

City of Rio Communities Council Minutes
Regular Business Meeting
March 23, 2021

This meeting was streamed on Facebook Live
<https://www.facebook.com/riocommunities>

Call to Order

- Mayor Pro Tem Peggy Gutjahr called to order the city council regular business meeting at 6:03 pm.

Pledge of Allegiance

- Councilor Ramsell led the Pledge of Allegiance.

Roll Call

- Present: Mayor Pro tem Peggy Gutjahr, Councilors; Bill Brown, Joshua Ramsell and Jim Winters. Present: City Manager Dr. Martin Moore, Municipal Clerk Lisa Adair, Finance Officer Stephanie Finch (virtual) and Valencia County News-bulletin Editor Clara Garcia.

Approval of Agenda

- Councilor Brown moved for the approval of the agenda. The motion was second by Councilor Ramsell. Vote: Councilor Winters-yes; Councilor Brown-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote the agenda for the regular business meeting was approved as presented.

Approval of Minutes for the Special workshop held on 2/22/2021, the Workshop and City Council Regular Business Meeting held on March 9, 2021

- Councilor Ramsell moved to approve the minutes for the Special workshop held on 2/22/2021, the Workshop and City Council Regular Business Meeting held on March 9, 2021. The motion was second by Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote the minutes for Special workshop held on 2/22/2021, the Workshop and City Council Regular Business Meeting held on March 9, 2021 as written.

Audit Report Presentation – SJT Group

- ❖ Jeremiah Armijo introduced the service team, Josh Trujillo, Maggie Guerrero & Mark Jaramillo gave the presentation on the audit for fiscal year ending June 2020.
- ❖ Jeremiah Armijo explained Management responsibility: accounting policies and procedures, internal control, accounting systems, inputting data, significant estimates, and at the end of the audit management signs a document saying what their responsibilities are and that they are complying with those responsibilities. He then said the Auditor's responsibility is to provide an opinion that the financial statements are correct, we pick several test areas and apply procedures to ensure things look good, obtain a good understanding of internal controls and verification that those are being followed. He then explained the significant deficiencies: the segregation of duties where the account staff are signers but also had access to the general ledger's compliance, and when we looked at revenue there were some other revenue sources that came in late and threw off the fund balance. He explained the 5 findings involving procurement purchasing, including: travel expenses for the previous City Manager that exceeded the amount allowed without Council approval; an employee using the City vehicle outside of City business, which is the City's prerogative but it would need to be a formal policy; the previous City

Manager purchased Christmas decorations as well as ordered a park study without using proper procurement procedure; the former City Manager placed a \$13,000 advertisement without the proper procedures. He then explained the proper procedure and how the City has fixed that area. He then said the next finding involved the Anti-Donation Clause, in which the City had ordered for fencing and never received it or received the money back due to lack of documentation, violating the anti-donation clause. He explained the last finding involved credit card expenditures due to lack of receipts or supporting documentation and progress has already been made in this area with changes of policy of credit card use.

- ❖ Mr. Armijo continued with the presentation focusing on the Statement of Net Position comprised of Assets and Liabilities, account payable, accrued payroll liabilities, other current liabilities, long term debt. He then explained cash has increased this year at \$2.7 million last year because the City had several large Capital Improvement projects; Capitol assets at 8.2 billion; Liabilities were consistent from other years; The City is close to paying off long-term debt; He then explained equity which is Net Position of Activities, which is \$8.1 million in assets; Revenues, FY 2020 which are generated by grants and contribution from State agencies; Statement of Activities – expenses, FY 2020 which include public safety, fire department, public works, interest for the NMFA loan, the general government salaries and wages. He explained the expenses for each department. He then asked for question and comments.
- ❖ Manager Dr. Moore said the circumstances with not having a City Manager in place and to get a clean opinion like that, it is a job well done. He explained that there is a plan in place to address all findings within the next couple of Council meeting.
- ❖ Manager Dr. Moore said regarding net position, grants should be coming in, we will be sending out a notice investment of unobligated funds, where we will be investing funds without risk.
- ❖ Mayor Pro tem Gutjahr wanted to thank Jeremiah and the finance department and then explained circumstances that had happened with personnel changes in the finance department and most of the issues we had with the findings was resolved when the previous City Manager was terminated and with changes made within the fire department.
- ❖ Councilor Ramsell thank Jeremiah and his time and noted that the amount of money the City has only 18% is spent on staff and the majority of the money is going to the Community.
- ❖ Councilor Winters said good report.
- ❖ Councilor Brown said well done.
- ❖ Jeremiah Armijo thanked the City and the opportunity to provide services, everyone is so helpful hear and it was a pleasurable experience, and we appreciate it, and we are open to any questions moving forward.

Discussion, Consideration, and Decision - Audit Report Presentation – SJT Group

Councilor Ramsell moved to approve Audit Report Presentation by the SJT Group. The motion was second by Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote the audit for FY 2020 by SJT Group was approved.

Public Hearing

- **Motion and roll call vote to recess Regular Business Meeting session and to go into Public Hearing:**
 - Councilor Ramsell moved with a roll call vote to go into a public hearing for consideration of the proposed ordinance 2021- chapter 3 rev & finance article 5

municipal GRT .25%. The motion was second by Councilor Winters. Vote: b w r g. With a 4-0 vote Council was in public hearing at 7:00 pm.

- **Consideration of the proposed Ordinance 2021-XX Chapter 3 Rev & Finance Article 5 Municipal GRT .25%**
 - Councilor Ramsell said in relation to the GRT increase was the goal to increase services to the community, such as police, fire, public works, and animal control.
- **Motion and roll call to go back into Regular Business Meeting session**
 - Councilor Ramsell moved with a roll call vote to go back into the regular business meeting session. The motion was second b Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote Council was back in to the regular business meeting at 7:02 pm

Discussion, Consideration, and Decision – Ordinance 2021-xx Chapter 3 Rev & Finance Article 5 Municipal GRT .25%

- Mayor Pro tem Gutjahr explained when we passed the last one, we had to use the funds to make up for the effects of Covid. She then explained that we don't always get all of our GRT because we share a zip code with Belen and that is something we are working on.
- Councilor Ramsell made a motion to approve Ordinance 2021-77 Chapter 3 Rev & Finance Article 5 Municipal GRT .25%. The motion was second by Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote Ordinance 2021-77 Chapter 3 Rev & Finance Article 5 Municipal GRT was passed, approved, adopted, and signed.

Public Comment:

- No public comments

Manager Report

- Manager Dr. Martin Moore said the public would like to know that we have completed the hot water lines in the building, security lights, we have backgrounds and filling vacant position and they will start next week if they accept the formal offer. He then said regarding the building, fresh air circulation adaptors were added for fresh air.

Discussion, Consideration, and Decision – Approval of Accounts Payable

- Councilor Ramsell said there was a charge for \$49,000 for the doors that were replaced at the Fire Department and that was paid for out of EMT funds and not City funds.
- Councilor Winters moved to approve accounts payable. The motion was second by Councilor Brown. Vote: Councilor Ramsell-yes; Councilor Brown-yes; Councilor Winters-yes and Councilor Gutjahr-yes. With a 4-0 vote accounts payable was approved for payment.

Discussion, Consideration, and Decision – Signature on Bank Account (adding)

- Mayor Pro tem Gutjahr said she has been one of the signers and we will be adding Councilor Ramsell.
- Manager Dr. Moore said that it should also include the City Clerk and the City Manager.
- Councilor Brown moved that we add the signatory to the bank account, specifically the City Manager, the City Clerk, the Mayor Pro tem, and Councilor Ramsell. The motion was second by Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and

Councilor Gutjahr-yes. With a 4-0 vote Council approved the adding signatory to the bank account which are Mayor Pro tem Margaret Gutjahr, Councilor Joshua Ramsell, City Manager Dr. Martin Moore and Municipal Clerk Elizabeth Adair.

Discussion, Consideration, and Decision – Resolution 2021-XX - Open Meetings Act

- Municipal Clerk explained the change: the date of the regular business meeting, which took place on the second and fourth Tuesday, will now be held the second and fourth Monday of each month starting at 6 pm and the workshop will still be held before the meeting at 3 pm.
- Councilor Winters made a motion to approve Resolution 2021-06- Open Meetings Act. The motion was second by Councilor Brown. Vote; Councilor Ramsell-yes; Councilor Brown-yes; Councilor Winters-yes and Councilor Gutjahr-yes. With a 4-0 vote Resolution 2021-06 open meetings act was passed, approved, adopted, and signed.

Council Reports

- Councilor Winters had no report.
- Councilor Ramsell said we were able to get through capital outlay \$204,000 for a fire apparatus and possibly another \$260,000, but the big thing is getting new business and I would ask that you go to the businesses that are here because anything you can do to support them goes a long way.
- Councilor Brown no report.
- Mayor Pro tem Gutjahr said Dr. Moore and herself has met with Universal Waste, they have an office in Rio Communities and are open, they have been very busy servicing about 2,000 paying customers that are current, about 145 customers that are in arrears, and 45 vacant. She explained the customers in arrears are in violation of our ordinance and the Code Enforcer will be handling those case, but we been very pleased about where they are at and on May 15th will be yard waste and April 17th we will be having an extra roll off for tires.

Executive session for the purpose of goal setting and an Evaluation of the City Manager pursuant to NMSA 10-15-1(H)(2) - Limited Personnel Matters and for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8)

- **Motion and roll call vote to go into close session**
 - Councilor Ramsell moved with a roll call vote to go into Executive session for the purpose of goal setting and an Evaluation of the City Manager pursuant to NMSA 10-15-1(H)(2) - Limited Personnel Matters and for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8). The motion was second by Councilor Winters. vote Councilor Brown-yes; Councilor Ramsell-yes; Councilor Winters-yes and Councilor Gutjahr-yes. With a 4-0 vote council went into executive session at 7:19 pm.
- **Motion and roll call vote to go back into the regular business meeting session**
 - Councilor Ramsell moved with a roll call vote to go back into the regular business meeting session. The motion was second by Councilor Winters. Vote: Councilor Brown-yes; Councilor Winters-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 4-0 vote Council returned to the regular business meeting session at 9:02 pm.
- **Welcome everyone back and statement by the Mayor Pro-tem**
 - Mayor Pro tem Gutjahr welcomed everyone back in and then stated the only thing that was discussed was the goal setting and evaluation of the City Manager and - for

the discussion of the purchase, acquisition or disposal of real property or water rights by the public body.

Action Item – Consideration & Decision – Mayor Pro-tem recommendation regarding the goal setting and evaluation of the City Manager and - for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body

- Mayor Pro tem Gutjahr stated no decision was made, but we did work on goals for the City Manager.

Adjourn

- Councilor Brown moved to adjourn. The motion was second by Councilor Ramsell. With a 4-0 vote the City Council regular business meeting was adjourned at 9:04 pm.

Respectfully submitted,

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

Date: _____

Approved:

Mark Gwinn,
Mayor

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

Bill Brown,
Councilor

Joshua Ramsell,
Councilor

Jim Winters,
Councilor