634	-	34,769
Total assets	$ 2,304,758	$ 645,722	614,486	$ 574,131
Liabilities and fund balance				
Liabilities				
Accounts payable	23,913	71,218	-	9,968
Accrued salaries and benefits	42,813	-	-	4,958
Due to other funds	-		-	-
Unearned Revenue		221,513	-	-
Total liabilities	66,726	292,731	-	14,926
Deferred inflows of resources				
Deferred inflows property taxes	28,245	-	-	-
Total liabilities and deferred inflows of resources	94,971	292,731	-	14,926
Fund balance				
Spendable				
Restricted for:				
Public safety	-	-	-	307,168
Public works	-	-	-	59,229
Culture and recreation	-	-	-	192,788
Health and welfare	-			-
Debt service expenditures	-	-	614,486	20
Capital projects		352,991	-	-
Customer Deposits	-			-
Risk management			-	-
Committed to:				
Minimum fund balance	221,278	-	-	-
Unassigned	1,988,509	-	-	-
Total fund balances	2,209,787	352,991	614,486	559,205
Total liabilities, deferred inflows of resources and fund balances	$ 2,304,758	$ 645,722	$ 614,486	$ 574,131

Total
$ 2,755,074
614,506
38,018
495,369
236,130
$ 4,139,097
105,099
47,771
-
221,513
374,383
28,245
402,628
307,168
59,229
192,788
-
614,506
352,991
-
-
221,278
1,988,509
3,736,469
$ 4,139,097

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STATE OF NEW MEXICO
Village of Milan
Reconciliation of the Balance Sheet to the Statement of Net Position
Govermental Funds
June 30, 2021

Total Fund Balance - Governmental Funds	$ 3,736,469
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Capital assets	26,442,549
Less: Accumulated depreciation	(7,889,665)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the fund financial statements, but have already been recognized as revenues in the Statement of Activities.	28,245
Interest on long-term debt is not accrued in the fund financial statements unless it is due and payable:	
Accrued Interest	(2,400)
Deferred outflows and inflows relating to pension and OPEB liabilities are not payable / collectible in the current period and therefore are not reported in the fund financial statements. Deferred outflows and inflows reported on the Statement of Net Position are as follows:	
Deferred outflows related to pension	639,315
Deferred Inflows related to pension	(163,762)
Deferred outflow related to OPEB	295,428
Deferred inflows related to OPEB	(519,303)
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:	
Accrued compensated absences	(53,747)
Bond premiums	-
Loans payable	(501,082)
Pension liability	(2,010,686)
OPEB liability	(996,485)
Total net position of governmental activities	$ 19,004,876

STATE OF NEW MEXICO
Village of Milan
Statement of Revenues, Expenses, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund 101	Capital Projects 399	Debt Service 401	Total Non-major Governmental Funds
Revenues				
Property taxes	$ 19,479	$ -	$ 298,731	$ -
Gross receipt taxes	2,678,399	-	-	-
Gas tax	-	-	-	159,880
Franchise taxes	79,039	-	-	-
Lodger's taxes	-	-	-	1,137
State operating grants	206,444	-	-	233,450
State capital grants	-	1,717,037	-	219,414
Federal operating grants	164,479	-	-	-
Federal capital grants	-	101,009	-	-
Charges for services	19,693	-	-	-
Licenses and fees	4,770	-	-	32,381
Interest income	40	127	2,448	149
Miscellaneous income	149,060	-	-	74,501
Total revenue	3,321,403	1,818,173	301,179	720,912
Expenditures				
Current:				
General government	1,292,976	-	-	-
Public safety	993,387	-	-	103,270
Public works	11,661	-	-	226,775
Culture and recreation	357,310	-	-	256,813
Capital outlay	-	1,705,353	-	9,943
Debt service:				
Principal	-	-	156,124	62,548
Interest	-	-	20,920	1,699
Total expenditures	2,655,334	1,705,353	177,044	661,048
Excess (deficiency) of revenues over expenditures	666,069	112,820	124,135	59,864
Other financing sources (uses)				
Transfers in	-	5,898	209,544	110,277
Transfers out	(486,590)	-	-	-
Total other financing sources (uses)	(486,590)	5,898	209,544	110,277
Net change in fund balance	179,479	118,718	333,679	170,141
Fund balance - beginning of year	2,030,308	234,273	280,807	389,064
Fund balance - end of year	$ 2,209,787	$ 352,991	$ 614,486	$ 559,205

See Independent Auditors' Report and Notes to Financial Statements

	Total
$	318,210
	2,678,399
	159,880
	79,039
	1,137
	439,894
	1,936,451
	164,479
	101,009
	19,693
	37,151
	2,764
	223,561
	6,161,667
	1,292,976
	1,096,657
	238,436
	614,123
	1,715,296
	218,672
	22,619
	5,198,779
	962,888
	325,719
	(486,590)
	(160,871)
	802,017
	2,934,452
$	3,736,469

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STATE OF NEW MEXICO
Village of Milan
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balance - Governmental Funds	$ 802,017
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over there estimated useful lives and reported as depreciation expense:	
Capital Expenditures recorded in capital outlay	1,715,296
Depreciation expense	(658,806)
In governmental funds, delinquent property taxes collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows in the fund financial statements, but are considered revenues in the Statement of Activities	28245
Governmental funds report Village pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Change in net pension liability	84,928
Change in net OPEB liability	88,152
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, changes in accrued compensated absences does not consume current financial resources in governmental funds but does affect net position.	
increase in accrued interest	1,418
Proceeds from loan issuance	-
Increase in accrued compensated absences	1,571
Principal payments on bonds and loans payable	218,672
Change in Net Position of Governmental Activities	$ 2,281,493

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STATE OF NEW MEXICO
Village of Milan
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2021

Exhibit C-1

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final	Non-GAAP Basis	Final to actual
Revenues				
Taxes:				
Property taxes	$ 16,398	$ 17,138	$ 18,081	$ 943
Gross receipts	2,280,249	2,383,229	2,514,355	131,126
Gasoline and Motor vehicle	-	-	-	-
Franchise tax	64,672	67,593	71,312	3,719
Intergovernmental income:	-	-		
Federal operating grants	149,165	155,901	164,479	8,578
Federal capital grants	-	-	-	-
State operating grants	187,222	195,678	206,444	10,766
State capital grants	-	-	-	-
Charges for services	17,859	18,666	19,693	1,027
Licenses and fees	4,326	4,521	4,770	249
Interest income (loss)	36	38	40	2
Miscellaneous	135,181	141,286	149,060	7,774
Total revenue	2,855,108	2,984,050	3,148,234	164,184
Expenditures				
Current				
General government	1,299,694	1,452,932	1,290,684	162,248
Public safety	1,006,959	1,125,682	999,978	125,704
Public works	11,742	13,127	11,661	1,466
Culture and recreation	359,804	402,226	357,310	44,916
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:	-	-		
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,678,199	2,993,967	2,659,633	334,334
Excess (deficiency) of revenues over expenditures	176,909	(9,917)	488,601	498,518
Other financing resources (uses)				
Designated cash (budgeted increase in cash)	(176,909)	9,917		
Transfers in	40,000	-	-	-
Transfers out	(200,000)	(245,000)	(486,590)	(241,590)
Total other financing sources (uses)	(160,000)	(245,000)	(486,590)	(241,590)
Net Change in fund balance	16,909	(254,917)	2,011	
Fund balance - beginning of year	1,779,893	1,779,893	1,779,893	
Fund balance - end of year	$ 1,796,802	$ 1,524,976	$ 1,781,904	
Net change in fund balance (non-GAAP budgetary basis)			2,011	
Adjustments to revenue for receivables			173,169	
Adjustment to expenditures for accounts payable			4,299	
Net Change in fund balance (GAAP basis)			$ 179,479	

Exhibit D-1

STATE OF NEW MEXICO
Village of Milan
Statement of Net Position
Proprietary Funds
June 30, 2021

	Joint Utility 506
Assets	
Cash and cash equivalents	$ 275,414
Restricted cash and cash equivalents	183,199
Accounts receivable, net	170,840
Total current assets	629,453
Noncurrent assets	
Capital Assets	11,752,257
Less: Accumulated depreciation	(7,687,873)
Total noncurrent assets	4,064,384
Deferred outflows of resources	
Deferred outflows from pension	112,820
Deferred outflows from OPEB	52,134
Total Deferred outflows	164,954
Total assets, and deferred outflows of resources	$ 4,858,791
Liabilities, deferred inflows and net position	
Liabilities	
Accounts payable	$ 41,985
Accrued salaries and benefits	14,548
Unearned revenue	24,279
Accrued interest	888
Loans payable	37,268
Compensated absences	14,210
Total current liabilities	133,178
Noncurrent liabilities	
Loans payable	601,900
Customer deposits	158,920
Net pension liability	354,827
Net OPEB liability	175,850
Total noncurrent liabilities	1,291,497
Total Liabilities	1,424,675
Deferred inflows of resources	
Deferred inflows from pension	28,899
Deferred inflows from OPEB	91,642
Total deferred inflows of resources	120,541
Net position	
Net investment in capital asset	3,425,216
Restricted for:	
Unrestricted	(111,641)
Total net position	3,313,575
Total liabilities, deferred inflows of resources and net position	$ 4,858,791

See Independent Auditors' Report and Notes to Financial Statements

Exhibit D-2

STATE OF NEW MEXICO
Village of Milan
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Joint Utility 506
Operating revenues:	
Charges for services	$ 1,480,292
Total operating revenues	1,480,292
Operating expenses:	
Depreciation and amortization	226,630
COGS (electricity)	
Personnel services	334,197
Contractual services	891,854
Supplies	7,723
Maintenance and Materials	30,550
Utilities	43,891
Miscellaneous	44,470
Total operating expense	1,579,315
Operating income (loss)	(99,023)
Non-operating revenues (expense):	
Interest income	92
Interest expense	(1,775)
Miscellaneous income (expense)	3,579
Total non-operating revenues (expense)	1,896
Income (loss) before contributions and transfers	(97,127)
Transfers in	160,871
Total contributions and transfers	160,871
Change in Net Position	63,744
Net Position, beginning of year	3,249,831
Net Position - end of the year	$ 3,313,575

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STATE OF NEW MEXICO
Village of Milan
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Joint Utility 506
Cash flow from operating activities	
Cash received from customers	$ 1,483,088
Cash payments to employees for services	(374,403)
Cash payments to suppliers for goods and services	(1,026,882)
Net cash provided by operating activities	$ 81,803
Cash flow from noncapital financing activities	
Miscellaneous	$ 3,579
Transfers	160,871
Net cash flows provided by noncapital financing activities	$ 164,450
Cash Flows from capital and related financing activities:	
Interest paid	$ (1,995)
Principal payments	(47,429)
Loan proceeds	155,271
Acquisition of capital assets	(531,815)
Net cash provided (used) by capital and related financing activities	$ (425,968)
Cash flows from investing activities	
Interest income	$ 92
Net cash provided by investing activities	$ 92
Net increase (decrease) in cash and cash equivalents	(179,623)
Cash & cash equivalents - beginning of year	638,236
Cash & cash equivalents - end of year	$ 458,613
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	$ (99,023)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Pension and OPEB Expense	(30,543)
Depreciation	226,630
Changes in assets & liabilities:	
Receivables	(25,574)
Accounts payable	(8,394)
Accrued salaries and benefits	(1,368)
Unearned revenue	24,279
Compensated absences	(8,295)
Customer deposits	4,091
Net cash provided (used) by operating activities	$ 81,803

Exhibit E-1

STATE OF NEW MEXICO
Vilage of Milan
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Police Bonds 706	LEDA Funds 400	Total
Assets			
Current assets			
Cash and cash equivalents	$ 6,345	$ 19,460	$ 25,805
Total assets	6,345	19,460	25,805
Fiduciary net position			
Restricted for:			
Court bonds	6,345	-	6,345
LEDA funds	-	19,460	19,460
Total fiduciary net position	$ 6,345	$ 19,460	$ 25,805

See Independent Auditors' Report and Notes to Financial Statements

Exhibit E-2

STATE OF NEW MEXICO
Vilage of Milan
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	Police Bonds 706	LEDA Funds 400	Total
Additions:			
Interest Income	$ 4	$ -	$ 4
Total Additions	4	-	4
Change in fiduciary net position	4	-	4
Fiduciary net position - beginning of the year	6,341	19,460	25,801
Fiduciary net position - end of the year	$ 6,345	$ 19,460	$ 25,805

See Independent Auditors' Report and Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies

The Village of Milan, New Mexico (the Village) is a municipal corporation operating under the applicable laws and regulations of the State of New Mexico. The Village operates under an elected Mayor-Trustee form of government and provides the following services as authorized by its charter: public safety (police, emergency medical and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, water supply, and general government administrative services.

The Village is a body politic and corporate under the name and form of government selected by its qualified electors. The Village may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have a common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the Village is presented to assist in the understanding of the Village's financial statements. The financial statements and notes are the representation of the Village's management who are responsible for their integrity and objectivity. The financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

A. Financial Reporting Entity

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, though legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Village does not have any component units required to be reported under GASB Statement No. 14, No. 39, and No. 61.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The Village's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of Village facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Under the requirements of GASB Statement No. 34, the Village is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the Village except for items included in other funds.

Capital Projects fund accounts for all restricted revenues, expenses and balances associated with the Villages Co-Op Street Improvements and CDBG grants. The Fund was created under the authority of the Village trusties as required by the various capital grant agreements.

Debt Service - Accounts for funds used for the payment of principal and interest due on NMFA loans. Authority for the creation of the fund is the Village Trusties.

The Village reports the following major enterprise funds:

The Joint Utility accounts for the activities of the Village's water, waste water and solid waste operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Village reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The Village does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Cash and Cash Equivalents: The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Village to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Receivables and Payables: Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources in the event they are not received within 60 days of year end.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered 100% collectible. The allowance for doubtful accounts for customer receivables is calculated based on the aging of the customer accounts receivable and the Village's historical experience with these receivables.

Property taxes are levied on November 1st based on the assessed value of property as listed on the previous January 1st and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the Village may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. State law sets a capitalization threshold of $5,000 for acquisitions of property and equipment (12-10-10 NMSA 1978). Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1980) are included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information technology equipment, including software, is being capitalized in accordance with NMAC 2.20.1.9 C (5).

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	15-50
Equipment	5-20
Infrastructure	30-40

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2021, along with the applicable PERA and Retiree Health Care (RHCA).

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a recognized consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions: The Government wide financial statements and proprietary type funds report deferred outflows and deferred inflows for purposes of measuring the net pension liability. Deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resource's measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

OPEB: The Government wide financial statements and proprietary type funds report deferred outflows and deferred inflows for purposes of measuring the net OPEB liability. Deferred outflows of resources and deferred inflows of resources related to retirement healthcare, and expense, information about the fiduciary net position of the New Mexico Retirement Healthcare Authority (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resource's measurement focus and accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences: Qualified employees are entitled to accumulate annual leave based on their employment classification and length of employment. The Village allows employees to accumulate compensated absences up to a maximum of 200 hours. The Village allows sick leave to be converted to cash payouts up to 96 hours at half their rate of pay after the employee reaches five years and three months of services.

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Village. Accumulated unused vacation is payable upon termination from employment. The Village maintains vacation leave as of the employee's hire date anniversary. Employees can accumulate vacation as follows:

Employee Duration	Hours Accumulated
0-2 Year	80 hours
2-6 Years	96 hours
6-10 Years	120 hours
Over 10	160 hours

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

Fund Balance: During 2009, GASB adopted Statement No. 54 to clarify the fund balance reporting guidelines of GASB 54. The fund balance reporting established by GASB 54 must be followed by all five of the governmental-type funds used by state and local governments. Based on the requirements of GASB 54, the total fund balance can be conceptually separated into two primary components: 1) Non-spendable fund balance and 2) Spendable fund balance. Fund balance is reported in these five classifications:

Non-spendable – the non-spendable balance includes amounts that cannot be spent because they are not in spendable form or legally, contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash; it also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance amount has spending limitations that are constrained by the government's highest level of decision-making authority.

At June 30, 2021, the Village has presented restricted and committed fund balance on the governmental funds balance sheet in the amount of $1,747,960, including minimum fund balance in the General Fund, and for various Village operations as restricted by enabling legislation in the special revenue funds, debt service, and for capital projects. The details of these fund balance items are located on the governmental funds balance sheet as detailed on page 16 and 17.

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (continued)

Assigned – The assigned fund balance classification is intended to be used for specific purposes such as special revenue funds, capital project funds, debt service funds, and permanent funds.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amount not contained in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Minimum Fund Balance Policy: The Village's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the Village holds cash reserves of 1/12th the General Fund expenditures for the upcoming budget year. The Village has presented restricted fund balance on the governmental funds balance sheet in the amount of $221,278 to meet minimum fund balance requirements for the General Fund.

The Village applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, and expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the Village's financial statements consist of depreciation, estimated useful lives of capital assets, and the allowance for doubtful accounts of sewer, water, and solid waste receivables.

NOTE 2. Stewardship, Compliance and Accountability

Annual budgets of the Village are prepared prior to June 1 and must be approved by resolution of the Village Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the Village Councilors and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds. The Village is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The Village Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2021 is presented as part of the budgetary statements.

NOTE 3. Deposits and Investments

State statutes authorize the investment of Village funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the Village properly followed State investment requirements as of June 30, 2021.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Village. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States Treasury Bills of the same maturity on the day of deposit.

NOTE 3. Deposits and Investments (continued)

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

All of the Village's accounts at an insured depository institution, including time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to $250,000 in aggregate and separate from the $250,000 coverage for public unit demand deposits at the same institution.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978) that require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Village for at least one half the amount in excess of FDIC coverage on deposit with the institution.

At June 30, 2021 $3,482,439 of the Village's bank balance of $3,732,439 was exposed to custodial credit risk, $1,775,449 of the Village's cash deposits were uninsured and collateralized by collateral held by the pledging bank's trust department, not in the Village's name, and $1,706,990 was uninsured and uncollateralized at June 30, 2021.

	TBK Bank
Deposits	$ 3,732,439
Less: FDIC Coverage	(250,000)
Total uninsured public funds	$ 3,482,439
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	$ 1,775,449
Uninsured and uncollateralized	$ 1,706,990
Collateral requirements (50% of uninsured funds)	$ 1,741,220
Pledged Collateral	1,775,449
Over (under) collateralized	$ 34,230

NOTE 3. Deposits and Investments (continued)

The Carrying Amount of deposits and investments shown above are included in the Village's Statement of Net Position and Fiduciary Funds as follows:

Cash -per Exhibit A-1	$ 3,030,488
Restricted cash and cash equivalents - per Exhibit A-1	797,705
Cash - Agency Funds - per exhibit E-1	25,805
Total cash and cash equivalents	$ 3,853,998
Add: outstanding checks	$ 196,436
Less: outstanding deposits	(2,265)
Cash held at the NMFA	(315,730)
Bank balance of deposits	$ 3,732,439

NOTE 4. Receivables

Receivables as of June 30, 2021, are as follows:

	Governmental Funds	Proprietary Funds	Total
Taxes receivable:			
Gross receipts taxes	$ 495,369	$ -	$ 495,369
Property taxes	38,018	-	38,018
Franchise taxes	7,727	-	7,727
Gas taxes	34,769	-	34,769
Lodgers taxes	-	-	-
Other receivables:			-
Customer receivables, Net		170,840	170,840
Grants	193,634	-	193,634
Miscellaneous		-	-
Total receivables, net	$ 769,517	$ 170,840	$ 940,357

The above taxes receivables are deemed 100% collectible. In accordance with GASB 33, property tax revenues receivables not collected within the period of availability was determined to be $28,245 and was reclassified as deferred inflow of resources in the governmental fund financial statements. The Joint Utility accrued allowances for doubtful accounts of $16,525.

NOTE 5. Transfers

Net operating transfers were made during the year for supplementing other funding in the normal course of operations. These transfers for the Village were as follows:

Transfer Out	Transfer In	Amount
General Fund	Streets	$ 82,175
General Fund	Debt Service	209,544
General Fund	Transit	28,102
General Fund	Capital Projects	5,898
General Fund	Joint Utility	160,871
		$ 486,590

NOTE 6. Capital Assets

A summary of capital assets and changes for the Village occurring during the year ended June 30, 2021 follows:

Governmental Activities:	Balance June 30, 2020	Additions	CIP Transfers	Deletions	Balance June 30, 2021
Capital assets not being depreciated:					
Construction in progress (CIP)	$ 1,332,170	$ 1,715,296	(1,780,915)	-	$ 1,266,551
Land	3,677,705	-	-	-	3,677,705
Total capital assets, not depreciated	$ 5,009,875	$ 1,715,296	$ (1,780,915)		$ 4,944,256
Capital assets depreciated:					
Equipment	$ 2,948,005	$ -	$ -	$ (17,770)	$ 2,930,235
Buildings	5,534,971	-	-	-	5,534,971
Infrastructure	11,252,172	-	1,780,915	-	13,033,087
Total capital assets, depreciated	$ 19,735,148	$ -	$ 1,780,915		$ 21,498,293
Total capital assets	$ 24,745,023				$ 26,442,549
Less accumulated depreciation:					
Equipment	$ 2,174,435	$ 194,553	$ -	$ (17,770)	$ 2,351,218
Buildings	3,105,280	127,498	-		3,232,778
Infrastructure	1,968,914	336,755	-		2,305,669
Total accumulated depreciation	$ 7,248,629	$ 658,806	$ -		$ 7,889,665
Capital Assets, Net	17,496,394				$ 18,552,884

Depreciation expense for the year ended June 30, 2021 was charged to governmental activities as follows:

General government	$ 262,730
Public safety	222,838
Public works	48,450
Culture and recreation	124,788
	$ 658,806

NOTE 6. Capital Assets (continued)

Business-type Activities:	Balance June 30, 2020	Additions	CIP Transfers	Balance June 30, 2021
Capital assets not being depreciated:				
Construction in progress (CIP)	$ 31,605	$ 350,120	$ -	$ 381,725
Land	6,133	-	-	6,133
Total capital assets, not depreciated	$ 37,738	$ 350,120	$ -	$ 387,858
Capital assets depreciated:				
Equipment	$ 806,847	$ 150,000	$ -	$ 956,847
Buildings	181,844	-	-	181,844
Infrastructure	10,194,013	31,695	-	10,225,708
Total capital assets, depreciated	$ 11,182,704	$ 181,695	$ -	$ 11,364,399
Total capital assets	$ 11,220,442			$ 11,752,257
Less accumulated depreciation:				
Equipment	$ 801,817	$ 12,949	$ -	$ 814,766
Buildings	94,627	4,729	-	99,356
Infrastructure	6,564,799	208,952	-	6,773,751
Total accumulated depreciation	$ 7,461,243	$ 226,630	$ -	$ 7,687,873
Capital Assets, Net	$ 3,759,199			$ 4,064,384

NOTE 7. Long-term Debt

During the year ended June 30, 2021 the following changes occurred in the long-term debt reported in the Government-Wide Statement of Net Position:

Governmental Activities

Governmental Funds	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
NMFA Loans Payable	$ 719,754	$ -	$ (218,672)	$ 501,082	$ 222,986
Compensated Absences	55,318	23,673	(25,244)	53,747	25,244
Total Long Term Debt	$ 775,072	$ 23,673	$ (243,916)	$ 554,829	$ 248,230

NMFA Industrial Park – PPRF 1529

On November 14, 2003 the Village borrowed monies from the New Mexico Finance Authority in the principal amount of $2,583,926 for the purpose of acquiring land and appurtenant water rights for future development of the Milan Industrial Park. The loan is secured by the gross receipt tax revenues persistent to 7-1-6.4 NMSA. The revenues pledged total $346,286 at June 30, 2021 which is 6.65% of the future gross receipt revenues at their current rate. The interest rate for this loan is 3.79%, and maturities dates range from 2022 through 2023. During the year ended June 30, 2021, the Village recognized $175,832 in pledged GRT revenues, and retired $175,832 in loan principal and interest.

NOTE 7. Long-term Debt (continued)

Governmental Activities (continued)

NMFA Fire Pumper – PPRF 2685

On August 25, 2017 the Village borrowed monies from the New Mexico Finance Authority in the principal amount of $326,157 for the purpose of purchasing a new fire truck. The loan is secured by the State Fire Allotment revenues. The revenues pledged total $36,731 at June 30, 2021 which is 18.76% of the future State Fire Allotment at their current rate. The interest rate for this loan is 2%, and maturities dates range through 2022. During the year ended June 30, 2021, the Village recognized $64,246 in pledged State Fire Allotment revenues, and retired $36,731 in loan principal and interest.

NMFA Mini-Pumper – PPRF 3748

On August 25, 2017 the Village borrowed monies from the New Mexico Finance Authority in the principal amount of $149,925 for the purpose of purchasing a mini-pumper fire truck. The loan is secured by the State Fire Allotment Revenues. The revenues pledged total $86,073 at June 30, 2021 which is 11% of the future State Fire Allotment at their current rate. Interest rate for this loan is 0.10%, and maturities dates range from 2022 through 2025. During the year ended June 30, 2021, the Village recognized $64,246 in pledged State Fire Allotment revenues, and retired $21,518 in loan principal and interest.

NMFA Fire Command Units - PPRF-5007

On September 27, 2019 the Village borrowed monies from the New Mexico Finance Authority in the principal amount of $60,454 for the purpose of purchasing a two Chevy Silverado Fire Command Units. The loan is secured by the State Fire Allotment revenues. The revenues pledged total $54,750 at June 30, 2021 which is 3.06% of the future State Fire Allotment revenues at their current rate. Interest rate for this loan is 0.10%, and maturities dates range from 2022 through 2026. During the year ended June 30, 2021, the Village recognized $64,246 in pledged State Fire Allotment revenues, and retired $5,996 in loan principal and interest.

A summary of the above all loans outstanding in governmental activities as June 30, 2021 are as follows:

Description	Date of Issue	Maturity	Interest Rate	Amount of Original Issue	Balance June 30, 2021	Current Portion
NMFA Fire Pumper - PPRF 2685	August 25, 2017	May 1, 2022	2%	$ 326,157	35,923	35,923
NMFA Mini-Pumper - PPRF 3748	August 25, 2017	May 1, 2025	0.10%	$ 149,925	85,858	21,432
NMFA Fire Command Units - PPRF-5007	September 27, 2019	May 1, 2026	0.10%	$ 60,454	54,554	4,800
NMFA Industrial Park Land and Water Rights - PPRF 1529	11/24/2003	5/1/2022	3.79%	$ 2,583,296	$ 324,747	$ 160,831
					$ 501,082	$ 222,986

NOTE 7. Long-term Debt (continued)

Governmental Activities (continued)

The annual requirements to amortize the above loans as of June 30, 2021 including interest payments are follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	$ 222,986	$ 15,210	$ 238,196
2023	193,428	7,374	200,802
2024	30,157	85	30,242
2025	37,996	55	38,051
2026	16,515	17	16,532
	$ 501,082	$ 22,741	$ 523,823

Business-Type Activities

Loans payables for the Business-Type Activities as of June 30, 2021 are comprised of the following:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2020	Due Within One Year
NMFA Loans Payable	$ 531,326	$ 155,271	$ (47,429)	$ 639,168	$ 37,268
Compensated Absences	22,505	8,029	(16,324)	14,210	14,210
Total Long Term Debt	$ 553,831	$ 163,300	$ (63,753)	$ 653,378	$ 51,478

NMFA Flood Prevention (WPF-920)

On June 24, 2016 the Village entered into a loan grant agreement with the NMFA for $480,000 and $720,000 respectively for the purpose of making flood prevention infrastructure improvements. The loan is secured by the net system revenues of the Joint Utility. The revenues pledged total $370,678 at June 30, 2021 which is -25% of the future Joint Utility revenues at their current rate. Interest rate for this loan is 0.25%, and maturities dates range from 2022 through 2036. During the year ended June 30, 2021, the Village recognized $49,426 in pledged Joint Utility revenues, and retired $49,426 in loan principal and interest.

NMFA Sand Street Bridge (WPF-4884)

On December 6, 2019 the Village entered into a loan grant agreement with the NMFA for $275,800 and $413,000 respectively for the purpose of making flood prevention infrastructure improvements. The loan is secured by the net system revenues of the Joint Utility. During the year the Village has drawn the entire $275,800 on the loan. The revenues pledged total $283,097 at June 30, 2021 which is -14.29% of the future Joint Utility revenues at their current rate. Interest rate for this loan is 0.25%, and maturities dates range from 2022 through 2041. During the year ended June 30, 2021, the Village recognized $49,423 in pledged joint Utility revenues, and retired $0 in loan principal and interest.

NOTE 7. Long-term Debt (continued)

Business-Type Activities (continued)

A summary of the above all loans outstanding in Business-type activities as June 30, 2021 are as follows:

Description	Date of Issue	Maturity	Interest Rate	Amount of Original Issue	Balance June 30, 2021	Current Portion
NMFA Flood Prevention (WPF-920)	June 24, 2016	June 1, 2036	0.25%	480,000	$ 363,368	$ 23,803
NMFA Sand Street Bridge (WPF-4884)	December 6, 2019	June 1, 2041	0.25%	275,800	275,800	13,465
					$ 639,168	$ 37,268

The annual requirements to amortize the above bonds and loans as of June 30, 2021 including interest payments are follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2022	$ 37,268	$ 1,598	$ 38,866
2023	37,362	1,505	38,867
2024	37,456	1,411	38,867
2025	37,549	1,318	38,867
2026	37,643	1,224	38,867
2027-2031	189,631	4,703	194,334
2032-2036	192,013	2,321	194,334
2037-2042	70,246	528	70,774
	$ 639,168	$ 14,608	$ 653,776

Compensated Absences - Employees of the Village are able to accrue a limited amount of vacation. During fiscal year June 30, 2021, compensated absences for general government decreased by $1,571 and for business-like activities decreased by $8,295. Accrued compensated absences have historically been liquidated through the general fund.

NOTE 8. Risk Management

The Village is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The Village participates in the New Mexico Self Insurers' Fund risk pool.

The Village has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Village which exceeds the insurance coverage, the Village would not be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage’s have not changed significantly from prior years and coverages are expected to be continued.

As of June 30, 2021, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. New Mexico Self-Insurers' Fund has not provided information on an entity-by-entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

NOTE 9. Pension Plan- Public Employees Retirement Association

General Information about the Pension Plan

Plan description:

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employers defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund. PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at http://saonm.org/.

For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2021 available at: http://www.pera.state.nm.us

Contributions

The contribution requirements of defined benefit plan members are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for fiscal year 2020 for the various PERA coverage options, for both Tier I and Tier II, see the tables at: http://osanm.org.

The PERA coverage options that apply to the Village are: Municipal General. Statutorily required contributions to the pension plan from the Village were $112,844 and Village paid no employee contributions for Year end June 30, 2021.

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2020. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2021.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Village's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019 to June 30, 2020 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to Fiscal year 2021 are included in the total contribution amounts.

In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Contributions: PERA contribution rates and pension factors as of July 1, 2020 are as follows:

PERA Contribution Rates and Pension Factors In effect during FY20						
Coverage Plan	Employee Contribution		Employer Contribution Percentage	Pension Factor per		Pension Maximum as a Percentage of the Final Average
	Annual Salary less than $20,000	Annual Salary greater than $20,000		TIER 1	TIER 2	
STATE PLAN						
State Plan 3	7.42%	8.92%	17.24%	3.0%	2.5%	90%
MUNICIPAL PLANS 1 - 4						
Municipal Plan 1 (plan open to new employers)	7.0%	8.5%	7.7%	2.0%	2.0%	90%
Municipal Plan 2 (plan open to new employers)	9.15%	10.65%	9.80%	2.5%	2.0%	90%
Municipal Plan 3 (plan closed to new employers 6/95)	13.15%	14.65%	9.80%	3.0%	2.5%	90%
Municipal Plan 4 (plan closed to new employers 6/00)	15.65%	17.15%	12.30%	3.0%	2.5%	90%
MUNICIPAL POLICE PLANS 1 - 5						
Municipal Police Plan 1	7.0%	8.5%	10.70%	2.0%	2.0%	90%
Municipal Police Plan 2	7.0%	8.5%	15.70%	2.5%	2.0%	90%
Municipal Police Plan 3	7.0%	8.5%	19.20%	2.5%	2.0%	90%
Municipal Police Plan 4	12.35%	13.85%	19.20%	3.0%	2.5%	90%
Municipal Police Plan 5	16.3%	17.8%	19.20%	3.5%	3.0%	90%
MUNICIPAL FIRE PLANS 1 - 5						
Municipal Fire Plan 1	8.0%	9.5%	11.40%	2.0%	2.0%	90%
Municipal Fire Plan 2	8.0%	9.5%	17.9%	2.5%	2.0%	90%
Municipal Fire Plan 3	8.0%	9.5%	21.65%	2.5%	2.0%	90%
Municipal Fire Plan 4	12.8%	14.3%	21.65%	3.0%	2.5%	90%
Municipal Fire Plan 5	16.2%	17.7%	21.65%	3.5%	3.0%	90%
MUNICIPAL DETENTION OFFICER PLAN 1						
Municipal Detention Officer Plan 1	16.65%	18.15%	17.30%	3.0%	3.0%	90%
STATE POLICE AND ADULT CORRECTIONAL OFFICER PLANS, ETC.						
State Police and Adult Correctional Officer Plan 1	7.6%	9.1%	25.50%	3.0%	3.0%	90%
State Plan 3 - Peace Officer	7.42%	8.92%	16.99%	3.0%	3.0%	90%
Juvenile Correctional Officer Plan 2	4.78%	6.28%	26.12%	3.0%	3.0%	90%

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

For PERA Fund Division Municipal General, at June 30, 2021, the Village reported a liability of $1,706,760 for its proportionate share of the net pension liability. At June 30, 2021, the Village's proportion was .0844%, which was changed slightly from its proportion measured as of June 30, 2020, which was .0876%.

For the year ended June 30, 2021, the Village recognized PERA Fund Division Municipal General pension expense of ($72,090) (includes estimated allocated business funds amount) at June 30, 2021, the Village reported PERA Fund Division Municipal General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,294	$ -
Changes of assumptions	31,579	-
Net difference between projected and actual earnings on pension plan investments	312,115	-
Changes in proportion and differences between Town's contributions and proportionate share of contributions	21,545	76,789
Town's contributions subsequent to the measurement date	78,192	-
Total	$ 490,725	$ 76,789

$78,192 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2020 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
2022	$ 74,909
2023	103,916
2024	80,341
2025	76,582
Thereafter	-
Total	$ 335,748

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

For PERA Fund Division Municipal Police, at June 30, 2021, the Village reported a liability of $658,753 for its proportionate share of the net pension liability. At June 30, 2021, the Village's proportion was .0077%, which was changed slightly from its proportion measured as of June 30, 2020, which was .10%.

For the year ended June 30, 2021, the Village recognized PERA Fund Division Municipal Police pension expense of ($27,825) at June 30, 2021, the Village reported PERA Fund Division Municipal Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,280	$ -
Changes of assumptions	15,600	-
Net difference between projected and actual earnings on pension plan investments	113,070	115,872
Changes in proportion and differences between Town's contributions and proportionate share of contributions	59,808	-
Town's contributions subsequent to the measurement date	34,652	-
Total	$ 261,410	$ 115,872

$35,768 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
2022	$ 59,287
2023	18,735
2024	5,105
2025	27,759
Thereafter	-
Total	$ 110,886

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Actuarial Assumptions: The total pension liability at June 30, 2020 was determined using the following actuarial assumptions:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, Open
Amortization Period	Solved for based on statutory rates
Retirement	Changes to current assumed rates of
Disability	Lower rates for State police, Muni Male and
Remaining Amortization Per	25 Years
Administrative Expenses	.5% of Payroll
Actuarial assumptions: Investment rate of return	Fair value 7.25% Static
Payroll growth	3.00% Static
Projected salary increases	3.25%-13.5%
Post Retirement increase	1.6% Compounded anually
Mortality assumption	RPH-2014 Blue Collar Mortality
Experience study dates	July 1, 2012 to June 30, 2019

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.5%	5.90%
Risk Reduction	19.5%	1.00%
Credit Oriented	15.0%	4.20%
Real Assets	20.0%	6.00%
Multi Risk Allocation	10.0%	6.40%
Total	100%	

NOTE 9. Pension Plan- Public Employees Retirement Association (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to demine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension liability to changes in the discount rate

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the Village's net pension liability in each PERA Fund Division that the Village participates in, under the current single rate assumption; as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Division Municipal Government	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	$ 2,443,636	$ 1,706,760	$ 1,095,741

PERA Fund Division Municipal Police	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net pension liability	$ 945,374	$ 658,753	$ 424,169

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued fiscal year 2020 Restated PERA financial report. The report is available at http://www.pera.state.nm.us/publications.html.

Payables to the pension plan. There were no amounts owed to PERA at June 30, 2021. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2021 but paid in July 2021.

NOTE 10. Other Post-Employment Benefits – State Retiree Health Care Plan

Plan Description

Employees of the Village are provided with OPEB through the Retiree Health Care Fund (the Fund) - a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits Provided

The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

NOTE 10. Other Post-Employment Benefits – State Retiree Health Care Plan (continued)

Contributions

Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the Village were $43,150 for the year ending June 30, 2021.

At June 30, 2021, the Village reported a liability of $1,172,335 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Village's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020. At June 30, 2021, the Village's proportionate share was 0.003 percent.

For the year ended June 30, 2021, the Village recognized OPEB Expense of $(103,708). At June 30, 2021 the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 208,175
Changes of assumptions	230,138	208,199
Net difference between projected and actual earnings on pension plan investments	6,393	-
Changes in proportion	67,881	194,571
City's contributions subsequent to the measurement date	43,150	-
	$ 347,562	$ 610,945

Deferred outflows of resources totaling $43,150 represent the Village's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. Other amounts reported deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended	Amount
2021	$ (120,787)
2022	(102,635)
2023	(55,181)
2024	(28,039)
2025	109
Total	$ (306,533)

NOTE 10. Other Post-Employment Benefits – State Retiree Health Care Plan (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal, level percent of pay
Asset valuation method	Market value of assets
Actuarial Cost:	Entry Age Cost Method
Inflation	2.5% for ERB; 2.5% for PERA
Projected payroll increase	3.25-13.5%
Investment rate of return	7.25 net of OPEB plan expenseand margin for adverse deviation including inflation
Health care cost trend	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality assumption	RP-2000 Combined mortality table with white collar adjustment (males) and GRS Southwest Regional Teacher Mortality Tables (femails) PERA members: RP-2000 combined healthcare mortailty.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return are summarized are as follows:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	20.0%	2.10%
US Equity-Large Cap	20.0%	7.10%
Non US Emerging	15.0%	10.20%
NON US Developed	12.0%	7.80%
Private Equity	10.0%	11.80%
Credit and Structured	10.0%	5.30%
Real Estate	5.0%	4.90%
Absolute Return	5.0%	4.10%
US Equity Small Cap	3.0%	7.10%
Total	100%	

NOTE 10. Post-Employment Benefits – State Retiree Health Care Plan (continued)

Discount Rate

The discount rate used to measure the total OPEB liability is 2.86% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2040. The 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (2.21%) was applied. Thus, 2.86% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.

The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86 percent) or 1-percentage-point higher (3.86 percent) than the current discount rate:

RHC Fund Division Municipal Government	1% Decrease (1.86%)	Current Discount Rate (2.86%)	1% Increase (3.86%)
City's proportionate share of the net OPEB liability	$ 1,457,217	$ 1,172,335	$ 952,151

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2020.

NOTE 11. Federal and State Grants

In the normal course of operations, the Village receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 12. Concentrations

The Village depends on financial resources flowing from, or associated with, property taxes, gross receipts taxes, the Federal Government and the State of New Mexico. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations; changes in gross receipts tax rates, collections, tourism, and property values.

NOTE 13. Subsequent Events

The date to which events occurring after June 30, 2021, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is October 14, 2021 which is the date on which the financial statements were available to be issued.

NOTE 14. Restricted Net Position

The Government Wide Statement of Net Position reports $1,526,682 of restricted amounts in governmental activities, all of which is restricted by enabling legislation and restricted Net Position in business-type activities of $0.

NOTE 15. GASB 77 Disclosures (Tax Abatements)

Management of the Village is not aware of any tax abatement agreements that existed as of June 30, 2021.

NOTE 16. Commitments

The Village had the following projects under construction. Below is a summary list of the Projects as of June 30, 2021.

Governmental Activities:	Total Cost	Amount expensed as of June 30, 2021	Percent Complete	Estimated Date of Completion
Kearns Fields	$ 497,000	$ 344,269	69%	10/29/2021
Milan Track Farm	31,387	18,959	60%	12/1/2021
Mirabal Park CDBG	758,000	716,371	95%	12/31/2021
Airport Road	371,521	149,966	40%	12/31/2021
Soccer Field	378,000	23,092	6%	6/30/2022
Swimming Pool New Roof	417,000	3,951	1%	6/30/2024
Fire Department Building Engineering	170,000	9,943	6%	6/30/2024
	$ 2,622,908	$ 1,266,551		
Busienss Type Activities:				
Waste Water Treatment Plant	Unknown	$ 291,329	NA	Unknown
Waste Water Sewer System Upgraes	8,000,000	50,182	1%	6/30/2025
Water System Upgrades	2,200,000	40,214	2%	6/30/2025
	$ 10,200,000	$ 381,725		

NOTE 17. Joint Power Agreements

New Mexico Regional Solid Waste Authority

Participants:	Village of Milan City of Gallup City of Grants Cibola County McKinley County
Responsible Party:	New Mexico Regional Solid Waste Authority
Description:	To establish a solid waste disposal facility
Period:	Perpetual
Project Costs:	The Village is required to contribute 50% of its annual environmental gross receipt taxes
Village Contribution:	$11,324
Audit Responsibility:	New Mexico Regional Solid Waste Authority

Senior Citizens

Participants:	Village of Milan City of Grants Cibola County
Responsible Party:	City of Grants
Description:	Maintaining the City of Grants Cibola Senior Citizen's Center,
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	City of Grants

Library

Participants:	Village of Milan City of Grants Cibola County
Responsible Party:	City of Grants
Description:	Maintaining the Mother Whiteside Memorial Library on High Street in the City of Grants
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	City of Grants

NOTE 17. Joint Power Agreements (continued)

Wildland Fire Protection

Participants:	Village of Milan Energy, Minerals and Natural Resources Department (ENMRD)
Responsible Party:	State of New Mexico ENMRD
Description:	Wildland Fire Protection and Suppression'
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	Energy, Minerals and Natural Resources Department (ENMRD)

Cibola Regional Communication Center

Participants:	Village of Milan Cibola County City of Grants
Responsible Party:	Cibola County
Description:	To establish the procedures and responsibilities for the joint and cooperative undertaking of the Parties in establishing and operating a emergency management coordinator director for the Parties in their respective geographic areas and any surrounding area as they wish to include in accordance with applicable laws
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	Cibola County

Housing of Inmates

Participants:	Village of Milan Cibola County
Responsible Party:	Cibola County
Description:	Cibola agrees to confine and house individuals, who are the age of eighteen (18) and over, arrested by Municipal Law Enforcement Officers for violation of the Municipality's laws or who are sentenced to detention or confinement by the Village of Milan Municipal Court
Period:	Perpetual
Project Costs:	$71 per day per inmate
Village Contribution:	Unknown
Audit Responsibility:	Cibola County

NOTE 17. Joint Power Agreements (continued)

Animal Shelter

Participants:	Village of Milan City of Grants
Responsible Party:	City of Grants
Description:	To administer, operate, maintain, and improve the animal shelter
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	35% of the net operating, maintenance and improvement costs of the animal shelter
Audit Responsibility:	City of Grants

Airport

Participants:	Village of Milan City of Grants Valencia County
Responsible Party:	City of Grants
Description:	Operation of Grants Airport
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	1/3 operation cost of the airport
Audit Responsibility:	City of Grants

Ambulance Service

Participants:	Village of Milan City of Grants
Responsible Party:	
Description:	Procure an ambulance service to transport sick and injured persons in both the Village of Milan and the City of Grants
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	City of Grants

NOTE 17. Joint Power Agreements (continued)

Transit System

Participants:	Village of Milan Cibola County City of Grants
Responsible Party:	Village of Milan Cibola County City of Grants
Description:	Establish the procedures and responsibilities for the joint and cooperative undertaking of the Parties in establishing and operating a transit system providing transportation between various points within the City, the Village, the County and the surrounding area in accordance with
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	$28,102
Audit Responsibility:	Village of Milan

Flood Control

Participants:	Village of Milan Rio San Jose Flood Control District
Responsible Party:	Village of Milan
Description:	The Village shall employ one person who shall be compensated and subject to same terms and conditions of employment as other Village employees, except that his or her primary assignment shall be as directed for the District; and otherwise as required and utilized by assignment to Village duties,. and shall be satisfactory to the District as well as to the Village; and which person shall serve as an administrative staff clerk for the District
Period:	Perpetual
Project Costs:	Unknown
Village Contribution:	Unknown
Audit Responsibility:	Village of Milan

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Village of Milan
Schedule of the Village's Proportionate Share of the Net Pension Liability of PERA Fund – Municipal General Division
Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*

Schedule I

MUNICIPAL GENERAL FUND

	2021	2020	2019	2018	2017	2016	2015
Village's proportion of the net pension liability (asset)	0.0844%	0.0876%	0.0843%	0.0947%	0.1089%	0.1066%	0.1015%
Town's proportionate share of the net pension liability (asset)	$ 1,706,760	$ 1,516,443	$ 1,344,054	$ 1,335,610	$ 1,739,856	$ 1,086,879	$ 791,809
Village's covered-employee payroll	$ 1,003,618	$ 891,055	$ 861,165	$ 1,179,974	$ 1,081,988	$ 1,033,613	$ 1,144,280
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	170.06%	170.19%	156.00%	113.00%	161.00%	105.00%	69.00%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	68.99%	76.99%	81.29%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
Village of Milan
Schedule of the Village's Proportionate Share of the Net Pension Liability of PERA Fund – Municipal Police Division
Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*

MUNICIPAL POLICE FUND

	2021	2020	2019	2018	2017	2016	2015
Village's proportion of the net pension liability (asset)	0.07670%	0.10000%	0.08940%	0.06890%	0.06480%	0.0556%	0.0512%
Village's proportionate share of the net pension liability (asset)	$ 658,753	$ 738,669	$ 609,980	$ 382,785	$ 478,114	$ 267,356	$ 166,906
Village's covered-employee payroll	$ 387,364	$ 433,555	$ 576,324	$ 466,984	$ 279,400	$ 238,190	$ 198,431
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	170.06%	170.37%	106.00%	82.00%	171.00%	112.00%	84.00%
Plan fiduciary net position as a percentage of the total pension liability	66.36%	70.52%	71.13%	73.74%	68.99%	76.99%	81.29%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

STATE OF NEW MEXICO
Village of Milan
Schedules of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA - Municipal General Division
Last 10 Years*

Schedule II

MUNICIPAL GENERAL FUND

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 78,192	$ 72,619	$ 70,184	$ 65,882	$ 69,332	$ 60,671	$ 84,369
Contributions in relation to the contractually required contribution	$ 78,192	$ 72,619	$ 70,184	$ 65,882	$ 69,332	$ 60,671	$ 84,369
Contribution deficiency (excess)	0	$ -	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 1,003,618	$ 891,055	$ 861,165	$ 1,179,974	$ 1,081,988	$ 1,033,613	$ 1,144,280
Contributions as a percentage of covered-employee payroll	7.79%	8.15%	8.15%	5.58%	6.41%	5.87%	7.37%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available. Difference related to 2015 catch-up contributions.

STATE OF NEW MEXICO
Village of Milan
Schedules of Employer Contributions
Public Employees Retirement Association (PERA) Plan
PERA - Municipal POLICE Division
Last 10 Years*

Schedule II

MUNICIPAL POLICE FUND

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 34,652	$ 35,768	$ 47,531	$ 37,958	$ 39,113	$ 36,554	$ 20,499
Contributions in relation to the contractually required contribution	$ 34,652	$ 35,768	$ 47,531	$ 37,958	$ 39,113	36,554	20,499
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered-employee payroll	387,364	$ 433,555	$ 576,324	$ 466,984	$ 279,400	$ 238,190	$ 198,431
Contributions as a percentage of covered-employee payroll	8.95%	8.25%	8.25%	8.13%	14.00%	15.35%	10.33%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available. Difference related to 2015 catch-up contributions.

STATE OF NEW MEXICO
Village of Milan
Schedules of Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Retiree Health Care Last 10 Fiscal Years*

VILLAGE IN SUMMATION	2021	2020	2019	2018
Village's proportion of the net OPEB liability (asset)	0.00279%	0.104%	0.038%	0.030%
Village's proportionate share of the net OPEB liability	1,172,335	$ 1,052,804	$ 1,341,033	$ 1,379,894
Village's covered-employee payroll	1,390,892	$ 1,347,023	$ 1,323,226	$ 1,268,440
Village's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	84.29%	78.16%	101.35%	108.79%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

Schedule IV

STATE OF NEW MEXICO
Village of Milan
Schedules of OPEB Contributions
Retirement Healthcare
Last 10 Fiscal Years*

VILLAGE IN SUMMATION	2021	2020	2019	2018
Contractually required contribution	$ 43,150	$ 40,411	$ 48,193	$ 96,693
Contributions in relation to the contractually required contribution	$ 43,150	$ 40,411	$ 47,604	$ 48,529
Village's covered-employee payroll	$ 1,390,892	$ 4,403,381	$ 1,323,226	$ 1,268,440
Contributions as a percentage of covered-employee payroll	3.10%	3.21%	3.60%	3.83%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Village will present information for those years for which information is available.

Changes of benefit terms

The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA fiscal year 2020 audit available at:

https://www.saonm.org/

There were no major changes to the benefit terms which impact the measurements provided in the Retiree Health Care Fund. The fiscal year 2020 report can be found at:

https://www.saonm.org/

Changes of assumptions

The PERA salary scale, inflation and payroll assumptions were updated to reflect assumptions used in the PERA June 30, 2020 pension valuation. Assumptions including the following were updated: Per capita costs, future trend for health costs and medical election assumptions. The actuarial assumptions are contained in section 3 of the RHCA GASB 74 Actuarial Report.

SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
Village of Milan
Nonmajor Fund Description
June 30, 2021

SPECIAL REVENUE FUNDS

Corrections - To establish an additional source of funds for municipalities to offset the costs of corrections. The source of funds is a fee which must be paid by all persons violating laws relating the operations of a motor vehicle. Authority is NMSA 33-9-3.

Fire Protection - To account for the operations and maintenance of the fire department. The operations are financed by an allotment from the annual fire grant from the State of New Mexico. Authority is NMSA 59-A-53-1.

Emergency Medical Services (EMS) - To account for all rescue operations undertaken by the Fire Department and funded through State grants. The fund was established by sections 24-lOA-1 through 24-lOA-10 NMSA, 1978.

Law Enforcement - To account for the expenditures from the State of New Mexico for training, equipment and capital outlay. Authority is NMSA 29-13-4.

Lodger's Tax - Account for collections received through a specific tax levy on area motels and hotels. Expenditures can be used for cultural and recreational activities. Authority is 3-38-14 NMSA 1978.

Streets - To account for funds used to maintain roads for which the Village is responsible. Funding is funded by the gas tax. Expenditures are restricted to the construction and maintenance of Village roads. Authority is NMSA 7-1-6.27.

Transit Authority - To account for funds used to provide transit services. Funding is provided by transit fees. Expenditures are restricted to the provision of transit services. Authority is a Memorandum of Agreement between the Village and the New Mexico Department of Transportation.

STATE OF NEW MEXICO
Village of Milan
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue			
	Corrections 201	**Fire Protection** 209	**EMS** 210	**Law Enforcement** 211
Assets				
Cash and cash equivalents	$ 159,298	$ 153,502	$ 17	$ 919
Restricted cash	-	20	-	-
Other receivables	-	-	-	-
Total assets	$ 159,298	$ 153,522	$ 17	$ 919
Liabilities and fund balance				
Liabilities				
Accounts payable	$ -	$ 6,568	$ -	$ -
Accrued salaries and benefits	-	-	-	-
Total liabilities	-	6,568	-	-
Fund balance				
Spendable:				
Restricted for:				
Public safety	159,298	146,934	17	919
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service expenditures	-	20	-	-
Total fund balance	159,298	146,954	17	919
Total liabilities and fund balance	$ 159,298	$ 153,522	$ 17	$ 919

Special Revenue			
Lodgers Tax 214	**Streets** 216	**Transit Authority** 532	**Total Non-major Governmental Funds**
$ 19,714	$ 27,364	$ 178,528	$ 539,342
-	-	-	20
-	34,769	-	34,769
$ 19,714	$ 62,133	$ 178,528	$ 574,131
$ -	$ 596	$ 2,804	$ 9,968
-	2,308	2,650	4,958
-	2,904	5,454	14,926
-	-	-	307,168
-	59,229	-	59,229
19,714		173,074	192,788
-	-	-	20
19,714	59,229	173,074	559,205
$ 19,714	$ 62,133	$ 178,528	$ 574,131

STATE OF NEW MEXICO
Village of Milan
Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue			
	Corrections	**Fire Protection**	**EMS**	**Law Enforcement**
	201	209	210	211
Revenues				
Gas taxes	$ -	$ -	$ -	$ -
Lodger's taxes	-	-	-	-
State operating grants	-	-	1,500	-
State capital grants	-	195,814	-	23,600
Licenses and fees	32,381	-	-	-
Interest income	82	5	-	-
Miscellaneous income	-	182	-	-
Total revenue	32,463	196,001	1,500	23,600
Expenditures				
Current:				
Public safety	-	76,588	1,483	25,199
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	9,943	-	-
Debt service:				
Principal	-	62,548	-	-
Interest	-	1,699	-	-
Total expenditures	-	150,778	1,483	25,199
Excess (deficiency) of revenues over expenditures	32,463	45,223	17	(1,599)
Other financing sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	32,463	45,223	17	(1,599)
Fund balance - beginning of year	126,835	101,731	-	2,518
Fund balance - end of year	$ 159,298	$ 146,954	$ 17	$ 919

Special Revenue			
Lodgers Tax 214	**Streets** 216	**Transit Authority** 532	**Total Non-major Governmental Funds**
$ -	$ 159,880	$ -	$ 159,880
1,137	-	-	1,137
-	-	231,950	233,450
-	-	-	219,414
-	-	-	32,381
11	7	44	149
-	-	74,319	74,501
1,148	159,887	306,313	720,912
-	-	-	103,270
-	226,775	-	226,775
515	-	256,298	256,813
-	-	-	9,943
-	-	-	62,548
-	-	-	1,699
515	226,775	256,298	661,048
633	(66,888)	50,015	59,864
-	82,175	28,102	110,277
-	82,175	28,102	110,277
633	15,287	78,117	170,141
19,081	43,942	94,957	389,064
$ 19,714	$ 59,229	$ 173,074	$ 559,205

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Village of Milan
Schedule of Deposits and Investments
June 30, 2021

Schedule V

Bank Name/Account Name	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
TBK Bank					
Operating	Checking	$ 532,207	$ -	$ (116,758)	$ 415,449
CDBG	Checking	58,066	-	-	58,066
Public Funds	Checking	819,724	-	(29,734)	789,990
Payroll	Checking	22,709	-	(222)	22,487
Corrections	Checking	159,713	-	-	159,713
Fire Fund	Checking	157,029	-	(415)	156,614
LEPF	Checking	919	-	(3,509)	(2,590)
Debt Service	Checking	298,755	-	-	298,755
Lodgers tax	Checking	19,714	-	-	19,714
Street Fund	Checking	32,582	-	(5,218)	27,364
Joint Utility	Checking	338,353	2,265	(39,781)	300,837
Transit	Checking	171,751	-	(799)	170,952
Water Deposit	Savings	155,930	-	-	155,930
Court Bonds	Savings	6,345	-	-	6,345
NGL Savings	Savings	915,431	-	-	915,431
Transit	Savings	7,575	-	-	7,575
General Savings II	Savings	35,636	-	-	35,636
Total TBK Bank		$ 3,732,439	$ 2,265	$ (196,436)	$ 3,538,268
New Mexico Finance Authority (NMFA)					
Debt Service	Debt Service	122,124	-	-	122,124
Debt Service Reserve	Escrow Funds	193,606	-	-	193,606
Total NMFA		$ 315,730	$ -	$ -	$ 315,730
Total Deposits		$ 4,048,169	$ 2,265	$ (196,436)	$ 3,853,998

Cash and cash equivalents - Exhibit A-1	$ 3,030,488
Restricted cash and cash equivalents - Exhibit A-1	797,705
Cash and cash equivalents - Exhibit E-1	25,805
Reconciled deposits and investments	$ 3,853,998

See Independent Auditors' Report

STATE OF NEW MEXICO
Village of Milan
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2021

Name of Depository	Description of Pledged Collateral	Maturity Date	CUSIP / Description	Fair Market Value
TBK Bank	FHLMC ARM Pool #1n14	5/1/2037	3128QHUF5	$ 48,182
TBK Bank	FHMS K721 A2	8/25/2022	3137BM6P6	151,724
TBK Bank	FNMA POOL #AN0734	1/1/2023	3138LCY82	144,117
TBK Bank	FNMA POOL #BJ7505	12/1/2048	3140H9KT9	454,867
TBK Bank	GNMA2 POOL #005276	1/20/2027	36202F2H8	159,802
TBK Bank	ALBUQUERQUE N MEX MU	8/1/2027	013595QA4	361,177
TBK Bank	GRANTS / CIBOLA CNTY	10/1/2022	388240GL1	254,942
TBK Bank	TAOS N MEX ST-SHARED	6/1/2023	87601RAL4	200,638
				$ 1,775,449

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COMPLIANCE SECTION

SAS CPA

Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Brian S. Colón, ESQ.
New Mexico State Auditor
and
To the Honorable Mayor and Village Trustees of
Village of Milan, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the fiduciary funds, and the budgetary comparisons of the general fund, of the Village of Milan, New Mexico (the Village) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 14, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items FS 2021-001 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 2021-002, FS 2021-003 and FS 2021-004.

Village's Response to Findings

The Village's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Village's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC
Albuquerque, New Mexico
October 14, 2021

STATE OF NEW MEXICO
Village of Milan
Schedule of Findings and Responses
June 30, 2021

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued	**Unmodified**

Internal control over financial reporting:

Material Weakness identified	Yes
Significant deficiencies identified?	No
Noncompliance material to the financial statements?	No

SECTION II – PRIOR YEAR AUDIT FINDINGS

The following findings reported in the prior year financial statements have been resolved:

2020-001 (2019-003) Insufficient Internal Controls over Trial Balance, Recording of Financial Transactions, and Financial Reconciliations (Material Weakness) – Resolved

2020-002 (2017-003) Due To/Due From Balances and Operating Transfers (Significant Deficiency) – Resolved

2020-003 (2017-004) Utility Customer Deposits and Processing of Unclaimed Property (Compliance and Other Matter) - Resolved

2020-004 (2018-001) Insufficient Pledged Collateral on Public Deposits (Compliance and Other Matter) – Resolved

The following findings reported in the prior year financial statements have been repeated:

2020-005 COSO Framework / Financial Policies and Procedures – Material Weakness – Repeated Modified

2020-006 - PERA and RHC Reporting and Contribution Remittances – Other Noncompliance Repeated Modified

2020-007 – Department of Finance and Administration Cash Report – Other Noncompliance – Repeated Modified

2020-008) - Lack of Budgetary Control, Expenditures in Excess of Budget – Other Noncompliance – Repeated Modified

STATE OF NEW MEXICO
Village of Milan
Schedule of Findings and Responses
June 30, 2021

SECTION III - AUDIT FINDINGS- FINANCIAL STATEMENTS

2021-001 (2020-005) COSO Framework / Financial Policies and Procedures – Material Weakness

Condition: During our process of understanding the design and operation of the Village we noted the following deficiencies related to the Village's framework of enterprise risk management, as defined by the Committee of Sponsoring Organizations (COSO) was deficient:

- The Accounts Payable Clerk can print check, create vendors, enters and approved purchase orders can initiate printing of checks and can make manual journal entries.

- The Village's finance director is also the administrator of the financial management system resulting in overall management override of controls.

- After payroll is processed there was no subsequent review for accuracy, and completeness of the payroll that was paid to employees by someone other than the Human Resource employee.

- Human Resource employee, whom runs payroll, can add employees, change pay rates, performs the direct deposits for employees and maintains all employee files.

- This was a previous year audit finding and the Village did not take adequate corrective action.

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

Effect: Without all of the five elements of the COSO framework present, the Village is exposing itself to the risk of misappropriation of assets and mistakes both intentional and unintentional will not be detected and corrected during employee's normal course of their assigned duties.

Cause: The Village has not considered the various risks they are exposed to and perfumed a risk assessment to analyze those risks and then designed control activities to address and mitigate risk to the Village.

Auditors' Recommendations: We recommend the Village implement the five critical elements that must be present in carrying out the achievement objectives of an organization as follows:

- The Village should establish the culture and attitude regarding the importance of maintaining controls and set the expectations of standards of conduct within the Village. This is known as the control environment.

- The Village should identify hazards and risk factors that have the potential to cause harm to the Village. The Village needs to analyze and evaluate the risk associated with each hazard and determine appropriate ways to eliminate the hazard, or control the risk when the hazard cannot be eliminated. This is known as risk assessment.
- The Village should implement policies and procedures established by management to

ensure the risks and hazards identified during the risk assessment process are mitigated or reduced to an acceptable level. Simply stated, they are checks and balances embedded in the Village's operations. Controls may be preventive or detective and can be manual and/or automated. Segregation of duties, which prevent one person from overseeing all phases of a transaction, is key to developing strong internal controls and identifying the person(s) responsible for performing a control activity.

- The Village needs a process of providing, sharing, and obtaining necessary information to the necessary individuals in the Village. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously.

- Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, is present and functioning. Ongoing evaluations, built into business processes at different levels of the Village, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations.

Management Response: Due to short staffing and Covid-19 one individual was responsible for multiple duties, this was corrected with filling empty positions and separation of duties and stricter internal controls

Responsible Party: Village Manager

Timeline: Has been resolved and corrected.

2021-002 (2020-006) - PERA and RHC Reporting and Contribution Remittances – Other Noncompliance

Condition: During Fiscal Year 2021, the Village submitted six untimely payments to PERA and RHCA. Further, this was a finding in the previous year audit report and the Village did not take adequate corrective action.

Criteria: PERA contribution requirements for the Village and the Village's employees, including those requirements related to retired elected officials, are established in State statute under Chapter 10, Article 11, and NMSA 1978 and RHCA contrition requirements per State Statue 10-7C-15 D NMSA 1978 requires contributions be received by the 10th day of the month following the last pay period ending date.

Effect: The Village is not in compliance with PERA and RHCA reporting requirements.

Cause: The Village's payroll process during the year is not timely tracking and reporting PERA and RHC payments.

Auditors' Recommendation: We recommend that the Village timely submit all reports to PERA and RHCA.

Management Response: Payroll Clerk will now reach out to Payroll Co. after each pay period for reports and to verify payment has been made.

Responsible Party: Village Manager

Timeline: Immediately

2021-003 (2020-007) – Department of Finance and Administration Cash Report – Other Noncompliance

Condition: The Village under reported cash balances to New Mexico Department of Finance and Administration (DFA) by $703,805. Total cash reported to the DFA at June 30, 2021 was $4,557,803 and total cash held by the Village at June 30, 2021 was $3,852,031. Further, this was a finding in the previous year audit report and the Village did not take adequate corrective action.

Criteria: NMSA 1978 6.6.3 states that every local public body shall make all reports as may be required by the local government division. The local government division requires that municipalities file quarterly financial reports for review by the local government division.

Effect: The Village is unable to provide the Department of Finance and Administration accurate cash balances, revenues and expenses.

Cause: The Village has not been properly reconciling cash balances to the Department of Finance and Administration reports and properly tracing the Villages activity per fund into the reports reported to the DFA.

Auditors' Recommendations: We recommend the Village adjust beginning cash balances reported to the DFA and report all activity in a correct manner.

Management Response: Balances are being closely monitored now to verify cash balances, revenues, and expenses are being entered and tracked correctly. Corrections are made immediately upon discovery.

Responsible Party: Finance Director

Timeline: Immediately

2021-004 (2020-008) - Lack of Budgetary Control, Expenditures in Excess of Budget – Other Noncompliance

Condition: During our test work we noted the Village exceeded budgetary expenditures in the debt service fund by $177,044. Further, this was a finding in the previous year audit report and the Village did not take adequate corrective action.

Criteria: All Village funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, NMSA 1978.

Effect: The Village is not in compliance with 6-6-6, NMAS 1978, and the Village doe s not have adequate monitoring controls in place to ensure actual expenses are in compliance with the legal adopted budget of the Village.
Cause: There was inadequate monitoring of budgeting procedures during the Fiscal Year.

Auditors' Recommendations: We recommend all Village funds, with the exception of agency funds, be budgeted and approved by the Village Council. Once adopted, budgets must be monitored so the Village can identify if they are at risk of actual expenditures exceeding the legally adopted budget before monies are expensed.

Management Response: The Village will review budget to actual expenses to ensure that actual expenditures do not exceed budgeted expenses.

Responsible Party: Village Manager

Timeline: Immediately

STATE OF NEW MEXICO
Village of Milan
Exit Conference
June 30, 2021

Exit Conference

An exit conference was held on October 14, 2021. In attendance were the following:

Felix O. Gonzales	Mayor
Linda Cooke	Village Manager
Candi Williams	Finance Director
Denise Baca	Municipal Clerk

Representing Southwest Accounting Solutions, LLC:

Robert Peixotto, CPA	Managing Member

Auditor Prepared Financial Statements

Southwest Accounting Solutions, LLC assisted the Village in the preparation of the GAAP-based financial statements and notes to the financial statements. The financial statements were prepared using the original books and records provided by the Management of the Village. The responsibility for the financial statements remains with the Village.

NEW MEXICO SELF-INSURERS' FUND

PROPERTY DECLARATIONS PAGE

Policy #: 1640
Insured: Milan
Address: P.O. Box 2727 Milan, NM 87021

Policy Period: July 1, 2022 to July 1, 2023
Rating Anniversary Date: July 1st

The coverage afforded by this policy is only with respect to the coverages indicated below and is subject to the values submitted to and on file with the Fund as well as all terms and conditions of the Master Policy.

TOTAL INSURED VALUE: $9409317

BUILDINGS & PERSONAL PROPERTY
Coverage Applicable:
Property Deductible per Occurrence: 2500
Earthquake Deductible per Occurrence: $100,000
Flood Deductible per Occurrence: $100,000 except zones A&V
Deductible for Zones A&V: Minimum of 5% of Insured Value or Excess Maximum NFIP Limits Whether Purchased or Not

CONTRACTORS EQUIPMENT
Coverage Applicable:
Deductible per Occurrence: $1000

ELECTRONIC DATA PROCESSING EQUIPMENT (EDP)
Coverage Applicable:
Deductible per Occurrence: $500

FINE ARTS
Coverage Applicable:
Deductible per Occurrence: $2500

EQUIPMENT BREAKDOWN
Coverage Applicable:
Deductible per Occurrence: $2500

Clinton Wells

Fund Representative

July 8, 2022

Date

NMSIF

Fund Headquarters
P.O. Box 846 Santa Fe, New Mexico 87504
(800)432-2036 or (505)982-5573 Fax #: (505) 820-0670

NEW MEXICO SELF-INSURERS' FUND

LIABILITY DECLARATIONS PAGE

Policy #: 1640
Insured: Milan
Address: P.O. Box 2727 Milan, NM 87021

Policy Period: July 1, 2022 to July 1, 2023
Rating Anniversary Date: July 1st

The coverage afforded by this policy is only with respect to the coverages indicated below and is subject to the values submitted to and on file with the Fund as well as all terms and conditions of the Master Policy.

LIMITS OF LIABILITY
$ 400,000 Per Person Bodily Injury (BI)
$ 750,000 Per Occurrence Bodily Injury (BI)
$ 100,000 Per Occurrence Property Damage (PD)
$ 300,000 For All Past & Future Medical/Medically-Related Expenses Per Occurrence
$ 100,000 Per Occurrence Fire Legal Liability Damage

$ 2000000 Annual Aggregate

GENERAL LIABILITY
Limits of Liability Per Occurrence: ..... See Above
Deductible Per Occurrence: $500

AUTO LIABILITY - See Schedule for Coverages and Deductibles

Limits of Liability Per Occurrence : ..... See Above
Deductible Per Occurrence: $0
Uninsured Motorists * : $60000
Auto Medical Payments * : $5000

AUTO PHYSICAL DAMAGE – As per schedule on file with NMSIF
Valuation ..... ACV
Comprehensive Deductible $1,000
Collision Deductible $1,000

LAW ENFORCEMENT LIABILITY
Limits of Liability Per Claim $2,000,000
Deductible Per Per Claim: $5000

PUBLIC OFFICIALS ERRORS & OMISSIONS
Limits of Liability Per Claim $2000000
Deductible Per Claim $5000

FOREIGN JURISDICTION
Limits of Liability * : $1,000,000
Deductible Per Occurrence: $500

NMSIF

Fund Headquarters
P.O. Box 846 Santa Fe, New Mexico 87504
(800)432-2036 or (505)982-5573 Fax #: (505) 820-0670

EMERGENCY MEDICAL MALPRACTICE

Limits of Liability * : ..... See Above

Deductible Per Occurrence: $5000

Clinton Wicks

Fund Representative

July 8, 2022

Date

NMSIF

Fund Headquarters
P.O. Box 846 Santa Fe, New Mexico 87504
(800)432-2036 or (505)982-5573 Fax #: (505) 820-0670

NEW MEXICO SELF-INSURERS' FUND

WORKER'S COMPENSATION & EMPLOYER'S LIABILITY PLAN
DECLARATIONS PAGE

Policy #: 1640
Insured: Milan
Address: P.O. Box 2727 Milan, NM 87021

Policy Period: July 1, 2022 to July 1, 2023
Rating Anniversary Date: July 1st

The Policy is continuous until canceled or terminated by either the Insured or the Fund in accordance with the terms of this Policy. Sixty (60) days advance written notice is required of the Insured to cancel or terminate this Policy, or as otherwise provided by the Fund's Board of Trustees. Should the Insured cancel at any time other than the anniversary date (July 1st of each year) the Insured shall be subject to the short rate procedures as provided for in the Bylaws and Resolutions.

Worker's Compensation Insurance:
Part One of the Policy applies to the Worker's Compensation Law of New Mexico.
Policy Limits: Statutory

Employer's Liability Insurance:
Part Two of the Policy applies to work in New Mexico.
Policy Limits: $1,050,000 each accident/$1,050,000 policy limit

Other States Insurance:
Part Three of the Policy applies to all states in the United States.
Worker's Compensation Limits: Statutory
Employer's Liability Limits: $500,000 each accident/$500,000 policy limit

Each member's contribution is determined by the Rules, Classifications, Rates, and Rating Plans. The basis for the contribution is the payroll by class as shown on the payroll rating forms and as verified or revised by audit.

Clinton Wicks

Fund Representative

June 29, 2022

Date

Fund Headquarters
P.O. Box 846 Santa Fe, New Mexico 87504
(800)432-2036 or (505)982-5573 Fax #: (505) 820-0670

Village of Milan
Purchasing Policy

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   c. Large Purchases $5,000.00 to $19,999.99 Requires three (3) hard quotes (written or email) and a complete Village of Milan Quote Sheet.
   d. Any purchase over $20,000.00 must have three (3) hard quotes (written or email) AND go on the agenda for Board of Trustee approval.
   e. Any purchase over $60,000.00 require board approval and formal bid procedures, and board approval.
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Article I
Definitions

A. Most of the terms which appear in this rule are defined in the Procurement Code.
B. In these rules and regulations the following definitions apply.

(1) "Anti-poverty program businesses" means small businesses, cooperatives, community self-determination corporations or other such enterprises designed and operated to alleviate poverty conditions and aided by state or federal antipoverty programs or through private philanthropy.

(2) "Best obtainable price" means that price at which services or goods can be purchased which is most advantageous to the purchasing entity; best obtainable price can be found by obtaining quotes or other appropriate methods; where there is only one vendor available for such a purchase utilizing a direct purchase order in accordance with statute (such as an entity requiring dues, for example), the price would be the best obtainable price since it is the only possible price for that particular procurement.

(3) "Bidding time" means the period of time between the date the invitation to bid notice is published and the date and time set for receipt of bids, but not less than ten (10) days.

(4) "Bidder" means one who submits a bid in response to an invitation for bid or submits a quote in response to a call for formal or informal quotes.

(5) "Central purchasing office" means that office within a state agency or a local public body responsible for the control of procurement of items of tangible personal property, services, or construction. "Central purchasing office" includes the purchasing division of the general services department.

(6) "Chief information officer" (CIO) means the administrative head of the department of information and technology.

(7) "Chief procurement officer" (CPO) means that person within a state agencies or local public body's central purchasing office who is responsible for the control of procurement of items of tangible personal property, services, or construction. "Chief procurement officer" includes the state purchasing agent.

(8) "Competitive sealed bid" means the response from a bidder to an invitation to bid (ITB).

(9) "Competitive sealed proposal" means the response from an offeror to a request for proposals (RFP).

(10) "Contract" means any written, binding agreement for the procurement of items of tangible personal property, services, or construction. A purchase order alone can be a binding contract.

(11) "Information systems resources" means computer voice and data communications hardware and software including imaging systems, terminals, radio and communications networks and facilities as well as information systems services and professional services contracts required for the implementation, operation, maintenance or support of an executive branch state agency computer or communication system.

(12) "Invitation for bid (IFB)" means all documents, including those attached or incorporated by reference, used for soliciting competitive sealed bids. Also sometimes referred to as an invitation to bid (ITB). The minimum time is ten (10) days.

(13) "Offeror" means one who submits a proposal in response to a request for proposals.

(14) "Request for proposals (RFP)" means all documents, including those attached or incorporated by reference, used for soliciting competitive sealed proposals.

(15) "Sole source" means tangible personal property, services or construction for which there is only one source, and that source is unique, and no other similar items of tangible personal property,

services or construction can meet the intended purpose of the procurement. The minimum time is ten (10) days.

[1.4.1.7 NMAC - Rp, 1.4.1.7 NMAC, 08-30-13]

(16) "Purchase" means for the purpose of this policy; a purchase is to be given a broad definition to include the execution of any expense to be paid out of the Village of Milan funds that have been approved in the budget by the Village Board of Trustees.

(17) "Determination" is the written documentation of a decision f a CPO including finding of fact required to support a decision. A determination becomes part of the procurement file to which it pertains. This section requires that the Purchasing Department comply with the basic mandates of due process of law in that a decision of the CPO must be in writing and include findings of fact which are required to support the decision reached. In any litigation, the determination will form a major portion of the record upon which the court will base its decision (13-1-52, NMSA, 1978).

(18) "Direct or Indirect Participation" means involvement in the decision, approval, disapproval, recommendation, formulation of any part of a purchase request, or influencing the content of any specification, investigation, auditing, or the rendering of advice. (13-1-53, NMSA, 1978)

(19) "Employee" an individual receiving a salary, wages or per diem and mileage from the Village. This can be elected officials and can even be non-compensated individuals who are perfuming personal services as an elected or appointed official or perfuming personal services in some other capacity for the Village. (13-1-54, NMSA, 1978)

(20)" External Procurement Unit" means any procurement organization not located in this state, which if in this state, would qualify as a state department or local public body. A department of the United State Government, for example is an external Procurement unit.

(21) "Gratuity" means a payment, loan, subscription, advance, deposit of money, service or anything of more that nominal value, received or promised, unless consideration of substantially equal or greater value is exchanged. (13-1-59, NMSA, 1978).

(22) "Immediate Family" means spouse, children, parents, brothers, and sisters and is not necessarily consistent with other state statutes nepotism and other conflicts of interest involving relations. (13-1-62. NMSA, 1978).

(23) "Procurement (13-1-74, NMSA, 1978)"

a. Procurement includes the purchasing, renting, leasing, lease-purchasing or otherwise acquiring items of tangible property, services, or construction.

b. Procurement also includes all aspects of purchasing, including but not limited to preparation of specifications, solicitation of sources, qualification or disqualification of sources, preparation and award of contract and contract administration. Thus, it is far more than the act of buying and bidding that forms the procurement process. Preparation of specifications upon which bidders will rely is also part of procurement, as is contract administration after the contract has been let.

(24) "Unauthorized Purchases" Any purchase which is not withing the City budget, or specifically approved by the Department Head, CPO, Village Manager, or is not in accordance with Village Policy or the State Procurement Code. Village of Milan is a tax-exempt entity and is not required to pay tax on any purchase of goods. The amount of taxes on any invoice where a tax exemption has not been taken may be an unauthorized purchase depending on circumstances.

Any purchase which is not legally and appropriately approved will be considered an unauthorized Village purchase and thereby not subject to payment by the Village. Any individual initiating or otherwise executing any unauthorized purchase is solely responsible for payment. Any questionable purchases should be referred to the CPO for review and determination.

Unauthorized Purchase may include, but are not limited to, the following:

- Splitting invoices to avoid departmental approval/credit limits
- Invoice one year or older
- Invoices that have been held or have accrued late charges/fees
- The amount of taxes on any invoice where tax exemption has not been taken.

(25) "Emergency Purchases" Purchases made when the existence of an emergency creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods. For Emergency purchases the CPO will comply with New Mexico Procurement code 13-1-127 and 13-1-128, NMSA 1978

(26) "Standard Purchase" are defined as systematic, planned, and necessary purchases for the administration and operation of a project and or department.

(27) "Credit Card Purchasing" The Village of Milan has implemented the use of multiple "Credit cards" meaning cards in which a line of credit has been issued to the Village of Milan. For details, please refer to the Credit Card usage Policy.

(28) "Invoices" An invoice is an itemized statement submitted by the vendor to the Village of Milan for the payment of goods and/or services that have been delivered to the Village.

(29) "Vendor" Any person, business, or other entity that sells or provides goods or services to the Village.

(30) "Hard Quote" Any quote that is written can be emailed, faxed, or on a written quote sheet.

Article II
General Provisions

These provisions shall pertain to, regulate, and govern all purchase and expenditures made by, for and on behalf of the Village of Milan beginning on the date adopted by Resolution **2022-***** and continuing thereafter until said policy is amended, modified and/or rescinded. The provision of this policy is mandatory for any Elected Officials, Department Heads, and employees. Failure by Department Heads or employees to follow these procedures can result in disciplinary action, up to and including termination. It will be the Village employees' obligation to familiarize themselves with the terms of this policy. Any difficulties, problems or concerns regarding this policy should be brought to the attention of the CPO and/ or Finance Department.

1. **Applicability**
   This policy shall apply to all purchase made with Village of Milan funds. All employees shall receive and sign for a copy of this policy and as such shall be responsible for the knowledge and compliance of this policy's provisions.

2. **Planning**
   Planning for purchases should be done on both short-term and long-term basis, thereby minimizing small orders and last-minute purchases. Planning will also reduce the number of

trips required to obtain materials and minimize clerical and supervisory time spend on document purchases.

3. **Buying Proper Quality**
   Quality and service are as important as price. It is the duty of the requesting department to secure the best, most economical quality that will meet, but not exceed the requirement for which the goods or services are intended. In some instances, the lowest price will not necessarily mean the lowest cost.

4. **Future commitments to Vendors**
   Employees do not have the authorization to commit in writing, or verbally, future Village business to vendors.

5. **Shipping**
   If ordering from a vendor that is shipping an item, the shipping cost must be included in the purchase price.

6. **Tax**
   The Village of Milan is a Tax-exempt entity, should an employee make a purchase that includes tax for goods the Village of Milan is not responsible for the taxes charged. Purchaser is responsible for requesting an NTTC from the purchasing department for the vendor.

Article III
Vendor Selection

1. **Selection Policy**
   Vendors will be selected on a competitive basis. Formal bids, informal bids, or telephone quotes will be solicited by the CPO, Department Head, or their designee. Bid awards, Purchase Orders, and/or contracts will be issued to the lowest responsible bidder. If a department wishes to add a specific vendor or contractor to the bid list, they must notify the CPO. All vendors will be required to submit a Form W-9 and obtain a city privilege license if applicable. Bid awards and contracts must include a Purchase Order.

2. **Selection Procedures**
   For the procurement of supplies, materials, and/or equipment and for construction or repairs, the CPO will comply with the New Mexico Procurement code 13-1-125 and New Mexico Procurement Code 13-1-118 NMSA 1978.

3. **Vendor Relations**
   Good vendor relations are valuable business assets established through mutual confidence and satisfactory business relationships between buyer and seller. An important contribution toward promoting and preserving these relations is a clear understanding of the method of contract between buyer and seller.

   The CPO maintains a vendor file for recording the performance of vendors the Village engages in business with. Should a department have trouble with or have a complaint with a particular

vendor the concerns should be documented and forwarded to the CPO. The documentations should detail the circumstances, dates, personnel involved (including titles) and phone numbers.

Article IV
Competitive Purchases

1. **Overview**

   This section outlines the Village's procurement procedure. The procedures outlined are designed to take full advantage of a centralized purchasing system. These procedures cover the purchasing of apparatus, supplies, materials, and/or equipment for items with a value not exceeding Twenty Thousand dollars $20.000.00.

   Under no circumstances should a purchase be divided/broken up in order to meet the small purchase threshold.

   a. **Small Purchases $0.00 – $999.99**
      Purchase up to $999.99, purchases of services, construction, or tangible personal property have a value of $999.99 or less shall be based on the best obtainable price and shall be process with a standard requisitions/PO and with proper documentation through the purchasing department. **The proper documentation will include an invoice, and a packing slip (if available) indicating the following: Vendor Name, Address, Phone Number, Point of Contact, Date, Prices (including extensions and applicable taxes), and signed as received by the requestor.**
   b. **Mid Purchases $1,000.00 - $4,999.99**
      Purchases up to $4,999.99, purchases of services, construction, or tangible personal property have a value of $4,999.99 or less shall require three (3) Telephone/verbal quotes and a complete Village of Milan quote sheet, as part of the proper documentations. Proper documentation will then include quote and all other items in the highlighted area referenced in Article IV 1. A. of this document.
   c. **Large purchases $ 5,000.00 - $19,999.99**
      Purchases up to $19,999.99 purchases of services, construction, or tangible personal property have a value of $19,999.99 or less shall require three (3) Hard quotes, (written) And a complete Village of Milan quote sheet as part of the proper documentations. Proper documentation will then include quote and all other items in the highlighted area referenced in Article IV 1. A. of this document.
   d. **Any Purchase over $20,000.00 -$59,999.99**
      Purchases exceeding $20,000.00 must be presented to and approved by the Village of Milan board of trustees. Then all other procurement documentation is required.
   e. **Purchase over $60,000.00**
      ALL purchases exceeding $60,000.00, require formal bid procedures as specified by the State Procurement Code and shall be process and executed by the CPO through Formal Procedures. Such purchases must be approved in the current budget. Purchases not approved in the current budget require approval by the Village of Milan Manager in the event they are in excess of budgetary limits.

2. **Quote Documentation**

The name of the business submitting the quote, and a telephone number, the date the quote was received, and the amount shall be attached to the Village of Milan Quote Sheet. Then will be attached to the requisition /PO as part of the documentation.

a. Prior to award, the contents of any quote shall not be disclosed to any other business from which a quote was solicited. Award shall be made to the Businesses offering the lowest most advantageous acceptable quote.
b. A completed W-9 if not already an approved vendor, is required
c. A NTTC (nontaxable transaction certificate) is required.

3. **Procurement of Professional Services up to $60,000.00**
All professional services having a value not exceeding sixty thousand ($60,000.00) dollars may be procured directly and will be procured at the best negotiated price excluding applicable state and local gross receipts taxes.

4. **Chief Procurement Officer**
Only certified, designated CPOs may do the following: 13-1-95. 2, 13-1-125, NMSA, 1978
a. Make determinations, including determination regarding exemptions, pursuant to the procurement Code.
b. Issue purchase orders and authorize small purchases pursuant to the Procurement Code.
c. Approve procurement pursuant to the Procurement Code.

5. **Sole Source Supply**
Sole Source purchases must comply with State Procurement Code Sections 13-1-126, 13-1-128, and 13-1-199, NMSA, 1978. If an item is identified as a sole source, it must be posted on the state purchasing site for 30 days prior to purchase if a protest is not received.

6. **Exemptions from the Procurement Code**
For exemptions the designated CPO will comply with New Mexico Procurement Code 13-1-98, NMSA, 1978.

Article V
Purchase Orders

1. **Requisition and Purchase order process**
Purchase orders are required for every purchase at the Village of Milan. A requisition is to be completed by Elected official, Department Head, or Employee. All required documentation must be turned in with the requisition see Article IV 1. A-E. The Requisition and documentation are turned into the Purchasing department i.e., Accounts Payable. Packet then goes to the Finance Director for budget check and double check of due diligence on pricing and vendors, forms are then signed and given to Village Manager for the double check. After all the checks have been completed and purchase is approved the Accounts Payable Clerk, the AP Clerk will enter the Requisition into the bookkeeping system. The Finance Director will then issue a Purchase Order and sign the document. A purchase order is a contract between the Village and a vendor and is not binding until accepted by the vendor**. The issuance of Purchase Orders by unauthorized Village employees or officials will not be recognized by the Village and payment of these obligations will not be approved. Unauthorized purchases are classified as a personal expense and will be paid for by the responsible employee.**

2. **P.O. Change Orders**
   In order to change, modify, or cancel an existing PO, the user department must fill out the Village of Milan Purchase order change form. All Pertinent information needed to make changes should be completed. The Change Order is to be forwarded to the designated CPO for Review and approval. The Accounts Payable Clerk will then disperse the changed paperwork to the requesting department.

Change Orders will not be allowed:

1. That would alter the procurement procedures that were used in the original process (e.g.,) from informal to formal bid.)
2. After the scope of services has been rendered or materials have been received.

The Village Board of Trustees must approve Change Orders for purchases and/or contracts for capital projects/outlay and exceed originally allocated funds.

Article VI
Budget Adjustment Requests (BAR) and Internal Budget Adjustment Requests (I-BAR)

1. **Policy**
   a. Budget Adjustment Requests are required to be voted on by Governing Body and submitted to the state for approval. This will be required for any purchase that is expected to be made that will exceed the approved budget authority in which a Budget increase is needed.
   b. Internal Budget Adjustment Request will be used when the budget authority does not need to be increased, this will occur when the budget is available in the department's budget just needs to be moved (reallocated)to a different line item. In this case an I-BAR form needs to be completed by the department head. IBARS must receive Manager and Board approval.

2. **Authority and Responsibility**
   a. Department Heads are responsible for requesting changes to internal budget items.
   b. Finance department is expected and authorized to inquire about the need for all budget adjustment requests.

Article VII
Special Procurement Procedures

1) **Service contracts**
   Village of Milan can enter into service contracts with local Vendors to perform work on Village property, the contract must follow all signature requirements and procedures, and contain all necessary insurance and payment options. The completed and signed contact

must be forwarded to the CPO Prior to the release of the requisition to the purchase order. The Village will not enter into contractual agreements that are subject to automatic renewal and will attempt to have contracts coincide with the fiscal year.

Village Board of Trustees must approve all contracts that meet and of the following criteria:

1. Contract subject to statutory bid thresholds,
2. Contracts terms no greater than one year,
3. Contracts exceeding budgetary approval, which require a budget amendment,
4. Contracts Suggesting a significant policy change as determined by the manager.

2) Ethical Conduct

a. **13-1-190. Unlawful employee participation prohibited.**
Conflict of interest

i. Except as permitted by the University Research Park Act [21-28-1 to 21-28-25 NMSA 1978], it is unlawful for any state agency or local public body employee, as defined in the Procurement Code, to participate directly or indirectly in a procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest in the business seeking or obtaining a contract.

ii. An employee or any member of an employee's immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a financial interest with regard to matters pertaining to that trust. **History:** Laws 1984, ch. 65, § 163; 1989, ch. 264, § 27

b. **13-1-191. Bribes; gratuities and kickbacks; contract reference required.**

i. All contracts and solicitations therefor shall contain reference to the criminal laws prohibiting bribes, gratuities, and kickbacks. **History:** Laws 1984, ch. 65, § 164.

c. **13-1-192 Contingent fees prohibited**

i. It is unlawful for a person or business to be retained or for a business to solicit or secure a contract upon an agreement or understanding that the compensation is contingent upon the award of the contract, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business and persons or businesses employed by a local public body which are providing professional services to the local public body in anticipation of the receipt of federal or state grants or loans. **History:** Laws 1984, CH. 65, 165

d. **13-1-193. Contemporaneous employment prohibited.**

i. It is unlawful for any state agency or local public body employee who is participating directly or indirectly in the procurement process to become or to be, while such an employee, the employee of any person or business

contracting with the governmental body by whom the employee is employed. **History:** Laws 1984, ch. 65, 166.

e. **13-1-194. Waivers from contemporaneous employment and unlawful employee participation permitted.**

i. A state agency or a local public body may grant a waiver from unlawful employee participation pursuant to section 163 {13-1-190 NMSA 1978} of the procurement code, or contemporaneous employment pursuant to section166 {13-1-193 NMSA 1978} of the Procurement Code, upon making a determination that;
ii. the contemporaneous employment or financial interest of the employee has been publicly disclosed;
iii. The employee will be able to perform his procurement functions without actual or apparent bias or favoritism; and
iv. The employee participation is in the best interests of the state agency or a local public body.

History: Laws 1984, Ch. 65 & 167.

3) Emergency Purchases for Emergency purchase the CPO will comply with New Mexico Procurement Code (13-1-127 and 13-1-128 NMSA 1978).

a. The CPO may make emergency procurement when there exists a treat to the public health, welfare, safety, or property requiring procurement under emergency conditions; if emergency procurements shall be made with competition as is practicable under the circumstances.

b. An emergency condition is a situation that creates a threat to public health, welfare, or safety such as may arise by reason of floods, fires, epidemics, riots, acts of terrorism, equipment failure or similar events, and includes the planning and preparing for an emergency response. The existence of the emergency creates an immediate and serious need for services, construction, or items of tangible personal property that cannot be met through normal procurement methods, and the lack of which would seriously threaten:

i. The functions of the Village of Milan government.
ii. The preservation or protection on property; or,
iii. The health or safety of any person.

c. Emergency procurement shall not include the purchase or lease purchase of heavy road equipment.
d. The CPO shall use due diligence in determining the basis for emergency procurement and for the selection of any contractor. The determination shall be in writing and shall be included in the procurement file.

e. All funds expended for planning and preparing for emergency response shall be accounted for and reported to the legislative finance committee and the department of finance administration within sixty (60) days after the end of the fiscal year.

Procurement Under Existing Contracts (13-1-129)

a. Notwithstanding the requirements of Sections 13-1-102 through 13-1-118 NMSA 1978, the state purchasing agent or a central purchasing office may contract for services, construction or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals as follows:

i. At a price equal to or less than the contractor's current federal supply contract price (GSA), providing the contractor has indicated in writing a willingness to extend such contractor pricing, terms and conditions to the state agency or local public body and the purchase order adequately identifies the contract relied upon; or

ii. With a business which has a current exclusive or nonexclusive price agreement with the state purchasing agent or a central purchasing office for the item, services or construction meeting the same standards and specifications as the items to be procured if the following conditions are met:

- the quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement; and
- The Purchase Order adequately identifies the price agreement relied upon.

b. The central purchasing office shall retain for public inspection and for the use of auditors a copy of each federal supply contractor state purchasing agent price agreement relied upon to make purchases without seeking competitive bids or proposals.

History: Laws 1984, ch. 65, § 102; 1991, ch. 254, § 1.

5. Cooperative Procurement Authorized.

a. Any state agency or local public body may either participate in, sponsor or administer a cooperative procurement agreement for the procurement of any services, construction or items of tangible personal property with any other state agency, local public body or external procurement unit in accordance with an agreement entered into and approved by the governing authority of each of the state agencies, local public bodies or external procurement units involved. The cooperative procurement agreement shall clearly specify the purpose of the agreement and the method by which the purpose will be accomplished. Any power exercised under a cooperative procurement agreement entered into pursuant to this subsection shall be limited to the central purchasing authority common to the contracting parties, even though one or more of the contracting parties may be located outside this state. An approved and signed copy of all cooperative procurement agreements entered into pursuant to this subsection shall

be filed with the state purchasing agent. A cooperative procurement agreement entered into pursuant to this subsection is limited to the procurement of items of tangible personal property, services, or construction.

b. Notwithstanding the provisions of Subsection A of this section, a cooperative procurement agreement providing for mutually held funds or for other terms and conditions involving public funds or property included in Section 11-1-4 NMSA 1978 shall be entered into pursuant to the provisions of the Joint Powers Agreements Act [11-1-1 to 11-1-7 NMSA 1978].

c. Central purchasing offices other than the state purchasing agent may cooperate by agreement with the state purchasing agent in obtaining contracts or price agreements, and such contract or agreed prices shall apply to purchase orders subsequently issued under the agreement.

History: Laws 1984, ch. 65, § 108; 1999, ch. 167, § 1.

d. 13-1-136. Cooperative Procurement: reports required.

The General Services Department and the Department of Finance and Administration shall notify the state purchasing agent on or before January 1 of each year of the cooperative procurement agreements entered into by state agencies with local public bodies or external procurement units during the preceding fiscal year. **History: Laws 1984, ch. 65, § 109.**

6. Multi-Term Contracts

a. a multi-term contract for items of tangible personal property, construction, or services except for professional services, in an amount under twenty-five thousand dollars ($25,000), may be entered into for any period of time deemed to be in the best interests of the state agency or a local public body not to exceed four years; provided that the term of the contract and conditions of renewal or extension, if any, are included in the specifications and funds are available for the first fiscal period at the time of contracting. If the amount of the contract is twenty-five thousand dollars ($25,000) or more, the term shall not exceed ten years, including all extensions and renewals, except that for a contract entered into pursuant to the Public Facility Energy Efficiency and Water Conservation Act [Chapter 6, Article 23 NMSA 1978], the term shall not exceed twenty-five years, including all extensions and renewals. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor.

7. Professional Services

Professional services, **not exceeding $60,000,** may be procured utilizing an approach that would be in the best interest of the citizens of the Village of Milan. Otherwise, the following professional service procurement process shall be followed:

a. $60,001 and above; Any Professional Service (excluding architectural, landscape architectural, construction management, engineering, and surveying services) exceeding $60,000 requires a

formal request for proposal, as specified by the State of New Mexico Procurement Code and Regulations' and, shall be process and executed by the CP through formal procedures.

b. Exceptions to Professional Services. For each public works project, architectural, landscape architectural, construction management, engineering and surveying services will be procured in accordance with Sections 13-1-120 through 13-1-123, NMSA, 1978.

Article VIII Credit Card Policy

1. PURPOSE: The purpose of this credit card policy is to outline the eligibility and authorization procedures, state the terms and conditions of the credit card, and define the limitations and exceptions.

-To ensure that procurement with the credit card is accomplished in accordance with the State of New Mexico Procurement Code, as well as the Village of Milan procurement procedures.

- To ensure appropriate internal controls are established within each department procuring with the credit cards so that they are used for authorized purposes only.

- To ensure that the Village of Milan bears no legal liability from inappropriate use of credit cards.

- To provide a convenient and efficient method of purchasing small dollar orders for goods and services needed by the Village of Milan.

2. SCOPE: This policy will be applicable to all Village of Milan employees using credit cards to purchase goods and services. The decision of when a credit card is to be used is at the discretion of the Village of Milan Manager and/or Finance Director.

3. GENERAL INFORMATION:

a. Procedures

(1) Cards will be kept in the care of the Village of Milan Manager and checked out by the Village of Milan Manager or the Finance Director.
(2) The individual who checks out the credit card for a purchase is responsible for following all guidelines set forth by the Village of Milan's purchasing procedures.

b. Credit Card Authorization/Spending Limit

Since the Village of Milan, not the individual employee, will pay for the purchases made with the credit card, all procurement procedures for the Village of Milan and the State of New Mexico must and will be followed. If you are unsure of purchasing limits and exceptions do your research before the purchase is made. Prior approval is REQUIRED FOR ALL credit card purchases.

c. Use of Credit Card

(1) The credit card is to be used for Village of Milan business purchases and needs ONLY. It has a broad range of acceptance of retailers.
(2) Cardholder Responsibility:

- The credit card may be used only by that cardholder. No other person is authorized to use this card and the cardholder shall not loan any credit card to anyone.
- The cardholder shall safeguard the credit card and account number.
- The cardholder should ensure the credit card is kept in an inaccessible secure location.
- The cardholder should not post account number of the credit card.
- The cardholder shall read and sign the cardholder agreement stating that he/she has read and understands the minimum requirements and any other additional policies and procedures.

d. Conditions for Use of the card must meet the following:

(1) The total of a single purchase to be paid for using the card may be composed of multiple items and cannot exceed the authorized single invoice limit, of $1000.00 unless the three quotes have been documented and ready to turn in with purchase receipts. Purchases will be denied if the authorization single purchase limit is exceeded. Payment for purchases will not be split to stay within the single purchase limit.

(2) All goods/services purchased over the counter to be paid using the card must be immediately available. No back orders allowed.

(3) All goods/services purchased by a telephone order and are paid for using the credit card must be invoiced by the merchant only on or after the date of shipment. Order should not be placed without this assurance. No back orders allowed.

(4) All goods/services purchased and charged during one telephone transaction must be delivered in a single delivery. No split shipments allowed. Order should not be placed without this assurance.

(5) All goods/services purchased on the internet must not be charged till the order ships.

(6) The receipt along with any quotes, requisition and other documents must be turned in immediately after use or upon return of the credit card to Manager or Finance Director. All paperwork for every transaction will be turned into the Accounts Payable office.

(7) Instruct the vendor to include the following information on the shipping document or packing slip:

- Village of Milan
- Department
- Street Address City, State and Zip Code

(8) No surcharges may be charged to the Village issued credit card.

e. Documentation: Anytime a purchase is made that will be paid using the credit card, an itemized receipt must be retained as proof of purchase. All purchases must be documented on the record of credit card use. NOTE: If the receipt is small, it must be taped to a standard size piece of paper.

f. Missing Documentation: If for some reason the cardholder does not have documentation of the transaction to send with his/her record of credit card use, he/she must attach written explanation. You must include a description of the item, date of purchase, merchant's name and cost of the item and a detailed explanation of why there is no supporting documentation. The written explanation must then be signed by the cardholder/employee.

g. Card Restrictions and Allowable Purchases

(1) Credit Card Minimum Requirements
- No cash advances allowed
- No travel related expenses
- Backorders may NOT be charged
- Cardholder must ensure prices are fair and reasonable
- Available budget authority must exist to cover expenditures
- No capital equipment
- No state and local taxes (Request the Tax-exempt card when checking out credit card)
- No giving card number for a recurring monthly charge
- Card may only be used by the employee who has checked out the card. No loaning of card
- Purchases must comply with purchasing laws
- Cardholders should periodically review and confirm the detailed list of what can be purchased
- State contract items may only be purchased from the state contract vendor at or below state contract price
- Contractual services may be charged with prior authorization/knowledge of the manager and
- All state and local procurement laws must be followed.
- No Radioactive, Explosive, or any other Hazardous Materials
- No items for personal use or gifts or entertainment
- No Alcoholic beverages
- No tires for Village Vehicles, (must be purchased on a purchase order)
- No vendor surcharge for using a credit card

(2) **Prohibited Equipment Purchases**
NOTE: We are required to maintain a complete and current inventory list of each property item which cost $1,000 or more unless the items purchased fall within the groups listed below. These items will be regarded as equipment regardless of their purchase value.
- Weapons
- Two-way radio equipment
- Lawn Maintenance Equipment
- Cellular telephones
- Chain Saws
- Air compressors
- Welding machines
- Generators
- Motorized Vehicles
- Camera & Camera Equipment (greater than $250)
- Televisions (greater than $250)
- Computer and Computer Equipment (greater than $250)

ANY OTHER ITEMS THAT COULD BE CONSIDERED EQUIPMENT, USE PURCHASE ORDER PROCESS

NOTE: If equipment is inadvertently purchased on the credit card and it cannot be returned for a credit, then cardholder must complete the "Equipment" form and sign and date the form. The cardholder must give a detailed description of what was bought along with any other funding information. The equipment form will be sent to "Assets" within 3 business days. A copy will also be kept in Accounts Payables files.

(3) Allowable Credit Card Purchases
- Conference Registrations
- Training registrations

- Software, provided no Licensing Agreement is signed
- Freight / Shipping Charges
- Postage
- Space Rental at Conferences / Conventions
- Other purchases deemed acceptable by Village Manager or Finance Director.

h. Disputes

(1) If goods/services are procured with the credit card and are found defective or in dispute, the cardholder has the responsibility to return item(s) to the merchant for replacement; to receive a credit on the purchase; and/or a credit for or correction of disputed services rendered. If the merchant refuses to replace or correct the faulty item/service, then the purchase will be in DISPUTE.
(2) Cardholder will notify accounts payable when a dispute has occurred.
(3) A disputed goods/service must be noted with the documentation attached and turned into accounts payable. The accounts payable will notify the employee of the action taken on disputed goods/service.

i. Lost or Stolen Credit Cards
(1) It is the responsibility of the cardholder to immediately notify the Village Manager or Finance Director IMMEDIATELY upon discovery of the loss or theft of the card.
(2) The cardholder will be required to send a written report to the accounts payable WITHIN ONE (1) working day. The written report will include the complete information on the lost/stolen credit card, date that the lost/stolen card occurred, if known, the purchases that the cardholder had made prior to the date of the loss/stolen card and any other information that may be considered helpful. If the credit card is known to be stolen, a copy of the police report shall be attached to the written report.

j. Payment and Invoice Procedures
(1) Immediately after a purchase is made the invoice/receipt and completed requisition must be turned in to accounts payable.
(2) Original itemized receipts are required to accompany the requisition.
(3) If an employee makes a purchase using the credit card it is their responsibility to inform the accounts payable as soon as the merchandise arrives, and or if is damaged and will be part of a return or dispute.

NOTE: If sales receipts are not clear as to what was purchased, clarify by annotating in ink what the goods or services are on the receipt. If the receipt is small, it MUST be taped to a standard size piece of paper.

(4) The card user will be responsible for delivering completed requisitions and itemized receipts from all purchases to the accounts payable. Accounts payable will be responsible for reviewing them and continuing the Purchase order Payment process. The card user will be responsible for any other documentation required by accounts payable to continue the process.

k. Approval
Approval of the transactions that the cardholders have made using the credit cards will not be totally defined in this manual. The purchases may be looked at individually to determine if these

items are for official use and if they are goods/services that are allowed to be purchased. If for any reason the Village Manager questions the intended purchase(s), it is his/her responsibility to resolve the issue with the cardholder. Resolutions and/or disciplinary action for improper use of the credit card will be the responsibility of the Village Manager.

Article IX Request for Proposals

1. Competitive Sealed Proposals

Competitive sealed proposal procedures must comply with New Mexico Procurement Code 13-1-112 thru 13-1-118, NMSA 1978.

Competitive sealed qualifications – based proposals will comply with NM Procurement code 13-1-119 thru 13-122, NMSA 1978

2. Specifications

a. 13-1-166 Brand-name specification; competition.

The state purchasing agent, or a central purchasing office shall seek to identify sources from which the designated brand-name items can be obtained and shall solicit such sources to achieve whatever degree of price competition is practicable. If only one source can supply the requirement, the procurement shall be made under Section 99 [13-1-126 NMSA 1978] of the Procurement Code.

b. 13-1-167 Brand-name or equal specification; required characteristics

Unless the state purchasing agent or a central purchasing office makes a determination that the essential characteristics of the brand names included in the specifications are commonly known in the industry or trade, brand-name or equal specifications shall include a description of the particular design, function or performance characteristics which are required.

c. 13-1-168 Brand-name or equal specification; required language.

Where a brand-name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition.

d. 13-1-169 Purchase request; Specifications; purchase orders.

i. All using agency requests for procurement shall contain:

- Statement of need and the general characteristic of the item, construction, or services desired; and
- A statement of the quantity desired and a general statement of quality.

ii. The central purchasing office may consolidate procurements and may contract for items of tangible personal property or services at a firm price at which the items or services needed during the year or portion of a year shall be purchased.

e. 13-1-170 Uniform Contract Clauses.

i. A state agency, local public body or central purchasing office with the power to issue regulations may require by regulation that contracts include uniform clauses providing for termination of contracts, adjustments in prices, adjustments in time of performance or other contract provisions as appropriate, including but not limited to the following subjects:

- the unilateral right of a state agency or a local public body to order in writing:
    - changes in the work within the scope of the contract; and
    - temporary stoppage of the work or the delay of performance.
- variations occurring between estimated quantities of work in a contract and actual quantities.
- liquidated damages.
- permissible excuses for delay or nonperformance.
- termination of the contract for default.
- termination of the contract in whole or in part for the convenience of the state agency or a local public body.
- assignment clauses providing for the assignment by the contractor to the state agency or a local public body of causes of action for violation of state or federal antitrust statutes.
- identification of subcontractors by bidders in bids; and
- uniform subcontract clauses in contracts.
    - A state agency, local public body or central purchasing office with the power to issue regulations shall require by regulation that contracts include a clause imposing late payment charges against the state agency or local public body in the amount and under the conditions stated in Section 13-1-158 NMSA 1978.

Article X. Receipt: Inspection; Acceptance or Rejection of Deliveries

1. The end user (person who placed/requested the order) is responsible for inspecting and accepting or rejecting deliveries. The using agency shall determine whether the quantity is as specified in the purchase order or contract and whether the quality conforms to the specifications referred to or included in the purchase order or contract.
2. If inspection reveals that the delivery does not conform to the quantity or quality specified in the purchase order or contract, the using agency shall immediately notify the vendor that the delivery has been rejected and shall order the vendor to promptly make a satisfactory replacement or supplementary delivery.
3. In case the vendor fails to comply; the Village shall have no obligation to pay for the nonconforming items of tangible personal property. If the delivery does conform to the quantity and quality specified in the purchase order or contract, the using agency shall certify to the Village that delivery has been completed and is satisfactory.

4. The end user must keep the purchasing department informed as to status of the order; received or rejected.

Article XI New Mexico State

1. The New Mexico Procurement Code

The New Mexico Procurement Code will be followed on all purchases and procedures not specifically identified in the is policy.

APPROVED, ADOPTED, AND PASSED ON THIS 17 **DAY OF** March **, 2022** by the Board of Trustees Village of Milan, Cibola County New Mexico.

Village of Milan, Governing Body

Felix Gonzales, Mayor

Vivian Brumbelow, Mayor Pro Tem

Ellen Baca, Trustee

Christopher Archuleta, Trustee

approved by phone 3/17/22
Roseanne Lopez, Trustee

ATTEST:

Denise Baca, City Clerk

101200ELIGIBLE ADMINISTRATIVE COSTS:

ITEM DESCRIPTION	2021 ACTUAL EXENDITURES	2022 ACTUAL EXPENDITURE UNTIL JULY	2023/2024 PROJECTED EXPENDITURES
1-01-00 Salaries and Wages			
1-01-05 Director	46,560.00	42,048.00	50,000.00
1-01-10 Managers			
1-01-12 Financial Manager			
1-01-15 Clerical Support Staff			
1-01-20 Accounting Staff			
1-01-25 Administrative Assist.			
1-01-30 Village Administrator			
1-01-35 CFO			
1-01-40 Salary Adjustments			
1-01-45 Chief Exec. Officer			
1-01-50 Transp. Coordinator			
1-01-55 Public Works Dir.			
1-01-60 Janitor			
1-01-65 Temporary			
1-02-00 Fringe Benefits			
1-02-05 FICA	3,457.20	3,077.68	3,964.30
1-02-10 PERA Retirement	4,457.40	4,086.43	5,000.00
1-02-15 Health Insurance	8,884.94	8,226.97	10,000.00
1-02-20 Unemployment Ins.	2.30	467.29	1,000.00
1-02-25 Workman's	0	6.90	10.00
1-02-30 Other Fringe Benefits			
1-03-00 Communications			
1-03-05 Fax Machine			
1-03-10 Internet Subscription Services			
1-03-15 Postage			
1-03-20 Telephone			
1-03-25 Cell Phone	3,785.83	2,480.94	4,000.00
1-03-30 Radio			
1-03-35 Repeater Fees			
1-04-00 Contractual Services			
1-04-05 Audit	0	0	1,000.00
1-04-10 Advertising	798.00	812.25	2,000.00
1-04-15 Equipment Rental	541.66	1,048.31	3,000.00
1-04-20 Contractual Services- Other			
1-04-25 Contractual Services- Janitorial			
1-05-00 Dues and Subscriptions			
1-05-05 NMPTA			
1-05-10 SWTA			
1-05-15 Transit Publications			
1-05-20 (CTAA)			
1-06-00 Equipment			
1-06-05 Equipment Lease			
1-06-10 Equipment Repair			

1-06-15 Computer	1,886.00	0	
1-07-00 Insurance			
1-07-05 Buildings and Contents			
1-07-10 Gen. & Emp. Liability Ins.			
1-07-15 Surety & Fidelity Bonds			
1-07-20 Claims Deductible			
1-07-25 Vehicle Insurance	5,929.74	0	7,000.00
1-08-00 Occupancy Costs			
1-08-05 Office Rent			
1-08-10 Utilities	3,809.54	4,036.11	6,000.00
1-08-20 Building Maintenance			
1-09-00 Personnel Costs			
1-09-05 Drug & Alcohol Testing			
1-09-10 Physicals	318.00	1,631.57	1,000.00
1-09-15 Hepatitis Vaccinations			
1-10-00 Printing/Copying Costs			
1-10-05 Printing			
1-10-10 Copying			
1-11-00 Supplies			
1-11-05 Office Supplies	2,103.72	428.45	4,500.00
1-11-10 Furn. & Equipment under $500			
1-11-20 Janitorial Supplies			
1-12-00 Training			
1-12-05 Training			
1-13-00 Travel			
1-13-05 Mileage			
1-13-10 Public Transport Fares			
1-13-15 Per Diem	457.82	52.99	2,000.00
1-13-20 Registration Fees			
1-13-25 Lodging and Meals			
1-13-30 Other			
1-14-00 Indirect Costs			
1-14-05 Indirect Cost			
TOTAL ELIGIBLE COSTS	82,992.15	68,403.89	100,474.30

B) OPERATING BUDGET

ELIGIBLE OPERATING COSTS

ITEM DESCRIPTION	2021 ACTUAL EXENDITURES	2022 ACTUAL EXPENDITURES UNTIL JULY	2023/2024 PROJECTED EXPENDITURES
2-01-00 Salaries and Wages			
2-01-05 Supervisor			
2-01-10 Drivers	86,133.71	58,752.10	90,975.00
2-01-15 Mechanics			
2-01-20 Dispatcher			
2-01-25 Janitor			
2-01-30 Salary Adjustment			
2-01-35 Overtime		219.00	2,000.00
2-01-40 Mechanic Supervisor			
2-01-45 Auto Parts Clerk			
2-01-50 Maintainer			
2-01-55 Accountant			
2-01-60 Laborer			
2-02-00 Fringe Benefits			
2-02-05 FICA	6,128.89	4,579.39	7200.00
2-02-10 PERA Retirement	7,696.18	4,839.65	6,700.00
2-02-15 Health Insurance	23,883.80	9,359.05	18,100.00
2-02-20 Unemployment Insurance	6.90	0	1,500.00
2-02-25 Worker's Compensation	0	23.00	50.00
2-02-30 Other		8,000.00	8,000.00
2-03-00 Communications			
2-03-05 Cell Phone			
2-03-10 Telephone			
2-03-15 Radio Repeater			
2-03-20 Mobile Radio			
2-03-25 Radio			
2-04-00 Contractual Services			
2-04-05 Maint. - Mach. and Equip.			
2-04-10 Equipment Rental			
2-04-15 Contractual Services - Other	445.34	2,968.88	7,000.00
2-04-20 Transit Services			
2-05-00 Equipment			
2-05-10 Assigned Vehicle Use			
2-05-15 Equipment Rental			
2-06-00 Occupancy Costs			
2-06-05 Building Maintenance			
2-06-10 Operational Rent			
2-06-15 Utilities			

2-06-20 Building Insurance			
2-06-25 Building and Grounds			
2-07-00 Personnel Costs			
2-07-05 Uniforms	424.60	270.00	1,000.00
2-07-10 Hepatitis Vaccinations			
2-07-15 Physicals			
2-08-00 Supplies			
2-08-05 Shop Supplies			
2-08-10 Furn. & Equip. under $500			
2-08-15 Printing			
2-09-00 Training			
2-09-05 Training			
2-10-00 Travel			
2-10-05 Mileage			
2-10-10 Public Transport Fares			
2-10-15 Per Diem			
2-10-20 Registration Fees			
2-10-25 Lodging & Meals			
2-10-30 Other			
2-11-00 Vehicle Costs			
2-11-05 Fuel	21,547.09	22,019.52	35,432.00
2-11-10 License & Fees			
2-11-15 Oil & Lubricants			
2-11-20 Replacement Parts			
2-11-25 Tires			
2-11-30 Vehicle Maintenance	8,502.40	9,709.30	20,000.00
2-11-35 Vehicle Painting			
2-11-40 Vehicle Interior Maintenance			
2-11-45 Freight			
2-11-50 Vehicle Repair			
2-12-00 Indirect Costs			
2-12-05 Indirect Costs			
TOTAL ELIGIBLE COSTS	**154,765.91**	**112,739.89**	**198,957.00**

(Operating Continued)			
REVENUES (specify)			
Fare Box Revenues (only fare box revenues reduced from Operating)	858.25	3,441.75	8,000.00
TOTAL REVENUES	198,957.00	198,957.00	198,975.00
NET OPERATING COSTS (total Operating less fare box revenues)	153,907.66	109,297.14	190,957.00

C) CAPITAL BUDGET

ELIGIBLE CAPITAL COSTS

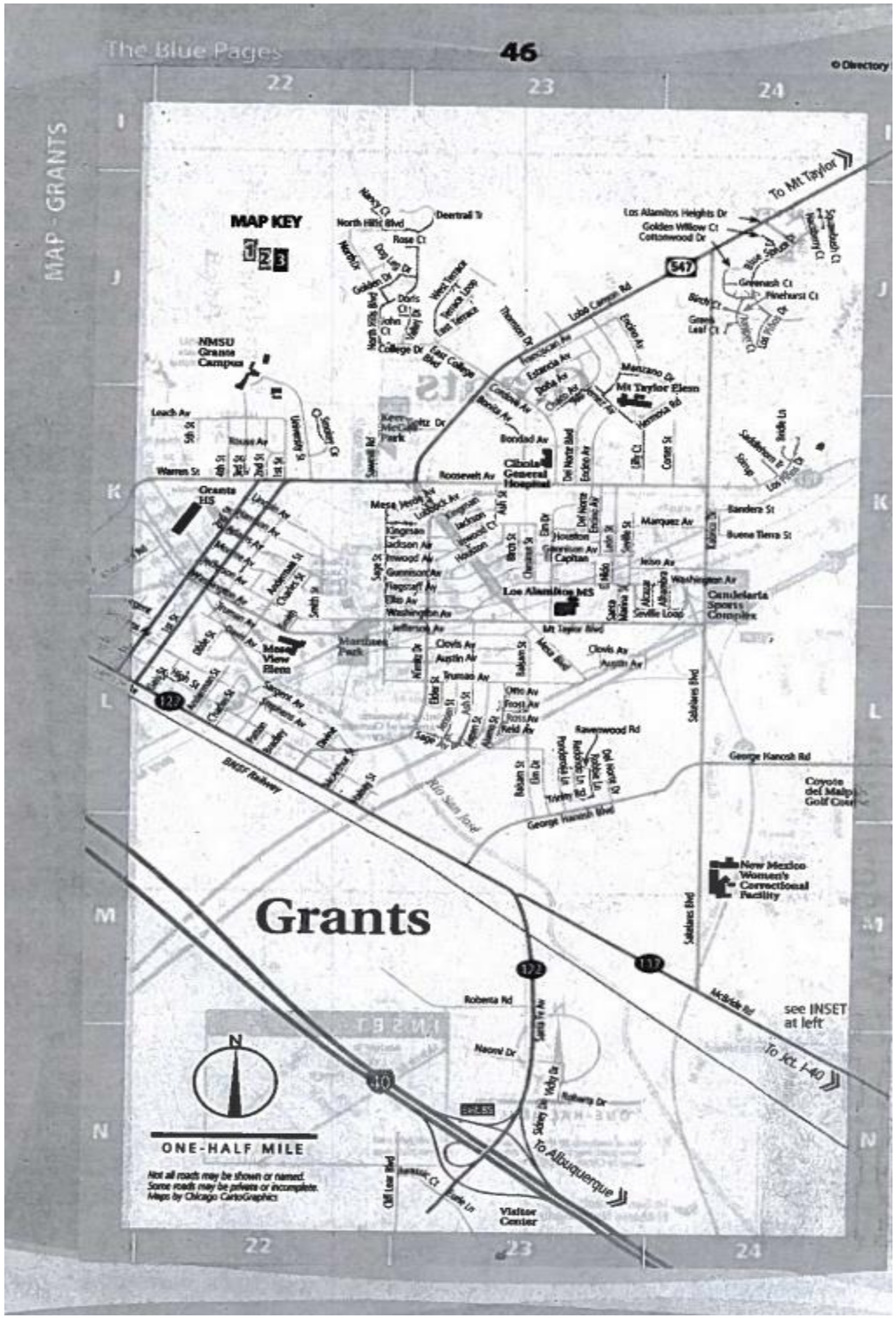
ITEM DESCRIPTION	2021 ACTUAL EXENDITURES	2022 APPROVED BUDGET	2023/2024 PROJECTED EXPENDITURES
3-01-00-Capital Costs			
3-01-05 Buildings			
3-01-10 Computers			
3-01-15 Furniture & Fixtures			
3-01-20 Radios & Base Stations			
3-01-25 Other Capital Expenses			
3-01-30 Benches/Signage			
3-01-35 Passenger Bus			
3-01-40 Surveillance System			
3-01-45 15 Passenger Van (W/Lift)			
3-01-50 15 Passenger Van (W/Ramp)			
3-01-55 Bus Shelters			
3-01-60 Mobile Radios			
TOTAL ELIGIBLE COSTS			
VEHICLE DISPOSITION PROCEEDS			
NET CAPITAL (Total Capital less Vehicle Disposition Proceeds)			

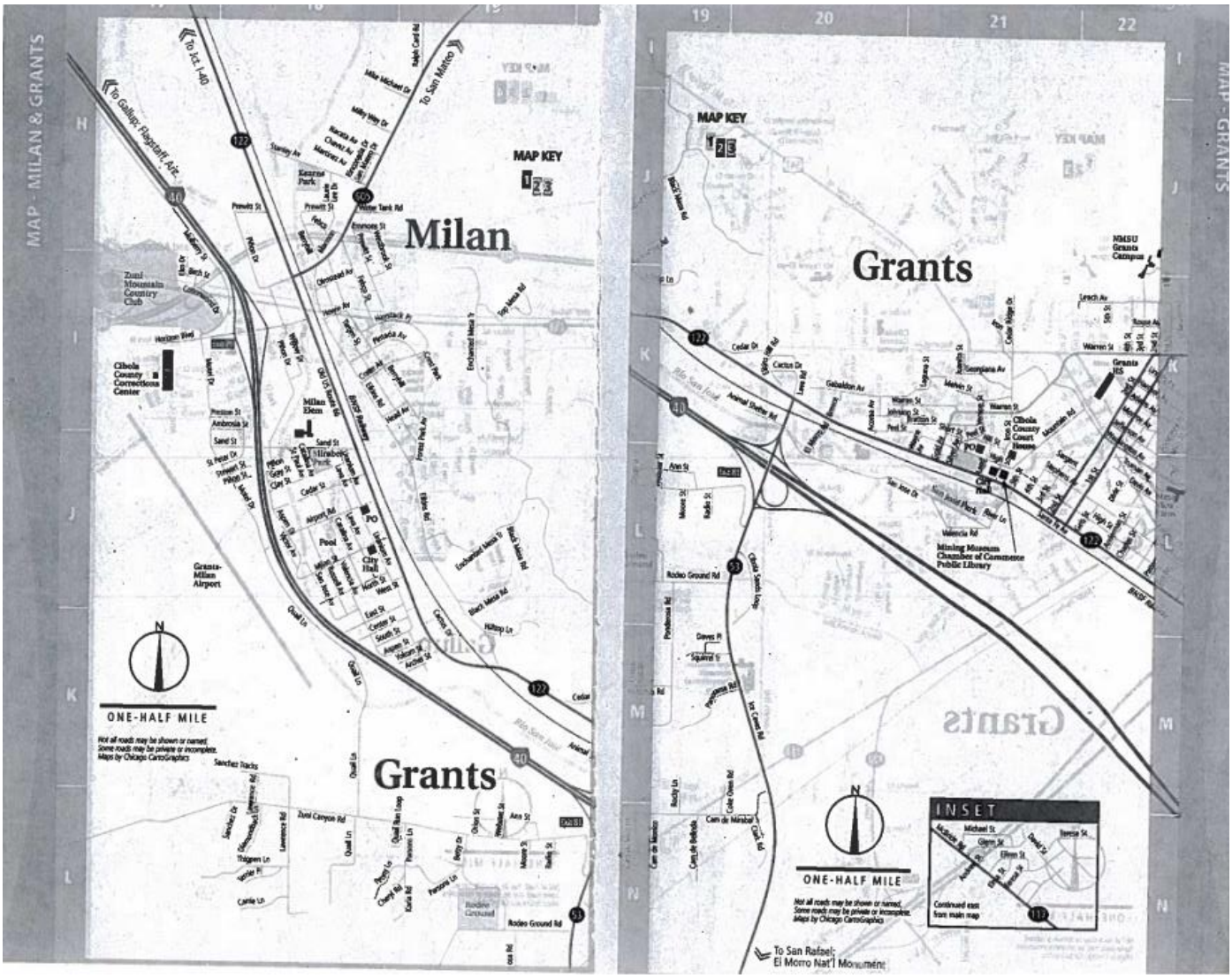
NOTE: * This number should match the number entered on Page 1, Section II – Summary of Budget Request**

LOCAL SHARE SOURCES - Specify source, i.e., "fare box," "GRT," not a dollar amount.

TOTAL LOCAL SHARE (20%)			
FEDERAL SHARE (80%)			

MAP - GRANTS


MAP KEY
Grants
NMSU Grants Campus
Grants HS
Mount View Elem
Cibola General Hospital
Mt Taylor Elem
Los Alamitos HS
Candelaria Sports Complex
Martinez Park
New Mexico Women's Correctional Facility
Coyote del Malpais Golf Course
Visitor Center
To Mt Taylor
To Albuquerque
To Jct. I-40
see INSET at left
ONE-HALF MILE
Not all roads may be shown or named.
Some roads may be private or incomplete.
Maps by Chicago CartoGraphics


MAP - MILAN & GRANTS
Milan
Grants
MAP KEY
ONE-HALF MILE
INSET
MAP - GRANTS

north
-108°35'
Basgal Place
-108°03'
-107°30'
Lupton
N
W
S
Tsah
35°15'
Boon Place
Bluewater
Casa Fria
Dos
Bibo
Copperton
Grants
Aragon
Encinal
Black Rock
Anzac
Acomita
El Morro
McKinley County
El Rito
Correo
34°58'
Acoma Pueblo
Crane Place
Alarque
Cibola County
34°40'
maphill
kilometers
0
10
20
30
-108°35'
-108°03'
-107°30'
Socorro Co
© 2011 Maphill
south

Description of Service Area

Ethnicity Category	Population	%		%	Population	Seniors & Persons with Disability Category
Black	275	1		13.8	3751	Seniors (no disability)
Hispanic	9934	36.5		5.4	1473	Persons with Disabilities (including seniors)
Asian or Pacific Islander	149	0.05		80.8	21,989	Other (everyone else)
American Indian or Alaskan Native	5469	20				
White	11,386	42.45				
Other						
	27213	100	= TOTAL*-	100	27213	

These statistics are from the 2016 US Census

	Population
Milan	2,537
Grants	9,175
Bluewater	628
San Rafael	1055
Cibola County	27,487

The population statistics for cities is from July 2020 NM Demographics by Cubit

Section 5311 Application:

Program Coordination:

A) The Carrot Express (CTA) has made efforts to coordinate transportation services with the Senior Center. At this time, the Senior Center coordinator informed me that they are only able to provide services to those that are 60 years of age and older, that have applied with their center, and that schedule within a 24- hour notice. The coordinator also explained that they have limited hours and they have limited staff. I advised that we can work together to provide services to the citizens of the county.

B) Gallup Express is in McKinley County and only provides services to McKinley County.

C) Shaa'srk'a Transit provides services within the Reservation for the Pueblo of Laguna.

D) There are no other public transportation service providers within the Village of Milan, surrounding communities of Cibola County, or the City of Grants.

The Carrot Express (CTA) coordinates with many different entities (up and including) throughout the county:

- Mt Taylor Quad
- Village of Milan Fun Club
- St Teresa's Private School
- Valle Del Sol
- Grants Family Health Counseling
- Winds of Change
- Casa San Jose
- Roberta's Place
- Psychiatric Rehabilitation Groups (PSR)
- NMSU – Grants Campus
- Grants – Continental Divide Trail Coalition
- Grants Food Pantry
- The Income Support Office
- Cibola Sports Therapy
- Cibola General Hospital Physical Therapy
- Grants Dialysis Center
- National Parks
- Veterans Memorial
- Workforce Connections
- GCCS – Schools
- Village of Milan (Fun Club, Community Events)
- Cibola County Emergency Coordination Efforts (i.e. Flu Pod, Emergency Transport, Evacuation Drills)
- 4th of July Rodeo for Grants New Mexico
- American Red Cross (Locally)
- Grants Senior Center

Will upload the documents when they are available

Will upload the documents when they are available

Section 5311 Application:

Program Coordination:

A) The Rockin 66 Express (Formerly Carrot Express) has made efforts to coordinate transportation services with the Senior Center. At this time, the Senior Center coordinator informed me that they are only able to provide services to those that are 60 years of age and older, that have applied with their center, and that schedule within a 24- hour notice. The coordinator also explained that they have limited hours and they have limited staff. I advised that we can work together to provide services to the citizens of the county. At this time no relationship for coordinated transit efforts have been made.

B) Gallup Express is in McKinley County and only provides services to McKinley County.

C) Shaa'srk'a Transit provides services within the Reservation for the Pueblo of Laguna.

D) There are no other public transportation service providers within the Village of Milan, surrounding communities of Cibola County, or the City of Grants.

E) Shiwi Transit - Pueblo of Zuni – and the Rockin 66 Express has been in contact with the hopes to be able to coordinate services from the South End of Cibola County and Shiwi Transit so that passengers in those areas have public transportation options and services. The goal is to offer coordinated services to rural areas like Pinehill, Ramah, Fence Lake and El Morro.

The Rockin 66 Express coordinates with many different entities (up and including) throughout the county:

- Mt Taylor Quad
- Village of Milan Fun Club
- St Teresa's Private School
- Valle Del Sol
- Grants Family Health Counseling
- Winds of Change
- Casa San Jose
- Roberta's Place
- Psychiatric Rehabilitation Groups (PSR)
- NMSU – Grants Campus
- Grants – Continental Divide Trail Coalition
- Grants Food Pantry
- The Income Support Office
- Cibola Sports Therapy
- Cibola General Hospital Physical Therapy
- Grants Dialysis Center

- National Parks
- Veterans Memorial
- Workforce Connections
- GCCS – Schools
- Village of Milan (Community Events)
- Grants Good Samaritan
- Children Youth and Families
- Cibola County Emergency Coordination Efforts (i.e. Flu Pod, Emergency Transport, Evacuation Drills)
- 4th of July Rodeo for Grants New Mexico
- American Red Cross (Locally)
- Grants Senior Center
- Mining Hard Hats GALA

Rockin 66 Express

Established September 1, 2006

801 Motel Dr./P.O. Box 2727

Milan, NM 87021

505-290-2469

rockin66@villageofmilan.com

Operations Profile

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Section I: Introduction

Purpose

Mission Statement:

The Rockin 66 Express program will provide the Village of Milan, City of Grants, and communities of Cibola County with a coordinated, accessible and affordable curb-to-curb transit system, providing access to health care, shopping, education, employment and public recreational services.

Our program will meet the needs of our passengers by providing timely, affordable, responsible and safe services provided by professionally qualified staff. The agency will provide, effective, professional and competent management to assure that services are both efficient and cost effective. The safety of everyone will be our first and foremost consideration.

All personnel are responsible for ensuring the safety of passengers, employees, property, and all of those exposed to the system. This responsibility includes the right to cease any operation(s) which is determined to be hazardous or creating an unsafe condition. It is the duty and obligation of each Rockin 66 Express employee to provide any information necessary to ensure the safest possible transportation services to the residents of Cibola County .

Introduction

The purpose of the manual is to ensure that Rockin 66 Express continues to develop and implement policies and practices that meet or exceed mandated regulations and requirements. This manual will establish policies and practices with regard to efficient and safe daily operations, disaster preparedness; emergency procedures; employee training; and passenger rights, rules, and responsibilities.

The manual outlines the functions, responsibilities, obligations, policies, and procedures that shall be followed in an effort to establish optimum levels of safety and efficiency of operation. The manual shall allow for improved communication, documentation, coordination within the entire system to minimize injuries, property damage, delays in service, and to increased levels of efficiency in all areas. The manual applies to all aspects of Rockin 66 Express including design, procurement, administration, operations, and maintenance.

As of January 8, 2016, The Rockin 66 Express will be operated as a demand response public transit system. The Rockin 66 Express will provide public transit services to the citizens of Cibola County to services in the area, i.e. Doctor appointments, Dialysis, Grocery Stores, Postal Services, etc...

These services will be made available to all members in the service area. Services will not be refused to anyone unless that person has violated a passenger rule of being intoxicated or threatening the driver/passengers. If a person is suspended the Transit Manager will decide to allow a suspended passenger to use the public transit system.

No one will be refused public transportation based on their race, color, religion, national origin, disability, age, sex, genetics. To find out more about our nondiscrimination obligations or to file a complaint, please contact the Transit Manager at (505) 290-2469.

Goals and Objectives

The overall goal of Rockin 66 Express is to provide transportation services in a safe and reliable manner, and reduce costs associated with accidents and inefficient operations. To attain this goal, Rockin 66 Express will identify unsafe conditions and develop methods to eliminate or control those hazards that could cause unsafe conditions. These objectives shall be applied to all aspects of the system in reducing accidents, and all employees shall be trained accordingly. Rockin 66 Express will identify any conditions or practices that result in a less efficient manner of operation and will develop methods and practices to eliminate inefficiencies whenever possible.

Regulatory Agencies

Rockin 66 Express shall comply with the procedures established within those NMDOT (New Mexico Department of Transportation) laws as well as the Village of Milan, City of Grants, & Cibola County policies, governing transportation and will ensure the inspection of all equipment operated in accordance with the established standards and will certify compliance to NMDOT. Rockin 66 Express Employees shall follow the Village of Milan Policies as well as those policies established by Rockin 66 Express.

All vehicles must meet NMDOT Standards. These rules provide the minimum equipment and operational safety standards for all governmentally owned bus transit systems operating in this state which are financed wholly or partly by State Funds.

Any Rockin 66 Express operation(s) that poses an immediate danger to public safety shall be suspended. In addition, inefficient operations will be corrected whenever possible and as quickly as possible in an effort to increase system effectiveness and reliability.

System Description

Rockin 66 Express was formed to provide transportation services for the Transportation Disadvantaged in Cibola County. It is a public transportation system funded by a combination of federal, state, and local sources. Rockin 66 Express provides curb-to-curb demand response service with an advance reservation requirement and the system operates Monday through Friday from 7:20 am until 4:20 PM.

Rockin 66 Express offers a low cost means of transportation, with the availability of low-fare transportation supplemented by grants or purchase of service agreements with Village of Milan, City of Grants, and Cibola County. Rockin 66 Express is largely utilized by senior citizens but is available to anyone requesting the service to fulfill basic living needs and get to medical, dental, and eye appointments, as well as any other appointments.

System Management

Organizational Structure:

Village of Milan – Fiscal Agent

Felix Gonzales – Transit Board Member

Vacant - Transit Board Member

Michael Gonzales – Interim

Keith Austin – Safety Officer

Cibola County

Judy Horacek - Transit Board Member

Daniel J Torrez - Transit Board Member

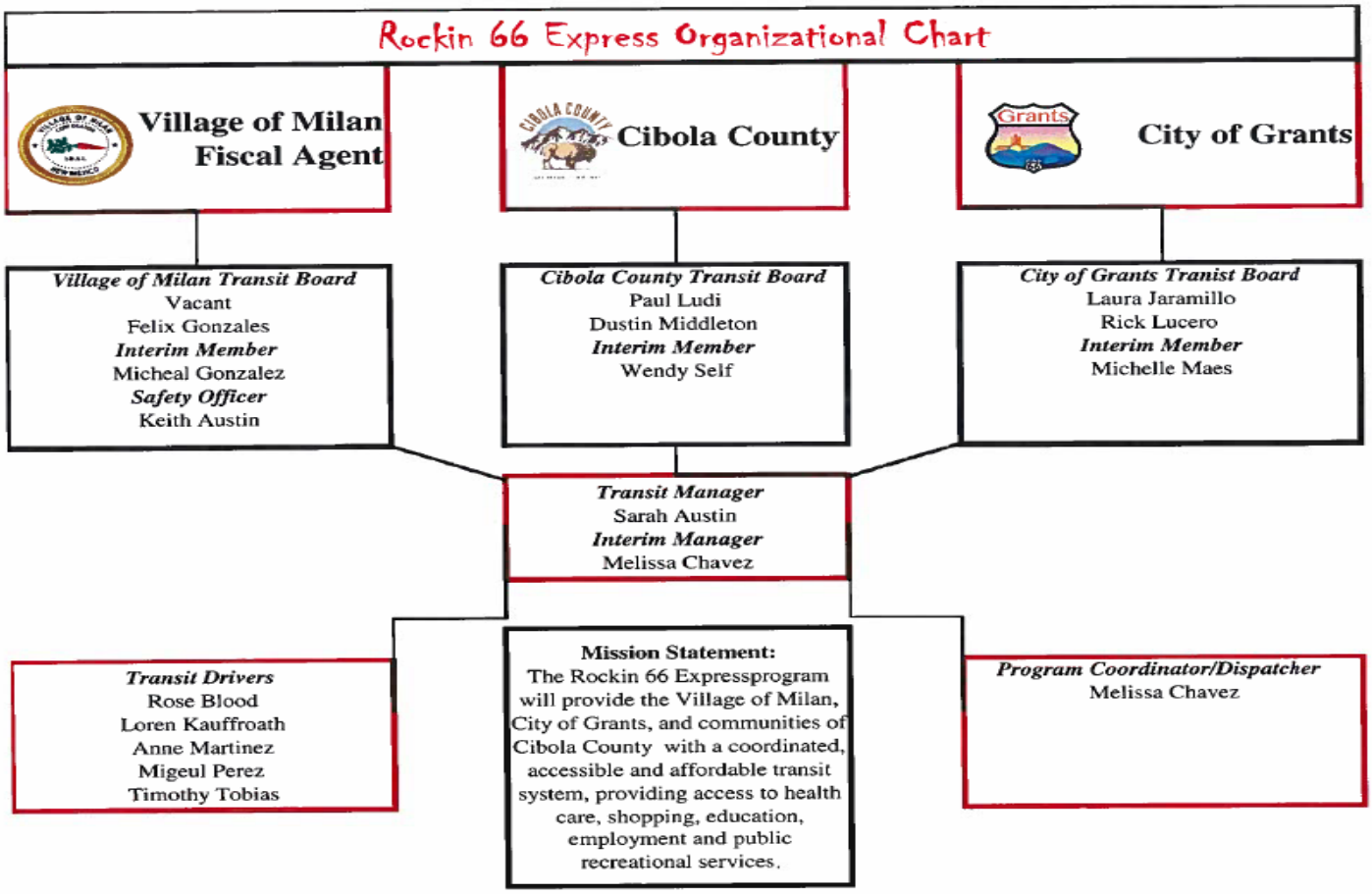
Wendy Self - Interim

City of Grants

Laura Jaramillo - Transit Board Member

Rick Lucero - Transit Board Member

Michelle Maes – Interim



Section II: Employment

Employees:

All Rockin 66 Express Employees will follow the Village of Milan Personnel Policies, and the Rockin 66 Express Operations Profile.

Introductory (Probationary): An introductory employee is a person appointed to regular position, serving a twelve (12) month introductory period. During this period, the employee is responsible for demonstrating his/her suitability for continued employment. Failure to demonstrate suitability for continued employment, will result in dismissal. The introductory period is the final test in the selection process. During the introductory period, introductory employees serve at the convenience and Will of the Village and are subject to termination at any time with or without cause and without right of appeal or hearing at any time.

Part- Time: Persons employed in this category normally work less than thirty (30) hours in a seven (7) day period. Part-time employees hired after enactment of these personnel rules and regulations are paid an hourly wage and are not eligible for benefits.

Regular: Upon successful completion of the introductory period the employee will be considered to regular status, employees with full rights and privileges under these rules. A full-time regular employee is entitled to full fringe benefits.

Temporary: Temporary employment includes persons appointed for specific period of time not to exceed one hundred eighty (180) days in any one calendar year in order to perform seasonal work or on specific short-term projects. They serve at the will of the Village and are subject to termination at any time with or

without cause without right of appeal or hearing at any time. Temporary employees are paid an hourly wage and are not eligible for fringe benefits.

Hiring Procedures

Hiring is the most important job a manager/supervisor has. The average new hire will stay with an organization for seven years. Very few decisions a manager or supervisor makes has the importance of hiring an individual particularly, someone in a critical customer service position such as a bus or van driver. For the customer, the driver's attitude will represent the entire impression of the whole agency. Careful consideration should be given more to the attitude and personality of the applicant rather than those skills that can be acquired through training. All new hires will be in a probationary period that that is one calendar year from start date and can be dismissed without repercussions.

Background Check:

None defined at this time. If further screenings are determined by the New Mexico Department of Transportation, those screening will be conducted in the established protocol.

Conduct:

Employees will adhere to policies and procedures established by the Village of Milan Policy as well as the Transit Department's Policy and Procedures.

Appearance:

Employees of the Public Transit Transportation program have daily contact with the public. As a result, the agency is represented either positively or negatively based on the actions of the employees. The following will be adhered to by all employees.

- Identification badges provided by the agency are to be worn and displayed by all employees on duty hours.
- No inappropriate clothing is to be worn (T-shirts with logos with statements and artwork that can be construed as offensive, no flip flop or high heels).
- If the agency purchases shirts/w logos for the Rockin 66 Express, they should be worn as often as possible to represent the department.

Training Plan:

All Employees of the transit system will complete the following training within the first six months of employment and update as required by the State of New Mexico Department of Transportation. To ensure this, the agency will maintain a trainer responsible for ensuring the timely training for all service staff.

- First aid and CPR
- Defensive Driving
- Wheelchair and lift and tie-down operations
- Operation of two-way radio
- Emergency evacuations
- Passenger's relations

- Child restraints and safety
- Safety and security policies of the organization. (SSEPP)
- Crisis Management
- ICS 100/200/700
- Special Needs Population
- Customer Service

The Transit Manager will ensure that staff receives proper training in a timely manner, maintain training records, and provide bi-annual refresher training or training to new staff on new equipment. Drivers are required to have NMDOT training, and the Village of Milan also requires employees to attend mandatory training for drivers that will be 16 hours per Fiscal Year. It will be up to the transit manager to coordinate with the Village of Milan and the employees to attend those trainings.

Transit Manager:

Transit Manager – Responsibilities:

Will be responsible for day to day operations. General system management to include advertising, marketing, risk management, training, contract performance, budgeting and fiscal reporting. Prepares all revenue and expenditure reports for the transportation program using NMDOT accounting and ridership system(s). Conducts transit board meetings. The DER (Designated Employer Representative) for the Drug and Alcohol program to ensure compliance. Meets with site visits representative for annual site/drug visit designated by NMDOT. Transit Manager must be able to provide a valid driver license and pass the driving requirements.

Qualified Drivers, Job Duties and Responsibilities:

Job Description:

Drivers provide the daily services for our customers. They must be professional in the conduct of those duties. They must be professionally qualified to provide transit services. The agency will provide the support needed to be successful in this endeavor. It is important that the drivers are committed to providing excellence in all that they do. Per the Village of Milan Policy, the individual must pass a physical for pre-employment. Candidates must successfully pass pre-employment drug and alcohol tests, and, if selected, participate in an ongoing safety sensitive drug and alcohol testing pool. Candidates will be expected to perform duties consistent with the physical requirements of the position. Candidates must have clean motor vehicle record, excluding parking tickets, for the previous three-year period.

Driver Record:

Potential employees must provide written consent for a MVR check. The agency will utilize SAMBA screening process to ensure that driving records meets the required specified by the agency's insurance carrier and the laws of the State of New Mexico for operation of a revenue vehicle.

Valid Driver License:

Drivers must have a valid New Mexico driver's license required for the job classification and possess a valid driver's license at all times. If the vehicle being operated requires a CDL then the driver must possess a valid Commercial Driver's License.

Driving Requirements

Bus Drivers shall not drive more than 12 hours in any one 24-hour period. The maximum allowed driving hours may be increased if the hours are necessitated by adverse conditions, such as a natural disaster or county emergency.

All Bus Drivers are required to comply with the following:

Check in Procedures

Bus drivers shall review their assigned manifests (driving logs) after clocking in and prior to beginning routes to review for any problems, discrepancies, or unknown locations. Bus drivers shall report to the Transit Supervisor or other office personnel for any messages, changes, additional trip reservations, or to verify any unknown or unclear locations or instructions prior to beginning daily routes. Bus drivers are responsible for obtaining any required forms and documents. Bus driver shall record beginning mileage and they will be required to log the mileage when they fuel up. Drivers

will complete daily vehicle inspections and documentation ("Vehicle Inspection Form") of any assigned bus(s) that they use in that day.

Daily Inspection

Bus drivers must complete a daily inspection of each assigned bus prior to and following use." The "Vehicle Inspection Form" must be completed and turned in for each vehicle in use Drivers shall report any mechanical problems that may constitute a hazard and not drive a vehicle if the safety of the vehicle is questionable until cleared for use by a mechanic or system management.

Operating/Reporting Procedures

Bus Drivers are required to:

1. Report any license renewal, notice of license suspension, cancellation, or revocation immediately.

2. Report any condition(s) resulting in impaired driving ability: weather, traffic conditions or medical emergencies, illness, and disasters.

3. Not permit passengers to remain in the step wells while in motion; to occupy any area forward of the marked standee line.

4. Do not fuel buses in a closed building or while passengers are on board.

5. All drivers shall secure themselves by the driver's restraining belt while bus is in operation.

6. Do not leave buses unattended for an extended period of time.

7. Stop at railroad crossings.

8. Display the proper reflective lights and warning devices when disabled on the highway.

9. Assure that all emergency exit doors are unlocked during passenger operations.

10. Provide proper securing of passengers with disabilities traveling in wheelchairs using appropriate securement devices while in motion.

11. Have Parent or Guardian Secure children (as required) in child safety seats and verify seat is properly secured by parent.

12. Drop off passenger’s curbside; avoid dropping off roadside, assist passengers on and off the bus.

13. Do not enter a passenger's private home.

14. Accurately record all information as required on daily manifests or tablets, such as pick up/return times and mileage, location changes, scheduling changes, etc.

15. Collect; record; and account for required passenger fares.
16. Observe and obey all applicable Federal and State (New Mexico) traffic laws.
17. Pull over to a complete stop to answer the Dispatch Phone Calls.

Radio Operating Procedures

The Rockin 66 Express buses and offices are equipped with two-way radios offering direct communication between offices and buses as well as communication between bus drivers.

Employees must comply with the following rules when operating a two-way radio.

1. All emergency transmissions have priority.
2. Do not interrupt any transmission.
3. Profane or obscene language is prohibited.
4. False distress messages are prohibited.
5. Conversations must be brief and confined to business.
6. Personal editorial comments shall not be made over the radio.
7. Do not discuss administrative policy over the radio.
8. Do not use client's names over the radio.
9. Employees will do a radio check once they start their schedule for the day.
10. Drivers will call need to call over the radio at the end of the day by simply saying bus number is back in quarters, for example: C9 is back in quarters.
11. Drivers will call out during their lunch break saying “out to lunch” and back “Back in Service”
12. Drivers will call out for their 15 Minute break “out of service” back “In Service”
13. Drivers and Dispatch will use minimal dialect when talking over the radio.

Wheelchair Lift Operating Procedures (Reverse the procedure for loading)

1. Place your emergency brake in the ON position of your vehicle.
2. Open side door(s) fully (manual or automatic).
3. Manual: release hand-latch and unfold platform.
4. Automatic: hold hand control, place switch in unfolds position until lowering actions cease.
5. Unloading: be certain that the safety barrier at the end of the lift platform is up and locked.
6. Place the passenger in the center of the platform and lock wheelchair brakes; make certain that no part of the chair, passenger, or attendant extends beyond the platform perimeter.
7. Lower the lift platform until it reaches the unloading surface; do not allow the platform to tilt; do not jack the vehicle with the lift.
8. Unlock the wheelchair brakes and move the passenger a safe distance from the vehicle.

Safety Precautions:

1. Familiarize yourself with the lift and its operation before use.
2. Keep hands and feet clear from all moving parts.
3. Do not operate the lift with loads that exceed listed lift capacity.
4. Stand clear of doors and platforms during lift operations.
5. Do not jack the vehicle with the lift.
6. Load and unload on a level area.
7. Lock the safety barrier and the wheelchair wheels when operating the lift.
8. Do not unload from the lift into vehicular traffic.

Check Out Procedures

- ✓ Bus drivers shall fuel their assigned bus(s) at the end of each day and/or as needed or required, and record fuel usage.
- ✓ Bus drivers shall clean the inside/outside (wash) of their assigned bus(s) at the end of each day if time permits.
- ✓ Bus drivers shall record ending mileage and route ending time.
- ✓ Bus drivers shall turn in daily manifests, Daily Operations Reports; fare box revenues; Driver must complete the checkout process before clocking out for the day.

Vehicle Maintenance Checklist:

- Mileage
- Fuel
- Entry area
- Body paint condition
- Windows and windshields
- Lights and signal operation
- Tires (inflation)
- Wiper blades and arms
- Front and rear bumpers
- License plates, stickers
- Fluid levels
- Wheelchair lift operation
- Safety and equipment (fire extinguisher, first aid kit, blood borne pathogen kit, web cutter, etc.)
- Gauges
- A/C heat system
- Brakes
- Steering
- Two-way radio
- Emergency exists

Using the Vehicle Inspection Form, ensure daily pre-and post-trip inspection takes place. Forms will be kept in a binder by vehicle number and maintained for a period of one year. The same process is used for the Quarterly PM (Preventative Maintenance), except that the forms are filled out by the mechanic who performs the PM. A copy of the purchase order along with the invoices will be attached to the PM maintenance form.

Dispatcher:

Dispatcher – the service is provided by the Rockin 66 Express Office. We maintain the schedule and receive calls from persons using the demand response service. We maintain the radio system which is used for communication from the dispatch office to the transit drivers. Dispatch will use the radio to call the Driver for schedule updates or add-on's (when available) to inform the driver that they have an add-on and at what time, then the dispatcher will send a text to the driver's work cell phone with the information. When the driver is at their next stop they can write in the updated information. This will help with keeping the drivers off the phone as much as possible and will also stop the driver from having to pull over frequently to take the calls. To get on the schedule please call Rockin 66 Express Office at 505-290-2469. All applicants and employees shall be afforded equal opportunity regardless of race, color, age, gender, religious creed, national origin, disability, familial status, citizenship or any other status protected by law.

Section III: Policies and Procedures

Evaluation Procedures

Rockin 66 Express employees are subject to a (1) year probationary period in which job performance is evaluated. If necessary, a formal evaluation may be completed after (2) two to three (3) months of employment at which time employees are instructed on areas in which improvement is needed (if applicable). A written evaluation is required and conducted at the end of the (1) year probationary period at which time the employee is either dismissed or granted permanent employment status.

Employee Files

A file shall be maintained in the Human Resources office of the Village of Milan as well in the office of the Rockin 66 Express in a locked filing cabinet, on each employee to ensure proper documentation of all records to include but not limited to incidents; accidents; disciplinary concerns; evaluation records; leave records; Drug/Alcohol Results; and required medical records.

Chain of Command

Employees are required to follow the chain of command. In the event of the absence of the Transit Director, the Village of Milan Manager will assume the role of Acting Transit Director.

Work Hours and Leave

Employees are expected to be on time as assigned. Regular full-time work hours will vary in eight (8) hour periods, ranging from 8:30AM. until 4:30 P.M. Part time schedules may vary week to week. Schedules will be posted one (1) day in advance with the times that are set for our reoccurring passengers, any additions to the schedule will be added and the driver will be notified immediately. There will be NO overtime allowed, per the Village of Milan and Rockin 66 Express Policy.

Drivers will only be allowed to take time off (1) one at a time. Leave needs to be scheduled as soon as possible unless an emergency or medical condition occurs.

If three (3) or more consecutive workdays are missed due to illness or injury, a doctor's note must be provided.

Unscheduled sick leave (calling in sick) should be reported to system management as follows:

> Office Hours: Monday - Friday, 8:00 AM. - 5:00 P.M., contact the Transit Director at (505) 290-2469 and if they are not available, the Village Manager (505) 285-6694.

After Hours: Contact the Transit Director (or Designee) at home, one hour (if applicable) prior to shift start time.

Medical Examination Requirements

All Rockin 66 Express drivers are required to have a valid Physical done for pre-employment purposes per the Village of Milan Policy. The Physical will be conducted at Cibola Family Health by Dr. Arnold Valdivia.

IV: Drug/Alcohol Policy

STATEMENT OF PURPOSE:

The employees of Rockin 66 Express will follow the Rockin 66 Express FTA Substance Abuse Policy
The purpose of this policy is:

A. To set standards for the implementation of drug testing programs in employment;

B. To ensure that drug testing procedures are implemented in a manner that is fair to employees and that will achieve reliable results;

C. To educate employees about the dangers, of drug abuse in the work place and to provide employees who have drug abuse problems, an opportunity for assessment and rehabilitation;

D. To advise the Village employees that the unlawful manufacture, distribution, dispensation, possession, or use of drugs or alcohol is prohibited in the work place and to specify the actions that will be taken against employees for violations;

E. To advise all employees of the dangers of drug· use in the work place and of the employment consequences of drug use; and

F. To ensure that all Elected Officials and Department Heads are charged with the responsibility of supporting and publicizing this Drug Free Work Environment Policy.

Rockin 66 Express

FTA Substance Abuse Policy

POLICY

ADDENDUM:
DRUG AND ALCOHOL POLICY ADDENDUM EFFECTIVE: JANUARY 1, 2018

The United States Department of Transportation (USDOT) – Office of Drug and Alcohol Policy and Compliance (ODAPC) has issued an update to USDOT's drug and alcohol testing regulation (49 CFR Part 40). The new regulation has been revised and the changes (summarized below) will become effective on January 1, 2018. Therefore, the Rockin 66 Express drug and alcohol testing policy is amended as follows:

1. CHANGES TO THE DRUG TESTING PANEL
    a. Four new opioids added to the drug testing panel –
        i. The USDOT drug test remains a "5-panel" drug test; however, the list of opioids for which are tested will expand from three to seven opioids.

ii. The "opioid" category will continue to test for codeine, morphine, and heroin; however, the "opioid" testing panel will now be expanded to include four (4) new semi-synthetic opioids:
    1. (1) Hydrocodone, (2) Hydromorphone, (3) Oxycodone, and (4) Oxymorphone.
    2. Common brand names for these semi-synthetic opioids include, but may not be limited to: OxyContin®, Percodan®, Percocet®, Vicodin ®, Lortab®, Norco®, Dilaudid®, Exalgo®.

b. 'MDA' will be tested as an initial test analyte
c. 'MDEA' will no longer be tested for under the "amphetamines" category.

2. <u>BLIND SPECIMEN TESTING</u>
    a. The USDOT no longer requires blind specimens to be submitted to laboratories.
3. <u>ADDITIONS TO THE LIST OF "FATAL FLAWS"</u>
    a. The following three circumstances have been added to the list of "fatal flaws":
        i. No CCF received by the laboratory with the urine specimen.
        ii. In cases where a specimen has been collected, there was no specimen submitted with the CCF to the laboratory.
        iii. Two separate collections are performed using one CCF.

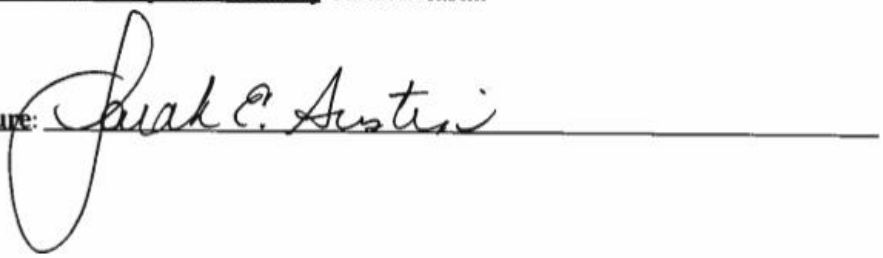
4. <u>MRO VERIFICATION OF PRESCRIPTIONS</u>
    a. When a tested employee is taking a prescribed medication, after verifying the prescription and immediately notifying the employer of a verified negative result, the MRO must then (after notifying the employee) wait five (5) business days to be contacted by the employee's prescribing physician before notifying the employer of a medical qualification issue or significant safety risk.
        i. Specifically, in cases where an MRO verifies a prescription is consistent with the Controlled Substances Act, but that the MRO has still made a determination that the prescription may disqualify the employee under other USDOT medical qualification requirements, or that the prescription poses a significant safety-risk, the MRO must advise the employee that they will have five (5) business days from the date the MRO reports the verified negative result to the employer for the employee to have their prescribing physician contact the MRO. The prescribing physician will need to contact the MRO to assist the MRO in determining if the medication can be changed to one that does not make the employee medically unqualified or does not pose a significant safety risk. If in the MRO's reasonable medical judgment, a medical qualification issue or a significant safety risk still remains after the MRO communicates with the employee's prescribing physician, or after five (5) business days, whichever is shorter, the MRO must communicate this issue to the employer consistent with 49 CFR Part 40.327.

5. DEFINITIONS
    a. The term "***DOT, the Department, DOT Agency***"
        i. Modified to encompass all DOT agencies, including, but not limited to, FAA, FRA, FMCSA, FTA, PHMSA, NHTSA, Office of the Secretary (OST), and any designee of a DOT agency.
        ii. For the purposes of testing under 49 CFR Part 40, the USCG (in the Department of Homeland Security) is considered to be a DOT agency for drug testing purposes.
    b. The term "***Opiate***" is replaced with the term "***Opioid***" in all points of reference.
    c. The definition of "***Alcohol Screening Device*** (ASD)" is modified to include reference to the list of approved devices as listed on ODAPC's website.
    d. The definition of "***Evidential Breath Testing Device*** (EBT)" is modified to include reference to the list of approved devices as listed on ODAPC's website.
    e. The definition of "***Substance Abuse Professional*** (SAP)" will be modified to include reference to ODAPC's website. The fully revised definition includes:
        i. A licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, state-licensed or certified marriage and family therapist, or drug and alcohol counselor (certified by an organization listed at https://www.transportation.gov/odapc/sap) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.

NOTE: The revisions listed in this addendum include only those revisions to 49 CFR Part 40 which may be referenced in our drug & alcohol testing policy. A list of all the revisions made to 49 CFR Part 40 can be found at https://www.transportation.gov/odapc.

Addendum Authorization Date: December 14, 2017

Authorized Official (Printed Name): Sarah E Austin

Signature: 

The Rockin 66 Express is dedicated to providing safe, dependable and economical transportation services to our transit system passengers. The Rockin 66 Express's employees are our most valuable resource and it is our goal to provide a safe, satisfying working environment, which promotes personal opportunities for growth. In meeting this goal it is our policy to (1) assure that employees are not impaired in their ability to perform assigned duties in a safe, productive and healthy manner; (2) create a workplace environment free from the adverse effects of drug abuse and alcohol misuse; (3) prohibit the unlawful manufacture, distribution, dispensing, possession, or use of controlled substances; and (4) encourage employees to seek professional assistance any time personal problems, including alcohol or drug dependency, adversely affect their ability to perform their assigned duties.

Adherence to this policy is a condition of employment although it should not be considered an offer of employment. Violation of this policy by having a verified positive drug test result or confirmed positive alcohol test result or refusing to submit to a required test will result in termination of employment.

The Rockin 66 Express's Substance Abuse Policy was originally approved and adopted by its Board of Directors or owners on 6/12/2017 and became effective 6/12/2017. A copy of the signed adoption by the Board of Directors is on file at the home office. Anytime this policy is amended or updated due to changes in Federal regulations in the future, the policy will contain the date, proof of adoption of the amended policy by The Rockin 66 Express's Board of Directors and the date the amended policy, or portion thereof, became effective.

PURPOSE

The purpose of this policy is to assure worker fitness for duty and to protect our employees, passengers, and the public from the risks posed by the misuse of alcohol and use of prohibited drugs. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. **The Federal Transit Administration (FTA) of the U.S. Department of Transportation has published 49 CFR Part 655, as amended, which mandates urine drug testing and breath alcohol testing for safety-sensitive positions and which prohibit performance of safety-sensitive functions when there is a positive test result. The U.S. Department of Transportation (DOT) has also published 49 CFR Part 40, as amended, which sets standards for the collection and testing of urine and breath specimens.** Copies of the Federal Regulations are available upon request. In addition, the Federal government published 49 CFR Part 29, "The Drug-Free Workplace Act of 1988." This policy incorporates those requirements for safety-sensitive employees and others when so noted.

APPLICABILITY

This policy applies to all The Rockin 66 Express employees; paid part-time employees; contract employees and contractors when performing any transit-related safety-sensitive duties or when in uniform or on transit property. **This policy applies to off-site lunch periods or breaks when an employee is scheduled to return to work.** Visitors, vendors, and contract employees are governed by this policy while on transit premises and will not be permitted to conduct transit business if found to be in violation of this policy.

A safety-sensitive function is any duty related to the safe operation of public transit service including the operation of a revenue service vehicle (whether or not the vehicle is in revenue service). Safety sensitive duties also include the control or dispatch of a revenue service vehicle; maintenance of a revenue service vehicle or equipment used in revenue service; security personnel who carry firearms, and operating a nonrevenue service vehicle when it is required to be operated by a holder of a CDL.

Volunteers are exempt from the program unless they require a CDL to operate the vehicle or receive remuneration in excess of their actual expenses.

Supervisors performing (or who may perform) any of the above described safety sensitive functions are considered to be safety-sensitive employees. Participation in the Rockin 66 Express's Substance Abuse Program as stated in this policy is a condition of employment.
All positions at The Rockin 66 Express were reviewed for safety-sensitive duties to determine the safety-sensitive positions. Additionally, any new positions created in the future will be reviewed for safety-sensitive duties. The following positions were determined to be safety-sensitive:

- **Transit Manager**
- **Dispatcher**
- **Driver**

PROHIBITED SUBSTANCES

"Prohibited substances**"** addressed by this policy include the following:

Illegally Used Controlled Substances or Drugs

Any illegal drug or any substance identified in Schedules I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), and as further defined by 21 CFR 1300.11 through 1300.15. This includes, but is not limited to: **marijuana, amphetamines, Opioids, phencyclidine (PCP), cocaine,** as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

Legal Drugs

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates the mental functioning, motor skills, or judgment may be adversely affected must be reported to supervisory personnel and medical advice must be sought by the employee, as appropriate, before performing work-related safety-sensitive duties.

A legally prescribed drug means that the individual has a prescription or other written approval from a physician for the use of the drug in the course of medical treatment. It must include the patient's name, the

name of the substance, quantity/amount to be taken, and the period of authorization. The misuse or abuse of legal drugs while performing transit business is prohibited.

Alcohol

The use of beverages containing alcohol or substances including any medication, mouthwash, food, candy, or any other substance, which causes alcohol to be present in the body above an alcohol concentration of 0.04 while performing safety-sensitive transit duties, is prohibited.

PROHIBITED CONDUCT

(1) All covered employees are prohibited from reporting for duty or performing safety sensitive duties any time there is a quantifiable presence of a prohibited drug in the body above the minimum thresholds defined in 49 CFR PART 40, as amended.

(2) Each covered employee is prohibited from consuming alcohol while performing safety-sensitive job functions, while on-call to perform safety-sensitive job functions or in uniform. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. The covered employee will subsequently be relieved of his/her on-call responsibilities.

(3) The Rockin 66 Express shall not permit any covered employee to perform or continue to perform safety-sensitive functions if it has actual knowledge that the employee is/has been using alcohol in the past 4 hours.

(4) Each covered employee is prohibited from performance of a covered function or remaining on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04 or greater regardless of when the alcohol was consumed.

(5) No covered employee shall consume alcohol for eight (8) hours following involvement in an accident or until he/she submits to the post-accident drug/alcohol test, whichever occurs first.

(6) No covered employee shall consume alcohol within four (4) hours prior to the performance of safety-sensitive functions.

Manufacture, Trafficking, Possession, and Use

The Rockin 66 Express employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of prohibited substances on transit authority premises, in transit vehicles, in uniform, or while on *transit authority business*. Law enforcement shall be notified, as appropriate, where criminal activity is suspected.

Consistent with the Drug Free Workplace Act of 1988, all employees are required to notify the Transit Management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction.

Consequences of a Failed or Refused Test

Any safety-sensitive employee who is reasonably suspected of being intoxicated, impaired, under the influence of a prohibited substance, or not fit for duty shall be suspended from job duties pending an investigation and verification of condition. **Safety-sensitive employees who have a verified positive drug or confirmed alcohol or refuses to submit to a required test shall be removed from safety-sensitive duty** immediately; informed of educational and rehabilitation programs available; **referred to a Substance Abuse Professional (SAP)** and subject to disciplinary action, up to and including termination. **A drug or alcohol test is considered positive if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in 49 CFR Part 40, as amended.**

Compliance with Testing

All safety-sensitive employees will be subject to urine drug testing anytime while on duty and alcohol testing only just prior, during and just after the performance of safety-sensitive duties. The alcohol testing may be done using breath or saliva for the screening test. All confirmation tests for alcohol must be done using an approved Evidential Breath Testing (EBT) device. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty immediately, informed of educational and rehabilitation programs available, and referred to a SAP. Any safety-sensitive employee who is suspected of falsifying test results through tampering, contamination, adulteration, or substitution will be required to undergo an observed collection.

Alcohol Use

Under the authority of The Rockin 66 Express the use of or influence of alcohol on a covered employee anytime that employee is on duty is prohibited. Any alcohol testing performed outside of the FTA guidelines will be done using a non-DOT Alcohol Testing Form. Violation of these provisions is prohibited and punishable by disciplinary action up to and including termination.

Refusal to Test

Refusals can include a variety of behaviors, including;

- **Failure to appear in a timely fashion (except in the case of pre-employment testing).**
- **Failure to remain until the testing process is complete. An applicant who leaves the testing site before the testing process commences for a pre-employment test has not refused to test.**

- **Failure to attempt to provide a breath or urine specimen.**
- **Failure to provide a sufficient quantity of urine or breath without a valid medical explanation.**
- **Failure to undergo a medical evaluation as required by the MRO or DER.**
- **Failure to cooperate with any part of the testing process for drug and alcohol testing.**
- **Failure to permit monitoring or observation.**
- **Failure to follow an observer's instructions to raise and lower clothing and turn around during a directly-observed test.**
- **Possess or wearing a prosthetic or other device used to tamper with the testing process.**
- **Failure to take a second test as directed by the collector or employer.**
- **Admitting the adulteration or substitution of a specimen to the collector or MRO.**
- **The MRO's verification of a test as adulterated or substituted.**
- **Refusal to sign the certification at Step 2 of the ATF.**

A refusal to test will be treated the same as a positive test result.

<u>OBSERVED COLLECTIONS:</u>

The observation will be done by a person of the same gender in the following circumstances:

- **All return to duty tests**
- **All follow up tests**
- **Any time the specimen collected is out of temperature range (90°-100°F)**
- **Anytime the employee is directed to provide another specimen because the original specimen appeared to have been tampered with**

- **Anytime a collector observes materials brought to the collection site or employee's conduct clearly indicates an attempt to tamper with a specimen**
- **Anytime the employee is directed to provide another specimen because the Laboratory reported to the MRO that the original specimen was invalid without a valid medical reason**
- **Anytime the employee is directed to provide another specimen because the MRO determined that the original specimen was positive, adulterated or substituted but had to be cancelled due to the test of the split specimen could not be performed**

Drug tests can be performed any time a safety-sensitive employee is on duty. An alcohol test can be performed anytime the covered employee is performing a safety-sensitive duty or just before, or just after the performance of a safety-sensitive duty. Under the authority of The Rockin 66 Express, the use of or influence of alcohol on a covered employee anytime that employee is on duty is prohibited.

NOTIFICATION OF CRIMINAL DRUG CONVICTION

All employees are required to notify the Rockin 66 Express of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure to comply with this provision shall result in disciplinary action, up to and including termination.

PROPER APPLICATION OF THE POLICY

The Rockin 66 Express is dedicated to ensuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to subordinates, shall be subject to disciplinary action, up to and including dismissal.

TRAINING FOR SAFETY-SENSITIVE EMPLOYEES & SUPERVISORS

All safety-sensitive employees shall receive a minimum of 60 minutes of training on the effects and consequences of prohibited drug use on personal health, safety, and the work environment and indicators of prohibited drug use.

Supervisors responsible for making the decision to generate a reasonable suspicion test must receive a minimum of 60 minutes of training on drug and 60 minutes of training on alcohol information regarding the physical, behavioral, speech and performance indicators of probable drug and alcohol misuse.

TESTING PROCEDURES

Analytical urine drug testing and breath testing for alcohol may be conducted when circumstances warrant and as required by Federal regulations. Testing shall be conducted in a manner to assure a high degree of accuracy and reliability, using techniques, equipment, and laboratory facilities which have been approved for Federal drug testing by the U.S. Department of Health and Human Services (DHHS). All testing will be conducted according to the procedures put forth in 49 CFR Part 40, as amended, including, picture identification of the employee, Federal Drug Custody and Control Form with unique specimen identification number completed by a trained collection site person who ensures that the Custody and Control Form is completed correctly and signed and certified by the donor, collection of Split Sample specimens that are sealed and initialed by the donor. (See Attachment A for more detailed procedures)

The drugs that will be tested for include marijuana, cocaine, opioids, amphetamines, and phencyclidine. An initial drug screen, called an immunoassay test, will be conducted on each urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts present are above the minimum thresholds established in 49 CFR Part 40, as amended.

Instances where there is a reason to believe an employee is abusing a substance other than the five drugs listed above, Under the Rockin 66 Express's authority The Agency reserves the right to request a separate sample, using standard laboratory testing protocols, and to test for additional drugs. The Rockin 66 Express also reserves the right to require a fitness-for-duty examination by a licensed medical professional when an employee's observable behavior and actions are considered to be inconsistent with a safe workplace.

The integrity of the alcohol testing process is insured by picture identification of the employee, use of a National Highway Traffic Safety Administration (NHTSA) approved Evidential Breath Testing Device (EBT) that displays and prints unique sequential numbers and is capable of producing 3 copies of the test result. The test is administered by a certified Breath Alcohol Technician (BAT) who is "trained to proficiency" in the operation of the EBT being used. The BAT completes a Federal Breath Alcohol Testing form and ensures that it is signed by the donor. The employee shall be provided with written instructions prior to specimen collection for drug testing. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. A safety-sensitive employee who has a confirmed alcohol concentration of 0.02 or greater, but less than 0.04 will be immediately removed from his/her safety-sensitive duties until the start of the employee's next regularly scheduled duty period, but not less than 8 hours or until a retest results in a concentration measure of less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy and a violation of the requirements set forth in 49 CFR Part 655 for safety-sensitive employees. Federal Alcohol testing will only be done just prior to, during, or just after a safety-sensitive employee's performance of safety-sensitive duties.

Screening Test Technicians (STT) may be used to perform alcohol screening tests (saliva or breath); however, an EBT operated by a BAT must be used for confirmation of an alcohol test. Neither the STT nor BAT may act as a collector if they are a direct supervisor of the employee.

Any safety-sensitive employee that has a confirmed positive drug or alcohol test will be immediately removed from their duties, informed of educational and rehabilitation programs available **and referred to a Substance Abuse Professional (SAP) for an evaluation and assessment.** A positive drug and/or alcohol test will result in disciplinary action, up to and including termination.

Negative Dilute Drug Test Result

All employees/applicants/ with a dilute negative drug test result will be required to retest immediately. **The second test result will stand as the test of record and no additional testing will be required unless directed to do so by the MRO.**

A dilute positive result is treated the same as any other positive drug test result.

Employee Requested Testing

Any safety-sensitive employee, who has been notified by the MRO of a verified positive drug test and/or refusal to test due to adulteration or substitution, has 72 hours from the time of notification to request a test of the split specimen. This test must be conducted at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided by the employee at the same time as the original sample. The employee is responsible for all costs for such testing unless the result of the split sample test invalidates the result of the original test. However, if the employee is unable or refuses to pay for the testing, The Rockin 66 Express will pay and ensure that the testing is done in a timely manner. The Rockin 66 Express may require reimbursement for the cost from the employee. **The method of collecting, storing, and testing of the split sample will be consistent with the procedures set forth in 49 CFR Part 40, as amended. Requests after 72 hours will only be accepted if the delay was due to documented facts that were beyond the control of the employee.**

TYPES OF DRUG & ALCOHOL TESTING EVENTS

Pre-Employment Drug Testing

All safety-sensitive position applicants shall undergo urine drug testing immediately following the offer of employment into a safety-sensitive position or before transferring into a safety-sensitive position. Receipt by The Rockin 66 Express of a negative drug test result is required prior to performing safety-sensitive duties. If the test is cancelled the applicant must retake and pass a drug test before performing safety-sensitive duties.

If a safety-sensitive employee returns to work and has been off for 90 days or more and has not remained in the

random pool, he/she must pass a Pre-Employment drug test before resuming safety-sensitive duties.

When a covered employee or applicant has previously failed a DOT pre-employment drug test, (or any other DOT-regulated drug or alcohol test or refused to be tested), the employee must present to the employer proof of successfully having completed a referral, evaluation and treatment plan as described in Sec. 655.41(a)(2) and 655.62 to be considered for the hiring process.
If otherwise qualified, an individual with permanent or long-term disabilities that directly render them unable to provide an adequate urine specimen will be able to perform safety-sensitive duties despite their inability to provide urine during a pre-employment test. The MRO will determine long term inability to provide urine by medical examination and consultation with the employee's physician.

Reasonable Suspicion Testing

All safety-sensitive employees may be subject to fitness for duty evaluation and urine and/or breath testing when there are reasons to believe that drug or alcohol use is adversely affecting job performance. A reasonable suspicion referral must be made by a supervisor or agency official, trained in the signs and symptoms of drug and alcohol misuse, who has personally observed and documented objective facts and circumstances which are consistent with the short-term effects of substance abuse and alcohol misuse. The criteria for a reasonable suspicion test must be based on contemporaneous, articulable, observations concerning the appearance, behavior, and speech or body odor of the safety-sensitive employee. A supervisor or trained official making the decision to conduct a reasonable suspicion test must have had the appropriate training as defined in Section 655.14 (b)(2) and may not act as the STT or BAT for that test.

Reasonable suspicion alcohol testing is only permissible just before an employee performs safety-sensitive duties, during that performance, and just after an employee has performed covered duties; and the observations leading to that testing must be made during, just preceding, or just after the employee performs covered duties.

Once the decision to reasonable suspicion test is made, the employee will be removed from safety-sensitive duties until the test results are received. The employee will be escorted to the collection site by the supervisor or another transit employee.

Post-accident Testing

Post-accident testing of safety-sensitive employees involved in or contributing to an accident with The Rockin 66 Express's vehicle (regardless of whether or not the vehicle is in revenue service) will be subject to post-accident drug and alcohol testing.
Post-accident testing is mandatory for any accidents where there is loss of life.

When there is loss of human life, each surviving safety-sensitive employee on duty in the public transit vehicle at the time of the accident must be tested. Safety-sensitive employees not on the vehicle (e.g.

maintenance personnel), whose performance could have contributed to the accident (as determined by The Rockin 66 Express using the best information available at the time of the accident) must be tested.

Testing is also required for nonfatal accidents if, 1) any individual(s) involved in the accident receives immediate medical treatment away from the scene of the accident, or 2) one or more vehicles involved in the accident incurs disabling damage (damage that precludes departure of a motor vehicle from the scene of the accident in its usual manner in daylight after simple repairs) requiring transportation from the scene by tow truck or other vehicle; or if the public transit vehicle is a rail vehicle or vessel that is removed from revenue service.

As soon as possible, each surviving covered employee(s) operating the public transit vehicle at the time of the non-fatal accident (meeting the above stated criteria) will be tested unless their actions can be eliminated as contributing to the accident. In addition, any other covered employee whose performance could have contributed to the non-fatal-accident will be tested unless their actions can also be eliminated as contributing to the accident. This is decision is determined by The Rockin 66 Express, using the best information available at the time of the incident.

Safety-sensitive employees on duty in the public transit vehicle at the time of a nonfatal accident (meeting the above stated criteria) must be tested unless their actions can be completely discounted as a contributing factor to the accident. Other safety-sensitive employees whose performance could have contributed to the non-fatal accident, will also be subject to post-accident testing (as determined by The Rockin 66 Express using the best information available at the time of the accident).

Following an accident, safety-sensitive employees will be tested as soon as possible, but not to exceed 32 hours for drug testing. If alcohol testing is not done within 2 hours of the accident, the reason for not testing must be documented in a report and attempts to alcohol test must continue for up to 8 hours after the accident. If alcohol testing is not done within 8 hours following the accident, the reasons for not testing must also be updated on the written report. Any safety-sensitive employee involved in an accident must refrain from alcohol use for eight hours following an accident or until they undergo a post-accident alcohol test.

The results of a blood, urine, or breath test conducted by Federal, State, or local officials shall be considered to meet the requirements of this section, provided such test conforms to the applicable Federal, State, or local testing requirements, and that the test results can be obtained by the employer.

The requirements to test for drugs and alcohol following an accident should in no way delay necessary medical attention for injured people or prohibit a safety-sensitive employee from leaving the scene of an accident to obtain assistance in responding to the accident or to obtain necessary emergency medical care. However, the safety-sensitive employee must remain readily available, which means The Rockin 66 Express knows the location of the safety-sensitive employee. Any safety-sensitive employee who leaves the scene of the accident, without a justifiable explanation, prior to submission to drug and alcohol

testing will be considered to have refused the test and shall face disciplinary action up to and including termination.

Random Testing

All safety-sensitive employees shall be subject to random, unannounced testing. The annual testing rate for random testing by The Rockin 66 Express will always meet or exceed the minimum rate set by 49 CFR Part 655. These percentages are subject to change as a result of an annual statistical review by the FTA.

The selection of safety-sensitive employees, for random drug and alcohol testing, shall be made using a scientifically valid method such as a random number table or a computer-based random number generator that ensures each safety-sensitive employee that they will have an equal chance of being selected each time selections are made. Random tests will be unannounced and reasonably spread throughout all days, hours and shifts throughout the year when The Rockin 66 Express performs safety-sensitive functions. Employees are to proceed to the testing site immediately upon notification of a random test.

There is no discretion on the part of management or operations in the selection and notification of individuals for testing.

Random alcohol testing is only permissible just before an employee performs safety-sensitive duties, during that performance, and just after an employee has performed covered duties.

Second Chance Policy

If it is The Rockin 66 Express's policy to offer safety-sensitive employees with positive drug or alcohol test results or a refusal to submit to a test, a second chance, it should be stated here and the following information on Return-To-Duty and Follow Up Testing must be included in the policy. However, if the Rockin 66 Express has a "No Tolerance Policy or Zero Tolerance", the following information on Return to Duty and Follow-up testing need not appear in the policy. Note: The return to duty and follow-up testing may come into effect if an employee is returned to duty through arbitration or legal action.

Return To Duty Testing

As part of the employment assessment and return-to-duty requirements of this policy, any employee with a verified positive drug or alcohol test (i.e., a verified positive confirmatory test for drug use or alcohol concentration of 0.04 or greater) or a refusal to test must test negative for drugs and/or alcohol before returning to work, and will be subject to the return-to-duty testing process as required by Subpart O of 49 CFR Part 40 after returning to work.

Before any safety-sensitive employee is allowed to return to duty performing safety-sensitive duties following a verified positive drug or alcohol test they must be evaluated by a SAP, complete required education/treatment and provide a negative return to duty test. Return to duty testing is done as indicated by the SAP and may be for drugs and/or alcohol.

Return to Duty Testing is always collected under the Direct Observation Protocol.

Follow-up Testing

If an employee is allowed to return to work and passes the return to duty test, the employee will be subject to mandatory minimum of six follow up, unannounced scheduled tests in the first twelve months following the employee's return to duty. The frequency and timing of these tests will be determined by a SAP. Further, at the direction of the SAP the employee may be tested for up to, but no more than, 60 months (5 years.) The duration of testing will be extended to account for any subsequent leaves of absence, as necessary. This testing is an addition to the employee being part of the random safety-sensitive pool.

Re-Entry Contract

Employees who re-enter the workforce must agree to a re-entry contract. The contract may include (but is not limited to):

- A release to work statement from the Substance Abuse Professional (FTA Covered Employees) or an Addiction Specialist (EAP, counselor, etc.) for those employees not covered by the Federal Regulations.
- A negative test for drugs and/or alcohol.
- An arrangement to unannounced frequent follow-up testing for a period of one to five years with at least six tests performed the first year.
- A statement of expected work-related behaviors.
  An agreement to follow specified after-care requirements with the understanding that violation of the re-entry contract is grounds for discharge.

Treatment Options:

Prior to any policy violation, all employees are encouraged to make use of the available resources for treatment for alcohol misuse and illegal drug use problems. Under certain circumstances, employees may be required to undergo treatment for substance abuse or alcohol misuse. Any employee who refuses or fails to comply with The Rockin 66 Express's requirements for treatment, after-care, or return-to-duty shall be subject to disciplinary

action, up to and including termination. The cost of any treatment or rehabilitation services will be paid for directly by the employee or their insurance provider. Eligible employees will be allowed to take accumulated sick leave and/or vacation leave to participate in the prescribed rehabilitation program.

Employee Access to Records

Drug testing records must be kept in a secure location with controlled access. Drug and alcohol test results may be released only under the following circumstances:

- **Employer shall release information or copies of records regarding an employee's test results to a third party only as directed by specific, written instruction of the employee.**
- **Employer may disclose information related to a test result to the decision maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the employee tested.**
- **Upon written request, employer must promptly provide any employee with any records relating to his/her test, including calibration records and laboratory certification records.**
- **Employer must release information to the National Transportation Safety Board (NTSB) about any post-accident test performed for an accident under NTSB investigation.**
- **Employer shall make available copies of all results of employer testing programs, and any other records pertaining to testing programs when requested by DOT or any DOT agency with regulatory authority over the employer or any of its employees, or to a State oversight agency authorized to oversee rail fixed guideway systems.**

URINE SPECIMEN COLLECTION PROCEDURES:

Urine collections will be performed to the standards defined 49CFR part 40 as amended. An overview of the procedures are available in Attachment A to this policy. A copy of 49CFR part 40 is available upon request from Drug & Alcohol Program Administrator.

ALCOHOL TESTING PROCEDURES

All alcohol testing procedures will be done according to the standards set forth in 49CFR part 40 as amended. An overview to the procedures is available in Attachment A.

MEDICAL REVIEW OFFICER

The laboratory results must be reviewed by a qualified MRO. The purpose of this review is to verify and validate test results. The laboratory shall report all results to the MRO in a confidential manner.

A qualified MRO is licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results generated by the drug testing program who has knowledge of substance abuse disorders, and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result, together with his/her medical history, and any other relevant bio-medical information.

The MRO shall meet the requirements and follow all procedures set forth in 49CFR part 40 as amended.

SUBSTANCE ABUSE PROFESSIONAL (SAP)

Any individual who has a verified positive drug or alcohol test shall be removed from safety-sensitive duties immediately, informed of educational and rehabilitation programs available, and referred to a Substance Abuse Professional (SAP). A SAP can be a licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, state-licensed or certified marriage and family therapist, or drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol and other Drug Abuse (ICRC) or by the National Board for Certified Counselors, Inc. and Affiliates/Master Addictions Counselor (NBCC)) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.

The SAP must meet the requirements and follow the procedures and responsibilities set forth in 49CFR part 40 subpart O.

AGENCY CONTACTS

Drug and Alcohol Program Manager (DAPM) / (DER) Designated Employer Representative):

Name: Sarah Austin (DAPM)
Title: Transit Manager
Address: P.O. Box 2727
Milan, NM 87021
Telephone: 505-290-0531

Name: Melissa Chavez (DER)
Title: Program Coordinator
Address: P.O. Box 2727
Milan, NM 87021
Telephone: 505-290-2469

Medical Review Officer (MRO): Services Will Be Provided by:

Name: Dr. Stephen Kracht, MRO
Address: 10101 Renner Blvd
Lenexa, KS 66219
Telephone: (913) 888-1770

Substance Abuse Professional (SAP):

Name: Kim Dutremaine
Address: 511 E 20th St.
Farmington, NM 87401
Telephone: (505) 564-3733

DHHS Certified Laboratory:
Name: Quest Diag-Lenexa, KS
Address: 7800 W. 110th St., STE 400A
PO Box 25903
Overland Park, KS 66225
Telephone: (855) 355-7056

Collection Site:
Name: RMCHCS/College Clinic
Address: 520 HWY 564
Gallup NM 87301
Telephone: 505-863-22732

The toll-free number for
Substance Abuse
Assistance is:

1-800-662-HELP (4357)

EMPLOYEE RECEIPT OF
DRUG AND ALCOHOL TESTING POLICY

Return this completed form to your immediate supervisor

Print Employee Name: _____

I have received and will read The Rockin 66 Express's Drug and Alcohol Abuse Testing Policy. I understand that I will be held responsible for the content of the policy and I agree to abide by drug and alcohol testing policy. If I need any clarification or if I have any questions regarding the substance of the policy, I will address them with the Rockin 66 Express's program administrator.

I understand that violation of this Policy may be grounds for immediate termination of my employment.

This policy adheres to the Federal Transit Administration's mandated regulations for drug and alcohol testing.

Employee Signature: _____

Date Signed: _____

Attachment A

Urine Collection and Alcohol Testing Procedures

Urine collection for drug testing shall be done at a location that provides:

- a privacy enclosure for urination
- a toilet receptacle large enough to contain a complete void
- a source for washing hands
- a suitable surface for writing

The collection site personnel shall be trained in the proper procedures for preparing the collection site, collecting the urine specimen, sealing and preparing the specimen for shipment and completing the custody and control form as required in 49 CFR Part 40.

A Federal drug testing custody and control form will be used for the collection unless the test is being performed under the authority of the Rockin 66 Express and does not meet the FTA guidelines.

The collection room shall be inspected by the collector before and after each specimen collection for removal of any unauthorized persons and materials that could be used to adulterate the specimen. The collection site will be secure to prevent unauthorized access during the collection process.

The collector will verify the employee's identity by photo identification or by a The Rockin 66 Express representative. The collection will not proceed if identity is not verified. The collection site will notify the employer if the employee fails to report in timely manner for a scheduled appointment.

The employee will be requested to check belongings (purses & briefcases) and remove any unnecessary outer clothing (sweaters, jackets, vests, etc.) The employee may retain their wallet. The employee will be directed to wash their hands.

The collector will unwrap the collection cup or specimen bottle in front of the employee and direct them to the privacy enclosure. The collector remains outside the enclosure. The employee is instructed to provide at least 45 ml (about 2 ounces) of urine.

If the employee is unable to provide at least 45 ml of urine they will be given up to 40 ounces (measured) of fluids and remain at the collection site for up to 3 hours in an attempt to provide the specimen. If the required amount is provided, the specimen is forwarded to the laboratory. If the employee is unable to provide an adequate specimen within 3 hours, the insufficient specimen is discarded, testing discontinued, and the employer notified. The MRO/DER shall refer the employee for a medical evaluation to determine whether the employee's inability to provide a specimen is genuine or constitutes a refusal to submit to a drug test. The examining physician shall provide the MRO a brief statement setting forth his/her conclusion and the basis for it. Upon receipt of the statement the MRO shall report his/her conclusions to the employer in writing. If the

MRO determines there is no medical explanation for the inability to provide an adequate specimen, this will be considered a refusal to test.

Within four (4) minutes of receiving the specimen from the employee, the collector will record the temperature of the specimen on the custody and control form. The temperature must be between 90°-100°F. Any specimen temperature out of that range requires a second specimen to be collected immediately under direct observation by a person of the same gender. The incident is noted in the remarks section of the custody and control form and both specimens are sent to the laboratory, unless the donor refuses to submit to a directly observed test; which in this case the first specimen will be discarded and the test ruled as a refusal. The collector shall also visually examine the specimen for any unusual color or sediment and note anything unusual on the custody and control form.

If the employee refuses to cooperate with the collection process the collector notifies the employer immediately and documents the non-cooperation on the custody and control form.

The collection site person, in the presence of the donor, pours the urine from the collection cup into two specimen bottles. Thirty (30) ml shall be poured into one bottle, to be used as the primary specimen. At least 15 ml shall be poured into the other bottle, to be used as the split specimen.

Both bottles must be sealed and labeled in the presence of the donor. The labels must be printed with the same specimen identification number as the custody and control form. The collector dates and the donor initials the seals on the bottles verifying the specimen is his/hers.

The custody and control form is completed. The donor and collector must sign the appropriate certification statements on the form regarding authenticity of the specimen and information provided and the integrity of the collection process. Each transfer of custody must be noted on the chain of custody portion of the urine custody and control form. Every effort should be made to minimize the number of persons handling the specimen.

The specimen must be stored in a secured location until transport to the laboratory. Both the primary specimen and the split specimen shall be sealed in a single shipping container, together with the appropriate pages of the custody and control form.

Observed Collections

Procedures for collecting urine specimens shall allow individual privacy unless there is a reason to believe that a particular individual may alter or substitute the specimen to be provided.

In the following circumstances, the collector must observe the collection.

- The employee has presented a urine sample that falls outside the normal temperature range (90°-100°F).

- The collector observes conduct clearly and unequivocally indicating an attempt to substitute or adulterate the sample (e.g., substitute urine in plain view, blue dye in specimen presented, etc.)

- Previous sample is invalid and there is no medical reason: the collector is informed by the employer or MRO.

- The employee has previously violated the FTA/DOT regulations and the testing that is being performed is a return to duty or follow-up test.

The direct observation must be by a collector (or observer) of the same gender as the employee being tested. The observed collection procedure must adhere to the requirements of 49CFR part 40 as amended. This requires the employee to raise his or her shirt, blouse or dress / skirt, as appropriate, above the waist, just above the navel; and lower clothing and underpants to midthigh and show the observer, by turning around, that the employee does not have a prosthetic device.

ALCOHOL TESTING PROCEDURES

Alcohol testing shall be done at a location that provides:

- Privacy to the individual being tested
- Security with no unauthorized access at any time to EBT
- BAT conducting only one test at a time who must not leave the testing site while the preparations for testing or the test itself are in progress.

Upon arrival at the testing site the employee must provide positive identification in the form of a photo identification or identification by The Rockin 66 Express Supervisor.

The BAT will explain the testing procedures to the employee.

The BAT and the employee will complete, date and sign Step #1 and Step #2 of the alcohol testing form indicating the employee is present and providing a breath specimen. Refusal by the employee to sign Step #2 of the alcohol testing form will be noted by the BAT in the remarks section and is considered a refusal to test.

Screening Test

Employee is informed that testing will begin with a screening test. The BAT will open an individually sealed, disposable mouthpiece in view of the employee and attach it to the EBT.

The employee will be instructed to blow forcefully into the mouthpiece for at least six seconds or until an adequate amount of breath has been obtained. The BAT will show the employee the result displayed on the EBT or the printed result.

If the result of the screening test is an alcohol concentration of less than 0.02, no further testing is required. The BAT will finish filling out the alcohol testing form. The employee may return to their safety-sensitive position and the test will be reported to the employer as a negative.

Note: Alcohol screens may be performed by certified Screening Test Technicians (STT) using alternative alcohol screening devices approved by the Department of Transportation. The alternative methods may test either breath or saliva. If the screening tests results are 0.02 or greater a confirmation test by a BAT, using an evidential breath testing device, must be performed.

Confirmation Test

If the result of the screening test is an alcohol concentration of 0.02 or greater, a confirmation test must be performed.

The confirmation test must be conducted at least 15 minutes, but not more than 30 minutes, after the completion of the initial test. This delay prevents any accumulation of alcohol in the mouth from leading to an artificially high reading.

The BAT will inform the employee of the need to conduct a confirmation test. The employee will be instructed not to eat, drink, or put any object or substance in his/her mouth. The BAT will also instruct the employee not to belch to the extent possible while awaiting the confirmation test. The BAT will inform the employee that the test will be conducted at the end of the waiting period, even if the employee has disregarded the instructions.

Before the confirmation test is administered, the BAT shall conduct an air blank on the EBT. If the reading is greater than 0.00, the BAT shall conduct one more airblank. If the second airblank reading is greater than 0.00, the EBT must not be used to conduct the test.

The confirmation test is conducted using the same procedures as the screening test. A new mouthpiece will be used.

If the initial and confirmatory test results are not identical, the confirmation test result is deemed to be the final result.

If the result displayed on the EBT is not the same as that on the printed form, the test will be cancelled, and the EBT removed from service.

The BAT will sign and date the form. If the results of the alcohol test is 0.02 or greater the employee will sign and date the certification statement, which includes a notice that the employee cannot perform safety-sensitive duties or operate a motor vehicle. Refusal by the employee to sign the certification statement is not considered a “refusal to test”, but it will be noted in the remarks section by the BAT.

The BAT will attach the alcohol test result printout directly onto the alcohol collection form with tamperproof tape (unless the EBT prints the results directly on the form).

Reporting

The BAT will transmit all results to the Designated Employer Representative in a confidential manner. In the event an individual must be removed from safety-sensitive duties as a result of the alcohol test, the BAT will notify the Designated Employer Representative immediately.

ROCKIN 66 EXPRESS	
SUBJECT: OVER THE COUNTER PRESCRIPTION DRUG POLICY	
EFFECTIVE DATE: **6/12/2017**	Adopted by Board: **6/12/2017**

Objective:

The objective of this policy is to provide guidance to all Rockin 66 Express employees regarding the handling of over the counter and prescription drugs which may impact the performance of work duties for the District.

Coverage:

This policy covers all Rockin 66 Express employees including but not limited to Rockin 66 Express employees in "safety sensitive" positions that are further regulated by the Rockin 66 Express and Village of Milan's drug and alcohol policies.

Oversight Responsibility:

This policy shall be administered by all The Rockin 66 Express and the Village of Milan Manager.

General Prohibition on Impaired Operation and Maintenance of Vehicles:

It is the Policy of the Rockin 66 Express to prohibit all impaired driving, operation, maintenance and repair of Rockin 66 Express vehicles. Any Rockin 66 Express employee who violates this policy may be subjected to disciplinary action regardless of whether the impairment is due to otherwise legal and permissible use of an over the counter or prescription drug. The following is a list of drugs that employees should be aware may impair driving.

- Alcohol
- Anticholinergics
- Anticonvulsants Antidepressants
- Bupropion
- Mirtazapine
- Monoamine oxidase (MAO) inhibitors
- Selective serotonin reuptake inhibitors (SSRI)
- Tricyclic antidepressants (TCA)
- Antiemetic's
- Antihistamines
- Antihypertensive Antiparkinsonians
- Antipsychotics
- Benzodiazepines and other sedatives/anxiolytics
- Nonsteroidal anti-inflammatory drugs (NSAID)
- Muscle relaxants Narcotic analgesics
- Stimulants

Medical Conditions that May Impair Operation of Vehicles:

Medical Conditions that may impair the operation of vehicles or performance of Rockin 66 Express duties include but are not limited to the following. If an employee has one of these conditions or symptoms he or

she should seek medical guidance prior to using prescription or over the counter drugs to treat the condition or symptom.

Vision

Visual Acuity including:
Cataracts,
Diabetic retinopathy,
Keratoconus, Macular degeneration,
Nystagmus,
Telescopic lens

Visual Field including:
Glaucoma,
Hemianopia/quadrantanopia, Monocular vision,
Ptosis, Retinitis pigmentosa

Contrast Sensitivity including: Defective
color vision, Poor night vision.

Cardiovascular Diseases

Unstable coronary syndrome (unstable angina or myocardial infarction)
Cardiac conditions that may cause a sudden, unpredictable loss of consciousness including:

Atrial flutter/fibrillation with bradycardia or rapid ventricular response
Paroxysmal supraventricular tachycardia (PSVT), including Wolf-Parkinson White (WPW) syndrome
Prolonged, non-sustained ventricular tachycardia (VT)
Sustained ventricular tachycardia (VT)
Cardiac arrest
High grade atrio-ventricular (AV) block
Sick sinus syndrome/sinus bradycardia/sinus exit block/sinus arrest

Cardiac disease resulting from structural or functional abnormalities

Congestive heart failure (CHF) with low output syndrome
Hypertrophic obstructive cardiomyopathy
Valvular disease (especially aortic stenosis)
Time-limited restrictions: cardiac procedures
Percutaneous transluminal coronary angioplasty (PTCA)
Pacemaker insertion or revision
Cardiac surgery involving median sternotomy

- Coronary artery bypass graft (CABG)
- Valve repair or replacement
- Heart transplant

Internal cardioverter defibrillator (ICD)

Cerebrovascular Diseases

Post intracranial surgery
Stroke
Subarachnoid hemorrhage Chapter I. Rx/OTC Medication Overview
Syncope
Transient ischemic attacks (TIA)
Vascular malformation

Neurologic Diseases

Brain tumor
Dementia
Migraine and other recurrent headache syndromes
Movement disorders
Multiple sclerosis
Paraplegia/quadriplegia
Parkinson's disease
Peripheral neuropathy
Seizure disorder
Single unprovoked seizure
Withdrawal or change of anti-convulsant drug therapy
Sleep disorders
Narcolepsy
Sleep apnea
Stroke
Tourette's syndrome
Traumatic brain injury
Vertigo

Psychiatric Diseases

Affective disorders
Depression
Bipolar Disorder
Anxiety disorders
Psychotic illness
Acute episodes
Chronic illness
Personality disorders
Substance abuse
Attention deficit disorder (ADD)/attention deficit hyperactivity disorder (ADHD)
Tourette's syndrome

Metabolic Diseases

Diabetes mellitus
Insulin dependent diabetes mellitus (IDDM)
Non-insulin dependent diabetes mellitus (NIDDM)
Hypothyroidism
Hyperthyroidism

Musculoskeletal Disabilities

Arthritis
Foot abnormalities
Limitation of cervical movement
Limitation of thoracic and lumbar spine
Loss of extremities
Muscle disorders
Orthopedic procedures/surgeries
Amputation
Anterior cruciate ligament (ACL) reconstruction
Limb fractures and treatment involving splints and casts
Rotator cuff repair open or arthroscopic Shoulder reconstruction
Total hip replacement
Total knee arthroplasty (TKA)

Peripheral Vascular Diseases

Aortic aneurysm
Deep vein thrombosis (DVT)
Peripheral arterial aneurysm

Renal Disease

Chronic renal failure
Renal transplant

Respiratory Diseases

Asthma
Chronic obstructive pulmonary disease (COPD)
Sleep apnea

Effects of Anesthesia and Surgery

Abdominal, back, and chest surgery
Anesthesia

- General
- Local
- Epidural
- Spinal
- Neurosurgery
- Orthopedic surgery

Miscellaneous Conditions

Cancer
Hearing loss

Employee's Duties:

Employee Monitoring

It is the duty of all Rockin 66 Express employees to ensure that they are aware of the effects and side-effects of all over the counter and prescription drugs they use. Because the district may not have access to employee' s private medical information, the Rockin 66 Express cannot accept responsibility for employee decisions regarding over the counter and prescription drugs that may impact or impair the employee's performance of job functions. Therefore, it is imperative that employees seek advice from any medical practitioner prescribing any drug of any sort and any pharmacist recommending or dispensing any medication whether over the counter or prescription drugs to ensure that the use of the drug, whether during working hours or not, will not impair the employee from performing his or her work duties safely and legally. Employees should inform their doctors and pharmacists of the employee's job duties including all information in the relevant job description. Employee's should further inform their doctors and pharmacists if they are in a safety sensitive position that is subject to random, post-accident or other mandatory drug testing programs. The Rockin 66 Express's manager will provide employees with any necessary information regarding the employee's job description, job duties, mandatory minimum physical requirements and the Rockin 66 Express's mandatory drug and alcohol testing program. This information may be helpful to doctors and pharmacists who are treating or assisting Rockin 66 Express employees.

Employee Fitness for Duty

Employees are responsible for reporting to work fit for duty. If the employee or a supervisor has any reason to believe an employee is not fit for duty the employee should be instructed to receive advise from a medical practitioner and a written indication that the employee is fit for duty.

Employee Reporting

Employees may elect to not report any prescription or over the counter drug use to the Rockin 66 Express manager but are encouraged to do so where there is any potential that the drug use could impair job performance. Failure to report the drug usage followed by any impaired job performance shall be grounds for disciplinary action so employees should weigh and consider their decisions not only to use but also to report or not report use of prescription and over the counter drugs.

District's Duties:

District to Provide Information

The Rockin 66 Express shall be responsible for providing all relevant information requested by doctors, pharmacists or employees regarding Rockin 66 Express operations, Rockin 66 Express and Village of Milan policies and the physical requirements of the Rockin 66 Express employees. The Rockin 66 Express does not retain doctors or pharmacists who are capable of rendering medical advice to employees and shall have no duty to provide specific advice on the use of prescription and over the counter medications, the impact of said use or the potential consequences of said use upon mandatory drug testing.

District to Refrain from Permitting Impaired Work

The Rockin 66 Express manager is for ensuring that no Rockin 66 Express employee is knowingly permitted to operate a vehicle or perform other safety sensitive functions while impaired. If a manager becomes aware that an employee is impaired they shall inform the employee to immediately cease work and refer the matter to the Village of Milan Manager for further action.

District to Maintain Confidentiality Regarding Employee Drug Use Information

Employees who elect to report their drug usage may provide any relevant information to the Village of Milan manager who shall keep said information confidential and divulge the information only to the extent required by law. Information deemed essential for internal use by the Village of Milan Manager may be shared with the Village of Milan human resources department needed.

Medical Marijuana:

Noting herein is intended to limit the use by Rockin 66 Express employees of any prescribed drug. Notwithstanding the preceding, the Rockin 66 Express will continue to abide by any local, state and federal laws regarding mandatory drug and alcohol testing and employees using any prescription drug, including but not limited to medical marijuana do so at their own risk and without the advice or consent of the Rockin 66 Express. Employees failing mandatory drug tests will be subjected to disciplinary action under the Rockin 66 Express and Village of Milan's drug and alcohol policy regardless of whether the medication they are using is prescribed or not.

Drug Use and Leave:

Nothing in this policy is intended to restrict either an employee's or the Rockin 66 Express rights to use and grant leave under the Rockin 66 Express's or Village of Milan's Personnel Rules. Employees who elect to use any prescribed or over the counter medication may seek the appropriate leave in order to refrain from working in an impaired condition or in order to allow time for prescription and over the counter drugs to leave their body prior to returning to work and resuming their job duties and any applicable drug testing programs. The Rockin 66 Express may grant such leave as is authorized under the Personnel Rules but is not required to grant leave other than as required by the Personnel Rules or relevant state and federal laws.

Additional Guidance:

The use of prescription and over the counter drugs and the impacts upon job performance and compliance with various state and federal laws is an evolving area. Employees and their pharmacists and physicians are encouraged to seek additional information on these topics to ensure that they make informed decisions prior to prescribing or using drugs.

For the most current federal guidance see the United States Department of Transportation "Prescription and Over-the-Counter Medication Tool Kit" at:

https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/RxOTC Apri12011.pdf

or, a copy is kept on file in the Rockin 66 Express office.

V: Cell Phone Policy

Purpose

This VILLAGE OF MILAN CELL PHONE POLICY (Cell Phone Policy), October 16,2O15, sets forth the Village of Milan (herein after referred to as the Village) policies about cell phone usage. It provides clarification for the issuance and use of cell phones and to establish the protocol for reimbursement by employees for personal use of the Village.

Applicability

This policy applies to all Village employees. Village employees include full-time or part-time, independent contractors, interns, and consultants. Law enforcement and emergency response personnel are exempt from this policy while in performance of their official duties as outlined in Village of Milan Ordinance #238. All employees are required to sign this agreement confirming their understanding and acceptance of this policy.

Cell Phone

For the purpose of this Policy, the term Cell Phone is defined as any handheld electronic device with the ability to receive and/or transmit voice, text, or data messages without a cable connection including but not limited to, cellular phones, digital wireless phones, radio-phones/walkie-talkies (push-to-talk), telephone pagers, personal digital assistants with wireless communications capabilities (PDAs), or Research in Motion (RlM) wireless devices. The Village reserves the right to modify or update these policies at any time.

Use of Cell Phones or Similar Devices

General Use at Work

While at work, employees are expected to exercise the same discretion in using personal cell phones as they use with Village phones. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to other employees. Employees should restrict personal calls during work time, and should use personal cell phones only during scheduled break or lunch periods in non-working areas. Other personal calls should be made during non-work time whenever possible, and employees should ensure that their friends and family members are instructed of this policy. The Village is not liable for the loss of personal cell phones brought into the workplace. To ensure the effectiveness of meetings, employees are asked to leave all cell phones at their desk. On the unusual occasion of an emergency or anticipated emergency that requires immediate attention, the cell phone may be carried to the meeting in vibrate/silent mode.

Unsafe Work Situation

The Village prohibits employee use of cell phone or similar devices while at any work site at which the operation of such device would, be a distraction to the user and/or could create an unsafe work environment. Such work sites must be secured or the device used only by an employee who is out of harm's way at such work environments.

Use While Driving

New Mexico State Statute 66-7-374 states: "A person shall not read or view a text message or manually type on a handheld mobile communication device for any purpose while driving a motor vehicle". In addition, the Village of Milan Ordinance #238 states: "No person shall use a mobile communication device while

operating a motor vehicle". As such, employees are prohibited from using mobile communication devices for any purpose, hands on or hands-free, while driving in the Village of Milan limits. When driving outside Village of Milan limits, any employee who uses a Village-supplied device or a Village-supplied vehicle is prohibited from using a cell phone hands on (hands-free is permitted where the law allows). This prohibition includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment; Village business; the public; our vendors; volunteer activities, meetings, or civic responsibilities performed for or attended in the name of the Village; or any other company or personally related activities not named here while driving.

Village Issued Cell Phones

The Village may issue phones to employees whose jobs require them to make calls while away from work or require them to be accessible for work-related matters.

Cell phones issued by the Village are Village property. Employees must comply with Village requests to make their Village-issued cell phones available for any reason, including upgrades, replacement, or inspection. Employees who leave the Village for any reason must return their Village-issued cell phones.

Prohibition of Camera Devices

Employees may not use any cameras, video/audio recording devices, or video or recording features of cell phones, MP3 players, personal digital assistants with wireless communications capabilities (PDAs), or other digital devices that contain such capability at work that can cause violations of privacy and breaches of confidentiality.

Security of Company Issued Cell Phones Employees are responsible for the security of Village-issued cell phones and the information stored on them. Always carry it with you; never leave the cell phone unattended. If lost or stolen, you must immediately notify the same to the Village of Milan.

Personal Cell Phones at Work

The Village allows the employees to bring their personal cell phones to work. While occasional, brief, personal calls are acceptable, we expect employees to keep personal conversations to a minimum. Employees must turn off the ringers on their cell phones while away from their cell phones. Employee must turn off the ringers on their cell phones or leave elsewhere while in meetings, or training.

Review of Monthly Charges

A review of calling activity will be conducted on a monthly basis by the Village Manager. Upon request, the user must document the business purpose of each call activity item that is NOT a call to a Village number. Any call that cannot be documented as to its business purpose will be treated as a personal (unauthorized) call and, at the Village's discretion, may be reimbursed to the Village.

Effect of Policy

Violations of the foregoing rules will be considered a serious offence and may result in discipline up to and including termination.

Section VI: Passenger Policies and Service Area

Passenger Assistance:

Bus drivers are required to provide assistance to those passengers needing assistance to and from the curb of their pick-up location to the bus and/or to the curb of the facility while boarding and disembarking the bus. If passenger needs assistance the driver must provide an escort. Passengers are responsible for carrying their packages on and off the bus. For safety reasons, there is a limit on a reasonable amount of packages to be no more than (5) five bags.

Passenger Information:

All employees are responsible for conveying to clients the Passenger rights, rules, and responsibilities. Employees are responsible for providing any requested information pertaining to policies, procedures, practices, schedules, fares, etc.

Confidentiality:

All passenger personal information is strictly confidential and shall not be discussed with or distributed to anyone outside of the Rockin 66 Express Services.

Gifts and Gratuities:

Gratuities (tips) are not permitted and shall not be accepted.

Customer Service Policy

CUSTOMER SERVICE POLICY

The Rockin 66 Express is committed to provide safe, accessible, timely and professional curb-to-curb services for our customers. We can provide such a service only when our passengers respect and follow certain safety and courtesy rules. Therefore, we thank you, the passengers boarding our vehicles, for obeying the rules listed below:

1. The driver is responsible for the safety and welfare of all passengers while riding the transit vehicle. Therefore, the driver is in charge and passengers are expected to comply with the instructions of the driver at all times. Passenger safety and welfare is contingent upon all passengers complying with these instructions.

2. Passengers are expected to act in a courteous manner at all times while riding the vehicle. Any passenger who is verbally and/or physically abusive to other passengers or to the driver will be asked to exit the vehicle immediately.

3. If a vehicle is seat belt equipped and a passenger fails to buckle up, the driver will ask them to do so before proceeding. If the passenger refuses, they will be asked to exit the vehicle and they will be refused service. There will be no exceptions to this rule.

4. Passengers are expected to pay their fares upon boarding the vehicle or show a valid pass to the driver. We appreciate exact change for fares. We allow no passenger to ride without paying.

5. Do not attempt to stand or exit the vehicle until it has come to a complete stop and the driver informs you that it is safe to exit.

6. Passengers are expected to maintain control of their possessions while on the vehicle. The agency will not be responsible for lost or stolen property. The Drivers are Not responsible for items left aboard the vehicles. Please check for all belongings before exiting.

7. In the event of an emergency, all passengers are to explicitly follow the instructions given by the driver.

8. Passengers are not permitted to consume food and drinks on the vehicle.

9. All vehicles are tobacco free. Smoking and chewing are not permitted on the vehicle. E-Cigarette products are not allowed on the vehicles.

10. No passenger is permitted to have an open alcoholic beverage container on the vehicle. The agency reserves the right of the driver to ask to see the contents of a package if he or she suspects that package may contain an open container of alcohol. At the discretion of the transit provider any person intoxicated or under the influence of alcohol and/or drugs may or may not be permitted to ride the vehicle.

11. Illegal drugs are not permitted on the vehicle at any time. Any person found in possession of such drugs will be immediately reported to law enforcement.

12. Space is limited – please only five small single bags per passenger. (Remember drivers are not permitted to assist you with your bags)

13. Any person using profane language towards the driver or other passengers may be asked to exit the vehicle.

14. Passengers are asked to maintain good personal hygiene so as not to offend other passengers.

15. Passengers are to refrain from horseplay or fighting on the vehicle. The driver will immediately stop the vehicle in the event of such an incident, will ask the passenger to exit the vehicle and will contact law enforcement if deemed necessary.

16. Weapons are not allowed on any vehicle at any time. A weapon is described as a firearm, knife, pipe, bar, club, blackjacks, brass knuckles, num-chuks or any other device capable of causing bodily harm to another individual. Any person found in possession of a weapon will be reported immediately to law enforcement. There are no exceptions to this rule.

17. Service animals accompanying individuals with disabilities will be allowed to board the vehicle. Service Animals must be under the control of the passenger. Pets are not considered Service Animals.

18. Any passenger who violates these rules can and will be prohibited from using our service. We are responsible for the safety and welfare of all passengers and will refuse service to any person who places our passengers and/or drivers at risk.

19. Rockin 66 Express does not provide aide or escort service to disabled passengers, but an aide can travel with the passenger fare-free.

20. Multiple stops can be scheduled but a fare will be collected each time you board and you must schedule those multiple stops ahead of time. NO DEVIATION FROM YOUR SCHEDULE IS ALLOWED due to the limited availability of scheduled times.

21. Be ready to board 10 minutes prior to your pick time at the curb. If the bus has not arrived by 15 minutes past your pick-up time, please call the office.

22. Drivers' schedules do not allow for waiting longer than 3 minutes.
(Prompt boarding assures all passengers of timely arrival at their destinations.)

23. Drivers do not carry change – they cannot break your bill. You must have the correct fare to board.

24. It is the policy of The Rockin 66 Express to make transportation resources available to passengers who are dependent upon portable oxygen, consistent with their needs and care planning. These reasonable efforts will be made to accommodate these passengers, as much as practicable, and consistent with good safety practices. All drivers and others who assist in transportation will be aware of the features and problems associated with portable oxygen. Specific procedures will be available as necessary. All oxygen containers must be secured during transportation. Containers, which are normally secured to a wheelchair, may stay in those securements. Containers, which are attached to mobility aids, such as wheeled walker, must be separately secured to the vehicle. Unless special approval is received, only one spare portable tank may be carried per oxygen dependent passenger. Requests for special approval should be made to the Transportation supervisor. Any additional spare tanks must also be secured to the vehicle.

25. Passengers must Call weekdays between the hours of 8:00 am and 3:00 pm to schedule a ride. Reservations are accepted the day before the trip up to a week in advance. Reservations for trips on Mondays must be made by 3:00 pm on Fridays. Call any time to cancel. If the dispatcher is not on duty, please leave a message. Call at least two hours before the scheduled pickup to cancel.

26. No Show Policy – If you forget to cancel your ride at least 30 minutes prior to your appointment; you will be credited with a no-show. Three no-shows within a 1-month period will result in suspension for 1 week and for every no show the passenger will be charged for that trip.

27. Effective December 13, 2012, The Rockin 66 Express will require a liability waiver form for all minor unescorted children 17 years of age and younger to be signed by a parent/guardian before they are permitted to ride the transit vehicle.

28. If the Rockin 66 Express provides services to an unescorted minor, Absolutely NO deviations from schedules will be allowed. The parent/guardian must schedule those changes 24 hours prior.

29. No children under the age of 10 will be permitted to ride the transit system unescorted.

30. Drivers will have to pull over and answer the dispatch phones at random times during your trip due to scheduling updates. However, the dispatcher will keep the calls as minimal as possible.

31. After-School Transport: We begin taking reservations for afterschool transport July 1 and are normally booked up by the time school starts. Staffing limitations prohibit us from serving every school. Reservations are made for the entire school year. These reservations can only be taken from those ineligible to utilize the public-school bus system. Please make sure your child is on time to his/her pick up. The bus is not allowed to wait for children to get to the stop, they need to be there on time. If your child is not at the scheduled time the bus will have to leave to get the next passenger. No child will be able to ride without a parental consent form. The Rockin 66 Express has a Zero Tolerance Policy for Bullying.

*Any passenger who violates these rules can and will be prohibited from using our service. We are responsible for the safety and welfare of all passengers and will refuse service to any person who places our passengers and/or drivers at risk.

*We welcome your suggestions, please complete a comment card and give it to the driver, mail it in or drop it off at our office. Comment cards can be found in any of our buses and at our office.

Policy on Assisting Passengers with Packages and Service from Origin to Destination.

While the Rockin 66 Express service is generally from the curb in front of your pick up and departure point, please notify us at the time of scheduling if you need assistance to/ from the door if you are unable to navigate the path due to an obstruction, condition or your disability. However, for safety purposes, drivers are required to stay in sight of the vehicle at all times and may travel no farther than 100 feet to provide assistance. Drivers will enter a foyer/lobby area to collect a passenger but will not enter a private residence or individual room inside a building. Drivers will assist passengers using a wheelchair over one curb or step only. Case-by-case situations may require additional modifications to ensure that the origin-to-destination requirement is met. Please notify the Rockin 66 Express Office at the time you schedule your trip if assistance is necessary. As a courtesy, drivers may assist carrying packages: a maximum of 5 packages and no more than 25 pounds combined to the front step of the destination.

Reasonable Accommodation Policy

- **Background**

Effective July 13, 2015, transit providers are required under 49 CFR 37.5(i)(3) to make reasonable modifications in policies, practices, or procedures when the modifications are necessary to avoid discrimination on the basis of disability or to provide program accessibility to their services. The process to be used in considering requests for reasonable modifications is described in 49 CFR 37.169.

Basic process requirements that must be met are:

- Information on the reasonable modification process must be readily available to the public, and must be accessible
- Advance notice can be required, but flexibility is also needed to handle requests that are only practicable on the spot
- Individuals requesting modifications are not required to use the term “reasonable modification”

Accessibility

The Rockin 66 Express is accessible to persons with disabilities. Our buses and vans are equipped with wheelchair lifts or ramps that enable persons in wheelchairs or persons who cannot navigate steps to ride the bus. Buses have priority seating for persons with disabilities. Operators are trained to assist riders and secure wheelchairs.

You may travel with your respirator, concentrator, and portable oxygen. Service animals are welcome onboard buses and vans and in our facilities. (They must be kept under the control of the passenger at all times.)

Reasonable Modification Policy

Passengers with disabilities may request modifications to current service procedures to access the service. To make a request, please call us at 505-290-2469 or email us at carrotexpress@villageofmilan.com.

Procedure

Passengers can request reasonable modifications for all modes (fixed route, general public demand response, and ADA paratransit). Passengers making requests are not required to use the term “reasonable modification.”

Requests should be made at least the day before, but flexibility is required for on the spot requests. The transit manager will review all requests and provide the determination. For on-the-spot requests, the driver should contact dispatch. Dispatch will contact the transit manager.

Documentation will be maintained regarding the request and the resulting action taken.

Public Information

The following statement will be posted on the website and the rider guide.

Passengers with disabilities may make request modifications to current service procedures to access the service. To make a request, please call us at 505-290-2469 or email us at carrotexpress@villageofmilan.com Please submit requests at least the day before the trip.

The Rockin 66 Express will not charge additional fees for passengers requiring reasonable modifications.

Policy on Personal Attendants:

ADA certified passengers may travel with one (1) attendant who is traveling with the passenger from the same pick up location to the same destination and the attendant is in the capacity to assist the ADA certified passenger, at no cost to the attendant.

Policy on Service Animals and Pets

Service animals are welcome on Rockin 66 Express Transit vehicles. A "service animal" is any animal specifically trained to work or perform tasks for an individual with a disability, including but not limited to guiding individuals with impaired vision, alerting individuals with impaired hearing to sounds, providing minimal protection or rescue work, pulling a wheelchair, or fetching dropped items. If a driver is unsure that an animal performs a service function, the driver may ask the passenger if the animal is trained to provide a service. However, persons boarding with service animals are not required to have a certificate or license.

For safety reasons, Rockin 66 Express recommends service animals do not ride the passenger lift platform. Their tails, paws, head, or equipment may catch in the lift mechanism.

Service animals are permitted to accompany individuals with disabilities in Rockin 66 Express vehicles and facilities. The animal must be on a lead or leash, or in a carrier, must not interfere with other passengers and must be under the constant supervision and control of its owner. If a service animal misbehaves, the passenger will be asked to remove his or her animal from the vehicle or facility. If there are multiple occurrences of misbehavior, the animal’s boarding privileges may be revoked. Some examples of misbehavior would be soiling the vehicle, growling at or harassing passengers, or the operator, or other service animals.

Policy on No-Shows

A No-Show is defined as a scheduled trip where the driver arrives at the pickup location at the designated time, but the passenger does not take the scheduled ride, or where the passenger does not cancel within 1 (one) hour of the pick-up time thereby eliminating the chance of another passenger using the allocated time slot. Drivers will only wait 5 minutes after arrival for the passenger to arrive at the vehicle and will depart after 3 minutes, therefore constituting a no-show. No-shows are costly and create an inconvenience for the driver and other passengers. If a passenger logs three no-shows within a one month period, the right to use the service may be suspended for one week and the fees for the no show trips will have to be paid in full before the passenger can ride the next ride. Passengers placed on suspension will receive a letter stating the days of the recorded no-show incidents and the time period for suspension along with the amount owed. No shows for before/after school pickups will result in the service being suspended for the duration of the school year. Parents must let dispatch know every time their child will not need the services because seats are limited.

Policy on Service Vehicles

The Rockin 66 Express fleet consists of buses and vans. Rockin 66 Express reserves the exclusive right to determine which vehicle and driver will provide transportation service to its passengers. Passengers may not request a specific vehicle type or style, nor a particular driver, to complete their trip.

Policy on the Complaint Process

An inquiry, compliment or complaint may be filed either by contacting The Rockin 66 Express Office via phone at (505) 290-2469, by mailing address at P.O. Box 2727 Milan, NM 87021, in person to the Bus Driver, or at 801 Motel Dr. Milan, NM 87021, or by email at: carrotexpress@villageofmilan.com. Within 10 days of receiving the complaint, transit supervisory staff will investigate the incident and respond to the complainant. Please provide as much information as possible when filing a complaint including date, time, location, drivers name, and event.

Service Area

The primary service area of the agency is the Village of Milan, City of Grants, and other communities in Cibola County where funding permits. The limitation within this service area is the pick-up and drop-off locations must be accessible to the transit vehicle. This means that these areas must be located on a two-lane paved or improved road. Under no circumstances will the vehicle travel on unimproved roads or roads that the agency deems as either unsafe or hazard for the passengers, driver, and the vehicle. The services are available to all residents of the indicated service area. The service area will be provided to a curb to curb service.

Route Design

We operate a ***shared-ride*** service within limited areas in Cibola County, including Grants and Milan, and all trips are reservation based. Reservations are requested a minimum of 1 day in advance before 3:00 pm, and if a schedule needs to be made for Monday it will need to be made on the Friday before, but should be made as early as possible (even up to two weeks in advance) to ensure the time requested can be granted.

Passengers should schedule their return trip if they know in advance the exact return time. However, will-call trips are also acceptable if the space is available. With a will-call trip, the passenger will call the office when they are ready to travel home. In this case, the dispatcher will give an estimated time or arrival for the transporting vehicle. This time is approximate and could vary depending upon other passenger trips in the area, weather, traffic, etc.

Subscription trips may be scheduled for those passengers who regularly go to/from a destination, for example: school on Monday, Wednesday and Friday at 11:00 am.

Schedule (days and hours of operation)

Days of Operation:	Monday thru Friday
Holidays:	Closed on all Recognized Federal Holidays. The Rockin 66 Express will follow Village of Milan Closure Policy for closures.
Office Hours:	Monday thru Friday; 8:00 a.m. thru 5:00 p.m.
Service Hours:	Monday thru Friday; 7:30 a.m. thru 5:30 p.m.
Rockin 66 Express Office Phone Number:	(505) 290-2469

Note: The Rockin 66 Express will use the Grants/Cibola County Schools system for delays/closures. The Transit Manager will decide if there is inclement weather during service hours and if it starts snowing to stop service for safety purposes. Each client that provides a phone number will be called and notified of any delay due to weather.

Fare Structure

Effective January 1, 2018: All passengers will pay $0.75 per trip, per person (except for a caretaker who will not be charged and students ages 6 – 17 will pay $0.30 per trip) Veterans will ride for free with proof of service.

Fare Collection

The passenger's out-of-pocket fare is $0.75 per one-way trip, per person with the Village of Milan, City of Grants, certain areas of Cibola County (as described below) and NMDOT funding the balance of the cost. Bus drivers are required to collect exact fares for transportation services from passengers. All employees should make passengers aware of the correct fare and shall ensure that no passenger is given preferential

treatment in respect to fares. All drivers will carry no more than $5.00 in change on their bus. At the end of each shift, the driver will bring in their money bag with the $5.00 in change as well as the fares and turn in the fares to the transit manager or designee (if manager is unavailable) to be counted for and a deposit summary will be signed by both driver and transit manager acknowledging the amount of deposit minus the $5.00 (the $5.00 will be kept in the driver's fare bag and kept locked in the office until the next shift).

Within Milan/Grants: San Rafael/Mt Taylor Addition Bluewater Village Special Events: Bus Passes: School Pass Students 0-17 Summer Program (Excluding Daycare)	$0.75 $0.75 $2.00 Agency reimburses salary/fuel $30.00 for 60 one-way rides (this equals 20 free rides) $2.00 for all day pass (provided we have availability.) $40.00 for the School Year Per Child Per One way Trip $0.30 $25.00 pass for the duration of the program

(Modified: November 28, 2017) the Transit Board approved 4-0 fares of $0.75/one way, per person as well as the additional Fare Changes as stated above, which will start January 1, 2018.

(Modified: September 27,2018) the Transit Board approved 4-0 fares $4.00 for Bluewater Village round trip and San Rafael/Mt Taylor Addition $3.00 round trip.

(Modified: June 10, 2019) Cibola County agreed to full funding, therefor the Fares were changed to reflect fare pricing for service needs.

Advertising/Marketing

Advertisement:	Printed Media – Local Newspapers, flyers, brochures, New Webpage, Facebook Vehicle Ad – Labeling includes, public transportation, Name of the Provider, Phone Number, Local Governments logo, Federal Transit Admin., NMPTA. Local Media Station (7 Cities Production) – commercials and interviews.

Section VII: Accident/Incident Reporting Procedures

Accident/Incident forms: Each vehicle carries the accident/incident form.

Accident Procedures:

Insurance is thru the New Mexico Self Insurers' Fund and a Notice is in each vehicle. If an agency vehicle is involved in an accident the following steps will be followed.

1. Call 911 so law enforcement can investigate the accident. While they wait, do not blame anyone or take responsibility.
2. Determine if any passengers have been injured and/or is need of medical treatment.
3. If there is an injured person, the driver will render first aid as needed.
4. If it is unsafe for passengers to remain on board (if applicable) the driver will inform the passengers to evacuate the vehicle, if passengers need assistance evacuating the vehicle then driver will assist.
5. Inform Dispatch of your emergency.

On Vehicle Emergencies:

In the event of a medical emergency on the vehicle, the driver will immediately pull the vehicle over to the side of the road, turn on emergency flashers, call 911, determine if the passenger requires first aid, CPR, or extensive medical attention. Once the drivers assess the extent of the emergency call dispatch and provide the following.

1. Passenger requiring medical attention and level of medical attention needed.
2. Location of agency vehicle.
3. If first aid, CPR, other medical treatment provided.
4. Other relevant data to include exposure to blood or body fluids or a communicable disease.
5. Dispatch will notify Safety Officer.

Post-Accident Procedures for Drug and Alcohol Testing:

1. There is a fatality as a result of the accident.
2. The Driver is at fault for the accident
3. An individual involved in the accident/incident suffers injuries that require medical treatment away from the scene of the accident.

4. The transit vehicle involved is a bus, van, and one or more vehicles incurs disabling damage as a result of the accident and must be transported away from the scene of the accident by a tow truck or other vehicle.

The Transit Manager will be contacted to ensure that the accident forms are filled out completely and accurately. Village of Milan policy is to contact the Safety Officer when you have an accident/incident, if the Safety Officer is not available the Village of Milan Police Chief will be contacted as well as the Village Manager.

Incident Report

Rockin 66 Express Incident Report is used to report passenger issues (not injury related) or employee issues that need to be addressed. An example would be a failure of clients to follow Rockin 66 Express policies, road or driveway hazards, etc. The form should be answered as completely as possible. Reports should be written in ink, not pencil. After an Incident Report is submitted to the Transit Director, it will be forwarded to the correct department for appropriate action. The Supervisor will make comments regarding the action taken and return a copy to the employee for employee's information and review.

Section VIII: Vehicle Fleet

The agency will maintain a fleet of vehicles to provide transportation services for the community and the fleet will be included in a fleet management plan. In order to plan for vehicle replacement on a regular schedule, the following criteria will be used to plan such replacement and each vehicle will be evaluated no less than annually for potential replacement. A current inventory listing for the agency is included in the application.

- Mileage – 100, 000 miles or greater
- Operational readiness – has the vehicle been unavailable for a period of thirty days or more during a calendar year.
- Safety deficiencies – are there major recurring safety deficiencies with the vehicle.
- Structural fitness – is the vehicle structurally safe for use in the transit system
- When the vehicle is unsafe to operate
- When the vehicle reaches useful life expectancy

As of December 18, 2017:

Number of vehicles with NMDOT lien – 2

Number of vehicles with no NMDOT lien – 2

Maintenance schedule

To manage a fleet properly, a program for maintaining the mechanical condition of equipment is necessary. The primary purpose of such a program is to ensure safe, efficient vehicle performance and lengthened life span. The benefits of a vehicle maintenance program include.

- Reduced Maintenance Cost – minor adjustments and repairs made during regularly scheduled service checks help prevent unnecessary and costly repair.
- Decrease in downtime – PM reduces interruptions to service caused by breakdowns.
- Accident Reduction – proper vehicle maintenance can reduce accidents caused by faulty brakes, tires, steering, and other components.
- Improve Driver Morale – when vehicles are kept in top condition, drivers are more likely to handle the equipment with better care.
- Customer relations – clean, well maintained vehicles enhance the company image as a safety minded entity.

The Transit Manager schedules all vehicles for quarterly maintenance and maintains records on file.