

**MINUTES OF THE CITY OF LAS VEGAS REGULAR CITY COUNCIL MEETING HELD
ON WEDNESDAY, FEBRUARY 15, 2017 AT 6:00 P.M. IN THE CITY COUNCIL
CHAMBERS**

MAYOR: Tonita Gurulé-Girón

COUNCILORS: Vincent Howell
David A. Ulibarri, Jr.
David L. Romero
Barbara A. Casey

ALSO PRESENT: Richard Trujillo, City Manager
Casandra Fresquez, City Clerk
H. Chico Gallegos, City Attorney
Juan Montano, Sergeant at Arms

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Councilor Casey asked for a moment of silence to remember those who had recently passed away and to offer condolences to Housing Director Carmela Martinez and family for their recent loss of their father, who was a Medal of Honor winner and a Purple Heart Recipient and asked God to give them peace and solace at this terrible time.

Mayor Gurulé-Girón expressed her condolences to Andre Garcia Nuthmann for the loss of his mother, Christel Nuthmann Garcia.

APPROVAL OF AGENDA

Councilor Howell made a motion to remove Consent Agenda Item #3 and place on Business Items as he had further questions. Councilor Casey seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Vote was taken and reflected the following:

David L. Romero	Yes	David A. Ulibarri, Jr.	Yes
Vincent Howell	Yes	Barbara A. Casey	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

APPROVAL OF MINUTES

Councilor Casey made a motion to approve the meeting minutes of January 11th and January 18th, 2017 as presented. Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	David L. Romero	Yes
Barbara A. Casey	Yes	David A. Ulibarri, Jr.	Yes

City Clerk Fresquez re-read the motion and advised the motion carried.

MAYOR'S APPOINTMENTS/REPORTS

Mayor Gurulé-Girón advised that there were no appointments or reports at this time.

MAYOR'S RECOGNITIONS/PROCLAMATIONS

City Clerk Fresquez read five Athletic Achievement Recognitions acknowledging the following for their dedication to the sport of football and for representing Las Vegas and the State of New Mexico:

-Santana Martinez	Las Vegas Storm	-Tony Rubin	Las Vegas Outlaws
-Noah Martinez	Las Vegas Storm	-Logan Vigil	Las Vegas Outlaws
-C.J. Perea	Las Vegas Outlaws		

Mayor Gurulé-Girón congratulated all the athletes for their tremendous athletic achievements; she commended coaches, parents and grandparents for their commitment to them and stated that she was grateful for the time that Coach Carlos Perea gave to the children and also his involvement in several committees which included the Finance committee.

Mayor Gurulé-Girón congratulated and presented an award to the City of Las Vegas Utilities Department recognizing them for receiving the Northeastern Section Presidential Award at the Water & Waste Water Awards held in Las Cruces, New Mexico in January 2017, for the Water Distribution System - "Most Improved Facility in 2016".

PUBLIC INPUT

Alex Aragon spoke briefly regarding signing up for Public Input, fifteen minutes prior to City Council meetings and stated that it was a burden to the community and felt that the Governing Body was taking away the right of the citizens to speak. Mr. Aragon also stated that only allowing the public to speak for three minutes was not enough and thought that it should be changed to five minutes. Mr. Aragon stated that he was against having to sign in at the City Hall reception area when coming in to see someone and felt that everyone was being punished for the bad deed of one, and hoped all his concerns would be discussed at the next meeting and brought before the whole Governing Body to be voted on.

Mayor Gurulé-Girón advised Mr. Aragon that a resolution had been openly discussed and adopted four years ago, through previous administration; regarding the fifteen minute sign up prior to the meeting and the three minute allowance to speak and advised Mr. Aragon that a copy would be given to him.

Bob Wessely stated he had learned that the Utilities Department had requested four projects be funded by the Legislature through Capital Outlay and reminded everyone that Las Vegas Night at the Legislature was quickly approaching and stated that it was a great opportunity for citizens and employees of the City to work together as a team to explain the Utilities needs to the Legislators who attend. Mr. Wessely advised that the Governing Body should be able to understand and be knowledgeable of the Capital Outlay requests and requested that they get sufficient information about them so that they may effectively influence Legislators.

Mayor Gurulé-Girón informed Mr. Wessely that Council had been fully apprised of the Utilities Capital Outlay projects in an open session and added that a ranking and rating process was completed by them to determine priority projects. She stated that Council had been apprised by both City Manager Trujillo and Utilities Director Gilvarry.

CITY MANAGER'S REPORT

City Manager Trujillo advised he did not have anything to report at this time.

FINANCE REPORT

Finance Director Ann Marie Gallegos presented the finance report ending January 31, 2017, reporting that the General Fund revenue was at sixty-one percent and expenditures came in at fifty four percent and advised that April 2017 would be the time for final needed adjustments from departments which would require review and approval from Mayor and Council.

Finance Director Gallegos reported that revenue was at forty-four percent for Recreation Department and was projecting more revenue after completion of the project.

Mayor Gurulé-Girón had a question regarding the expenditure totals for the Recreation Department.

Finance Director Gallegos informed that the Recreation Department expenditures were from employee expenditures and were closely being monitored.

Finance Director Gallegos reported that Enterprise Funds revenue was at fifty-three percent which would increase due to December and January natural gas and advised that expenditures were at forty-eight percent.

CONSENT AGENDA

1. Approval of Resolution #17-03 Budget Adjustment Resolution.

Resolution 17-03 was presented as follows:

STATE OF NEW MEXICO
MUNICIPALITY OF CITY OF LAS VEGAS
BUDGET ADJUSTMENT RESOLUTION NO. 17-03

WHEREAS, The Governing Body in and for the Municipality of Las Vegas, State of New Mexico has developed a budget for fiscal year 2017; and

WHEREAS, said budget adjustments were developed on the basis of an increase in revenues and expenditures, transfers in/or out in various funds; and

WHEREAS, increase/decrease in revenues, expenditures, transfer in, and transfers out to be funded by additional grant funds and;

WHEREAS, the City of Las Vegas is in need of making adjustments to the 2017 fiscal year budget;

WHEREAS, it is the majority opinion of this Council that the budget adjustment meets the requirement as currently determined for fiscal year 2017;

NOW, THEREFORE, the Governing Body of the City of Las Vegas passes this budget resolution for budget adjustments, PASSED, APPROVED AND ADOPTED THIS 15th DAY OF FEBRUARY, 2017.

Mayor

ATTEST:

Casandra Fresquez, City Clerk

Reviewed and Approved as to Legal Sufficiency Only:

H. Chico Gallegos, City Attorney

2. Approval to award bid #2017-13 for Cabin Site Tank inspection project to D & R Tank.

Councilor Casey made a motion to approve the Consent Agenda with the removal of Consent Agenda Item #3 and placed on Business Items. Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	David L. Romero	Yes
David A. Ulibarri, Jr.	Yes	Barbara A. Casey	Yes

City Clerk Fresquez re-read the motion and advised the motion carried.

BUSINESS ITEMS

1. Approval of Bulk water purchase from Storrie Project Water Users Association.

Utilities Director Gilvarry advised that the City entered into a bulk water purchase agreement number 3162-16 with the Storrie Water Project Users Association on February 29, 2016. The agreement outlines the purchase of 1,200 acre-feet of bulk water stored in Storrie reservoir at a cost of \$360,000.00 plus a \$1,203.29 for closing after December 2016. All permits and paperwork have been approved by the Office of the State Engineer. The purchase and closing must now be completed through bill of sale and closing statement by the City and the Storrie Project Water Users Association.

Councilor Howell asked if the contingency of a loss of ten percent of evaporation per year applied to the proposed bulk water purchase.

Utilities Director Gilvarry advised that she was told by the City's Water Rights Attorney that there were no evaporated losses associated with this agreement and stated that she personally did not see any language in the agreement regarding evaporated losses.

Councilor Howell had questions regarding a lease payment of \$5,000.00 a month on the 1200 acre-feet.

Utilities Director Gilvarry explained that there was an additional storage fee of slightly over \$5,000.00 and stated as long as the City had the 1200 acre-feet of water in Storrie Lake, they would have a monthly payment and once the 1200 acre-feet was consumed then the payment would stop.

Mayor Gurulé-Girón asked Ms. Gilvarry if the City historically had been paying for storage of water at Storrie Lake.

Utilities Director Gilvarry advised that prior to 2013, the City did pay for storage at Storrie Lake.

Brief discussion took place regarding prior water storage fees paid by the City and evaporated loss.

City Manager Trujillo wanted to clarify to Mayor Gurulé-Girón and Council that as long as the City had water there, we would continue to pay for the rental of the storage capacity.

Utilities Director Gilvarry simplified a way that the agreement read, which was: if the City didn't use any water this year, the City would still have 1200 acre-feet next year, even with evaporation loss, due to it not being in the agreement and added that they could not increase or decrease the amount and the only way it would decrease would be in the event of diversion.

2. Approval of 2016 Audit.

Finance Director Gallegos advised that the Office of the State Auditor had released the 2016 Audit for review and final approval by Mayor and Council and introduced RPC, CPA & Consultants representative Danny Martinez. Mr. Martinez gave a detailed presentation regarding the final Annual Financial Report for the year ended, June 30, 2016 which included:

Timeline of the Financial Audit

- Signed Engagement Letter-July 26, 2016
- Planning-Began in late June 2016
- Fieldwork-Began July 25, 2016
- Delivered Financial Statement Draft-December 5, 2016
- Independent Auditor's Report-Dated December 7, 2016
- Exit Conference-December 7, 2016
- Council Presentation-February 15, 2016

Financial Statement Highlights

Statement of Financial Position

- Total Assets increased by \$8.3 million from 2015
- This can be attributed to an increase in cash and equivalents of \$4.8 million, an increase in receivables of \$1.8 million, an increase in net capital assets of \$1.9 million and a decrease in inventory of \$200 thousand.
- Total Liabilities increased by \$3.3 million from 2015
- This increase can be primarily attributed to the increase in Net Pension Liability of \$2.7 million, increase in long-term debt of \$1.1 million and decrease in landfill closure liability of \$500 thousand.

Statement of Activities

- Revenue and Support

- FY 2016 total revenue was \$38.1 million compared to \$39.3 for FY 2015, a decrease of \$1.2 million.
- This decrease is primarily attributed to a decrease in charges for services for Business-type activities of \$600 thousand, a decrease in grants for Business-type activities of \$1 million, with an increase in charges for services for Primary Government of \$400 thousand.
- Expenses
- FY 2016 total expense was \$29.7 million compared to \$30.4 for FY 2015, a decrease of 700 thousand.
- This decrease is attributed to Primary Government decrease of \$300 thousand and a decrease in expenditures for Business-Type activities of \$400 thousand.

Net Position

- Increase in net position of \$8.4 million
- Majority of net position is the net investment in capital assets of \$75.4 million of the total net position of \$92.5 million

City Fund Balance Breakdown (Illustration)

City Highlights

- General Fund expenditures under budget by \$2 million (16%)
- All utilities had an increase in cash and cash equivalents from the prior year
- Utility billing calculation issues resolved
- Cash receipting finding resolved
- Stale dated checks finding resolved
- No material weaknesses

Housing Authority Highlights

- Total assets decreased by \$157 thousand
- This is primarily attributed to the decrease in net capital assets of \$99 thousand
- Total liabilities increased by \$88 thousand
- This is mostly due to net pension liability increasing by \$105 thousand
- Compliance with HUD
- No issues noted pertaining to tenant eligibility

Independent Auditor's Report

Opinion on the Financial Statements

- Unmodified-Clean opinion
- Financial Statements are presented fairly in accordance with accounting principles generally accepted in the United States of America.

- No audit areas where we did not have sufficient audit evidence to opine.

GAGAS Report

- 2 financial statement finding
- 2 Section 12-6-5 NMSA 1978 findings

Report on Compliance

- Unmodified Opinion on Compliance
- No Federal Award Findings

RPC's Responsibility under U.S. & Government Auditing Standards

State Audit Rule Changes for 2017

- Change to Reporting Model
- No change in City due date
- State Auditor will be holding 3 hour training on March 31st at Highlands University

Concluding Comments

- The Finance, Utilities and Housing Departments were very helpful and great to work with.
- Thank you for the opportunity to serve the City of Las Vegas.
- We value our relationship and hope to continue to build on it.

Mr. Martinez thanked the City of Las Vegas for allowing RPC to service in the auditing and appreciated the collaborative relationship with Finance Director Gallegos and her staff.

Mayor Gurulé-Girón had a question regarding Section II-Findings on the Financial Statement Audit.

Finance Director Gallegos and Mr. Martinez explained the findings in question as well as several other findings that included: *Condition, Criteria, Effect, Cause, Auditors' Recommendations and Agency's Response*.

Brief discussion took place pertaining to forensic services offered by RPC and brief review of Capital Assets regarding Utilities Department Water Systems.

Councilor Casey made a motion to approve of the 2016 Audit. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David L. Romero
Vincent Howell

Yes
Yes

Barbara A. Casey
David A. Ulibarri, Jr.

Yes
Yes

City Clerk Fresquez re-read the motion and advised the motion carried.

COUNCILOR'S REPORTS

Councilor Casey reported that she had recently communicated with several anonymous City employees by phone, regarding many personnel changes occurring within the City of Las Vegas and stated that she was very concerned due to the changes being involuntary transfers, that employees were not being told why they were being transferred and she disagreed in the manner in which it was being handled.

Councilor Casey advised that City employees with many years of experience had left the City and added that morale was at "rock bottom", and stated that employees should always be treated with the utmost dignity and respect. Councilor Casey advised that according to personnel policy, the City Manager should have personnel changes confirmed by the Governing Body and that she would like to be informed of personnel changes. Councilor Casey explained that disciplinary actions should be practiced when needed although felt that employees should feel content in their work and hoped that something would be done to ensure that it didn't happen again. Councilor Casey stated that employees should be told the reasons they are being moved or let go and felt strongly about the Governing Body doing everything they could to always support our employees.

Discussion took place on various issues regarding personnel rules and regulations.

City Clerk Fresquez informed that the Human Resource Department was currently reviewing the City's Personnel Ordinance and would be updating it and would be brought to Council in the near future.

City Manager Trujillo stated if questions regarding personnel issues were directed to Mayor Gurulé-Girón, he would explain everything that was being done, adding that there were always two sides to every story and thought for the most part

that things were working great and that employees knew that they had to be productive in their jobs and that the City is headed in that direction.

Mayor Gurulé-Girón advised that based on her reviews with City Manager Trujillo, the Human Resource Department and the Legal Department, they had always treated situations and employees fairly and stated that discussion of changes and why they had occurred, had taken place.

Councilor Howell advised that he agreed with Councilor Casey and stated that they were the Legislative Body, who develops ordinances and policies therefore it was their job to get involved if any abuse of policies or ordinances were occurring, with the result of finding solutions to the problems.

Councilor Howell felt that he did not agree with what the City Charter read regarding that Council could not be involved and added that it is important that they are elected to protect and serve the community and to make sure employees are treated in a fair and consistent manner according with our policies. Councilor Howell advised that if policies are wrong, they need to be amended and felt that discussion needed to take place in a retreat or in Executive Session because in his opinion, he felt that employees were crying out for help. Councilor Howell asked who was involved in amending personnel policies.

City Clerk Fresquez advised that Human Resource Department, City Attorney and Department Heads were involved in amending personnel policies and advised that they review and comment. City Clerk Fresquez informed that they are sent for final review to City Attorney and then brought forth to Council for comments or questions and approval.

Further discussion took place regarding various personnel matters.

EXECUTIVE SESSION

Councilor Casey made a motion to go into Executive Session to discuss personnel matters, specifically those brought up during Councilor's Reports, as permitted by Section 10-15-1 H2 of the New Mexico Open Meetings Act (NMSA 1978).

Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised the motion carried.

Councilor Casey made a motion to exit Executive Session and to reconvene into Regular Session and advised that only discussion regarding personnel matters took place, no decisions were made and no votes were taken. Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David L. Romero	Yes	Barbara A. Casey	Yes
Vincent Howell	Yes	David A. Ulibarri, Jr.	Yes

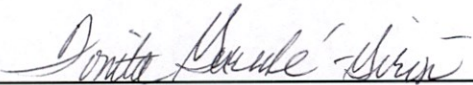
City Clerk Fresquez re-read the motion and advised the motion carried.

ADJOURN

Councilor Casey made a motion to adjourn. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

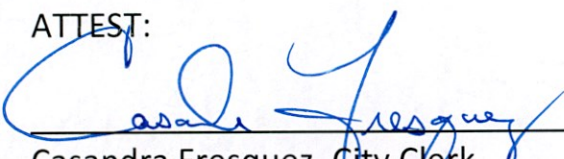
Vincent Howell	Yes	David A. Ulibarri, Jr.	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised the motion carried.



 Mayor Tonita Gurulé-Girón

ATTEST:



 Casandra Fresquez, City Clerk