



SOUTH CENTRAL REGIONAL TRANSIT DISTRICT BOARD OF
DIRECTORS

**Board Meeting
AGENDA**

Wednesday, June 27, 2018, 1:30 PM

The following is the agenda for a meeting of the Board of Directors of the South Central Regional Transit District to be held Wednesday, June 27, 2018 at 1:30 PM, at the Dona Ana County Government Center, 845 North Motel Boulevard Las Cruces, New Mexico 88007.

Digital recordings and/or minutes will be made and will be available on request.

The SCRTD does not discriminate based on race, religion, sex, sexual orientation, gender identity, color, ancestry, serious medical condition, national origin, age, or disability in the provision of services.

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Call to Order

1. Pledge of Allegiance
2. Roll Call
3. Changes to the Agenda
4. Public Input
5. Approval of SCRTD Meeting Minutes of May 23, 2018
6. Financial Report for the Period Ending May 31, 2018- Katherine Gervasio
7. Executive Director's Report- David Armijo
8. Discussion items:
 - a. Agency Budget FY2018
9. Action items:
 - a. A Resolution approving the Financial Statements as of May 31, 2018.
 - b. A Resolution approving the District Budget for Fiscal Year 18-19
 - c. A Resolution approving the submission of the FY2020-2024 ICIP to the DFA
 - d. A Resolution of the State of New Mexico Deferred Compensation Plan
10. Board Comment
11. Adjourn



**South Central RTD Board of Directors Meeting
Wednesday, May 23, 2018 – 1:30 PM
Doña Ana County Government Center
845 N. Motel Blvd., Las Cruces, NM 88007**

MINUTES

Call to Order – Chairman Perea called the meeting to order at 1:30 pm.

- I. Pledge of Allegiance:** Pledge of Allegiance was led by Vice Chair Barraza.
- II. Roll Call (Sign In)** – Kathy Elverum, SCRTD Fiscal Clerk, did a roll call of SCRTD Board members. With six members present, a quorum was established. Member LaFont became the seventh Board member present with his arrival at 1:34 pm and it was announced by Chair Perea.

Present at the meeting:

Board Members:

Javier Perea, RTD Chair, City of Sunland Park,
Majorie Powey, Village of Williamsburg, attending
by telephone
Nora Barraza, RTD Vice Chair, Town of Mesilla
Jack Eakman, City of Las Cruces
Billy Garrett, RTD Secretary, Doña Ana County
Gerald LaFont, City of Elephant Butte arrived 1:34
pm
Diana Trujillo, City of Anthony, attending by
telephone

Members Absent:

James “Slim” Whitlock, Village of Hatch
Steve Green, City of T or C

SCCOG Staff:

Katherine Gervasio, SCCOG Fiscal Administrator
Kathy Elverum, SCRTD Fiscal Clerk
Jay Armijo, SCCOG Executive Director

SCRTD Staff:

David Armijo, SCRTD Executive Director
Leticia Lopez, Transit Supervisor
Merlinda Barela, Dispatcher

Guests:

See sign in sheet for public guests

- III. Approval of / Changes to Agenda-See Attached:**
Chair Perea asked if there are any changes to the agenda. Member Garrett made a motion to approve the agenda as presented, Vice Chair Barraza seconded. A vote of the members was taken by affirming aye, and the motion carried unanimously.

- IV. Public Input:**
Clare Kapner said she lives in Picacho Hills and is unable to have on demand transit service for her disabled husband to make doctor appointments. She attended the meeting with Dona Ana County where the request for \$147,000 to fund expanded SCRTD service. A motion was made by Commissioner Garrett to approve the funding, but it died for lack of a second. She is here today to support Mr. Armijo’s request to fund \$88,000 from operations by diverting the money from membership dues to make this service available. Mr. Armijo shared with her that he has a grant to purchase a small bus to provide service but lacks operating funds. Ms. Kapner said there are three thousand people who live in Picacho Hills, many who need this service to make the choice not to drive when they feel less than capable. She has personally struggled with this for the past two years as there are no alternatives unless you are on Medicaid.

Joann Vullo said she is with District 34 as the Director with the Democratic Party in Dona Ana County. She organized a forum to present the candidates to the citizens of her district, which runs from Sunland Park to San Miguel. She needed transportation for people who had no way to travel from the outlying areas of southern Dona Ana County to the forum. Representative Bill Gomez contact the Transit District to arrange this service at \$55 per hour. Her Board approved the expense the approval and when she went to obtain the contract, she was told she could not pay for this

service since it was a political event. The public was invited to attend this forum, it was not just for members of the party. She was asked by the County Commission to come to this meeting to address the Board about this matter.

V. Approval of SCRTD April 25, 2018 minutes-See Attached:

Vice Chair Barraza made a motion to approve the minutes of April 25, 2018 as presented, Councilor Eakman seconded. A roll call vote of the members was taken, and the motion carried unanimously.

VI. Financial Reports for period ending April 30, 2018-See Attached:

SCCOG Fiscal Administrator, Katherine Gervasio, said the year to date expenditure is \$748,000. Katherine reported \$712,000 has been paid and \$35,000 is pending payment.

There will be a small budget adjustment for maintenance and the offset will be a decrease in SUTA and in health insurance.

Vice Chair Barraza asked if the fiscal year ends on June 30 and if the Fiscal Agent feels comfortable with move that amount out of the employee benefit side. Katherine said the cap under SUTA is \$24,200 and that point has been almost reached and employees have not used the insurance even though it is a resource available to them and open enrollment is already passed.

Member Eakman asked at this point what is the cash on hand. Katherine said SCRTD has \$30,000 but there are pending invoices. However, she explained that she stops paying invoices once she reaches \$20,000 cash on hand to make sure there is money available to pay insurances as the premiums are due. The SCCOG invoices are held back from payment until the critical payments have been made. The 5311 invoice for April has submitted but it will be another seven to ten days before DFA releases the invoice for payment. Member Eakman asked what cash balance would be needed at the end of each month to prevent heartburn. Katherine replied that \$70,000 would sufficient to cover payroll for the month and cover the rest of the end of the month expenses.

Vice Chair Barraza said we have over \$35,000 in expenses and \$30,000 in the bank is that right. Katherine explained that the \$35,000 in expenses was at the end of April, but we have more expenses to date, about another \$50,000 is accruing for payroll. We are a cost reimbursement agency and the May payroll has not yet been paid.

David Armijo, Executive Director, said if you look at our revenues, we still have \$67,000 coming in. The 5311 for April was mentioned and we are waiting on the County for another \$29,000. He said part of the problem is that we are not getting paid as soon as the contract calls for. Mr. Armijo went on to explain that the memberships letters are going out to try and capture that revenue earlier in the fiscal year. That will allow us to carry a higher bank balance than what we currently do. At the moment, we are floating about \$60,000 at any given time. Mr. Armijo said SCRTD is number 4 in rankings for the amount of money that is recovered through the 5311 program, collecting just over 98%. There was only one system that collected 100% with the average of 88%-89% draw down with only one year to recover expenses.

VII. Executive Director's Report. See attached report & Power Point: SCRTD Executive Director, David Armijo, said earlier this week SCRTD was awarded the NM DOT grant at a lower rate than requested.

Executive Director Armijo said last month was a great month, carrying 2689 riders. He referred the members to the new Blue route schedule. He was able to save some money with dropping some stops on other routes and was able to add another round trip. The red route will most likely benefit because of the changes.

Director Armijo reported that both Grants came in. The 5310 is \$70,000 with a local match for \$17,000 to purchase a small bus. The 5311 is at the same level as we are currently receiving at \$419,000 for a total of Federal grants at \$489,000.

Director Armijo went on to cover the Grant award prioritization for each of the Grants and where SCRTD was ranked. The ridership rank came in at 15th but the cost per trip was at the bottom. The logistics and administrative costs factor into the cost per trip and that is why it is important to do what we can to become more efficient and lower costs. With the new budget, we will be running at 25%.

Director Armijo said the presentation was made to Dona Ana County to increase funding to expand services into the unincorporated areas of Dona Ana and into Sierra County. That request was denied, and the funding level will remain

the same at \$350,000. They feel we should carry more riders than we should. He then covered the ridership charts presented in the power point presentation.

The budget goals slide was reviewed along with the explanation as to how it helps plays into ridership goals and increases of revenue. He is working with STS as to what the contract will give all parties concerned if the bus facilities are moved to Anthony. They are looking at what that means for the mechanic to be able to work on the buses and if those costs are shared or is he placed in Anthony. One facility will reduce fuel costs by reducing the amount of deadhead miles.

Director Armijo said he is proposing that SCRTD hire a Finance Manager. There were two parties interested in the RFP, neither submitted bids. One was Z Trans, they didn't want to do the payroll and Anthony chose not to bid. Therefore, it would make sense to hire a 24/7 Finance Manger who would be responsible for accounts payable and receivable, budgets and coordinated the audit.

Director Armijo then covered the budget proposed for FY18-19. The first point was the increase in salaries with the addition of a Finance Manager. The benefit package should be about the same as last year based on the fact the drivers have not used the benefits available and the budget adjustments that have taken place in these areas. He said he added a small amount for PERA but as we move into the new fiscal year that may need to change.

He continued with the fuel costs which he sees as going down with a relocation to one facility, dropping by 10-11%. He left maintenance the same, supplies increased to cover the new facility. The insurances he left the same except for auto, increased to cover a new bus, and D/O insurance he left it pretty much as it is now, but it may need adjusted.

Contract services will change with ADP costs and a stenographer to do the minutes, SCCOG would be dropped, there is another reduction with STS and an increase with Zia Therapy. They have given a proposal where SCRTD picks up 22% of their contract to allow us to pick up the local match which increases ridership by 4000 and increase revenues by \$2000 for fareboxes. The marketing costs with Camino Real should go down, Fineline Graphics and advertising stays the same.

This leaves us with \$43,000 in reserves compared to the \$7,000 we have now. Capital assets is the local match for the bus, combined with the grant brings it to a total of \$87,000. The total of the FY2019 expenses is \$967,000 over \$943,000 in FY2018. This allows us to reduce our overhead and should help to gain more money for the next grant application based on better administrative cost ratio.

Vice Chair Barraza asked what is the plan for the RFP since there was not a response. Mr. Armijo said he will not have a fiscal agent and instead hire a Financial Manager within SCRTD. Vice Chair Barraza clarified, the increase in salaries is the Fiscal Manager wages but the benefit package didn't change. She said that should be changed to include the Manager and there is a 4% increase in the benefit package that is being driven by an increase in costs for all employees. In addition, the retirement package under PERA is tied to SCCOG and once that ends, there is a process that you must go through to obtain retirement by PERA it doesn't automatically happen. Katherine Gervasio said there is a certification process you go through to obtain a PERA program through the State.

Director Armijo said he will be in Santa Fe tomorrow to talk about the 5311, and he will talk with PERA the same day. He had a discussion a few months ago with PERA about the application process and he will see if that can be expedited so he can move forward. The budget numbers may have to shake out a bit on benefits. Included in the budget is \$80,000 in salary for the Finance Manager but he doesn't expect to spend that amount to hire what he needs so there are some built in savings in salaries.

Vice Chair Barraza noted that the budgeted fuel costs for FY19 did not change. With the increase in fuel nationwide, she does not feel this is realistic. Director Armijo responded that as he said a moment ago he expects a 15% savings in fuel with the consolidation of the buses in Anthony and the revision of the routes.

Vice Chair Barraza asked about the increase with Zia Therapy, why it has gone up so much. Director Armijo said SCRTD would take over the local match for the route, which increases the ridership by 4000 and provides \$1900 in farebox revenue for the year. This could be the start of Zia folding into SCRTD to grow the system. The ridership numbers are important to the County and therefore we need to capture those numbers wherever we can. From the State perspective, it would help to change our ranking where it comes to costs per route and per rider.

Vice Chair Barraza said she knows the South Council of Governments has been footing the bills for SCRTD. If you drop the contract with them, where is the money going to come from to pay the bills. Director Armijo said it would come from the credit card. He would use the credit card to build in the thirty-day float. He will work with the Bank of the West on this and if needed he would obtain a small loan to carry over until the revenue comes in, however he anticipates no shortage in the bank to meet obligations. Also, when the invoices come in, there is a 30-day account payable cycle built in, and they don't have to be paid immediately. Barraza expressed a serious concern for paying SCRTD bills using a credit card.

She then asked about the rent with the City of Anthony and how many buses are parked there. Director Armijo said there are three. With the lease of the bus facility in Anthony, all operations would be consolidated at the new yard. The City of Anthony lease runs through August and he doesn't expect it to be continued. Utilities for the new yard are still being negotiated. The lease started at \$1800, but it has been on the market for some time, so he is still working on the lease/utilities pricing.

Vice Chair Barraza asked about the Capital Assets and what it is for. Armijo replied it is the local match for the new bus that he has the grant for.

Member Eakman asked if there is a revenue projection for next year. Director Armijo said there is one in the packet, but it was determined the title is incorrect. It should read FY18-19 not FY17-18. Member Powey said the revenue budget assumes that the members of Hatch, and the rest of Sierra County will continue to contribute even with the loss of the Hatch route at this time. She asked if the City of T or C contribute last year and Armijo replied they did not. He continued to explain that if the membership declines we need to look at other funding opportunities to replace it. He is still looking with or without a vehicle what he can do. If there are any shortfalls that he has could be made up through reserves and perhaps there are some other funding sources such as CMAC.

Member Trujillo asked if the Board approves the lease of the Anthony yard, will SCRTD still be using the City of Anthony location. Director Armijo explained that if it is approved, they would move in by the first of July and SCRTD would be out of the City of Anthony facilities by the first of August.

Vice Chair Barraza asked if the Executive Director had contacted the Council of Governments to let them know you are not going to use their services. Mr. Armijo said he had discussions last fall and in a meeting with Jay Armijo, he indicated that he would not negotiate a reduction in the contract for FY19. If he continued at \$115,000 for the SCCOG contract, he would not be able to expand services or be able to reduce overhead costs as he discussed earlier in the meeting. He was aware that he could initiate other options. Barraza said you are assuming the Board is going to agree with dropping the contract. She asked Jay Armijo what his understanding is with the RTD. Jay Armijo said at the end of the last calendar year he met with the Executive Director and he did inform him that with the current services that were being provided, the contract would not be reduced. He mentioned going to an RFP and if there are cost saving for the SCRTD it should be pursued. The SCCOG was not involved in the budget process for FY18-19 and he did not expect to be included. He continued to say in looking over the budget he sees some issues with it, for instance the \$70,000 coming from the grant was not booked into the expense side and a few other items. Vice Chair Barraza asked how to transition from the SCCOG into SCRTD. Mr. Armijo explained it is easy for the SCCOG as of June 30 they are done. The hard part is going to be for the SCRTD to be up and ready for business on July 1st. Unless the Board has a line of credit for the RTD, the insurance and payroll will not be able to be paid come July 1st. Chair Perea asked if the SCCOG would agree to working with the RTD during the transition period for another month or so, of course being compensated for their services. Mr. Jay Armijo replied that the SCCOG has been involved in this project since it's inception and is willing to help as much as they can, they want to see it succeed. Even this year he has left money on the table with a cost savings due to not filling an open position immediately. To continue the transition and still save money for the SCRTD, the staff will be downsized as of June 30.

The Executive Director continued his report with an overview of the Anthony Bus Facility, (see Power Point slide). The offer on the table is \$2000 per month all inclusive. He has asked Rick Ramirez, the STS maintenance manager, to look at the facility and gave a list of need equipment and supplies which was figured into the FY19 budget.

Mr. Armijo then covered the Employee Compensation Plan as noted on the slide to increase the number of positions for the Finance Manager and anticipating the need for fleet management positions. He has been using the Roadrunner pay schedule for his drivers and will continue to develop the plan and will bring that to the next meeting.

He then went on to cover the new contract services as noted on the slides. The advantage of using the Bank of the West is it is available in both Las Cruces and Anthony. If it is opened by June 15th, it will be a free account. It can come with a bank card for small services and will allow float to pay invoices.

ADP (see attached handout), will run payroll every two weeks and handle human resource issues including Workman's Comp for a lower rate than expected at \$3700 per year.

Minutes would be handled through a contract with the agency that does the minutes for the MPO. The cost of \$60 is based on per meeting, so if there are fewer meeting that cost would be reduced.

Chair Perea asked if the rate for ADP is based on the number of employees and Mr. Armijo said it runs \$2.50 per person per pay period if you go beyond the second tier. Chair Perea asked about the payroll taxes and if they pay for it as well. The Director explained there is a set up fee of \$200 and yes, they will make the tax payments as well.

Vice Chair Barraza asked what STS does for SCRTD. Mr. Armijo replies they are the domicile for the buses, they wash the buses once a week and do the preventative maintenance including tires. If minor repairs are needed they handle it and major repairs are sent out for repairs. The contract last year was about \$135,000 which is a substantial cost for SCRTD. He has reduced that cost by taking over part of the operational duties, such as rider surveys and farebox collections. He feels it is in the best interest of SCRTD to continue that relationship for now. If SCRTD would move into doing all these services in house, insurance costs could go down as use of the Municipal League coverage would be available. The facility would also hold the potential for SCRTD to compete for other contracts in the County to perform services and thereby increase revenues.

Vice Chair Barraza asked Mr. Armijo if SCRTD went ahead and provided the para transit that was brought to the attention of the Board by Clare Kapner, how would that effect the budget. He explained that since the County rejected the additional funding to provide this service, it is not in the budget for FY19. If the Blue route was dropped, those savings could be used to provide that service as well as looking for other funding opportunities. He is going to talk with the State tomorrow and he will ask them if they are aware of any other options that are a fit for the program. The problem with federal funding through CMAC, it is a match program and there aren't excess funds in the budget to make that happen.

Mr. Armijo went on to report the New Mexico 5310 does not support operations past a matching grant to acquire a vehicle to provide on demand para transport door to door. That is why he went to the County to ask for the additional funds, which were denied. He will continue to look for funding sources since it would be at least six months or more before a bus can be ordered and received.

Member Powey asked if SCRTD makes the switch on June 30 and the first of July rolls around and SCTRDR can't make payroll. She understands SCCOG has been backing SCRTD until the revenue payments come in. Mr. Armijo said he is making payroll now and he expects to continue to make payroll in July. The key will be if the members pay their membership in July rather than later in the summer. If the biggest members, totaling about \$113,000 comes is received in June, then there is no problem. Vice Chair Barraza pointed out that Mesilla doesn't pay out any dues for the next fiscal year until after DFA approves the budget and that doesn't happen until the end of July.

Member Eakman asked when the deadline is for the Board to approve next years budget. Chair Perea said this is a preliminary budget, Mr. Armijo agreed and said the deadline would be June 30, unless the Board approves the budget today. Member Eakman would appreciate the extra time to consider the budget. There are items in the budget that are contingent on other things, he would like to see some things firmed up and he is concerned about the lack of cash flow. There are no reserves in place and the foundation isn't here, so something must change for this to be a valid enterprise. Member Powey agreed. The Executive Director said that isn't going to change in thirty days. Chair Perea suggested perhaps a loan could be made between the City of Sunland Park and the SCRTD to secure the necessary funding to make the transition, using the buses as collateral. Director Armijo disagreed saying he does not need a loan, if the cash comes in as it should this week, he will carry about \$60,000, which is what is normal. Even if we paid off everything we owe, we would have \$60-70,000. After July 1st, there is \$113,000 that could come in from membership and into the cash account. At the end of the month you could be sitting on \$150,000 cash.

Vice Chair Barraza said the concern of the Board is that even though you are saying you could have \$150,000 but that money is already spoken for between payroll, fuel and \$30,000 worth of invoices that haven't been paid, so this money is already spoken for. The concern is there are no reserves to cover payroll and a credit card is not a good solution.

Member Garrett said Mr. Armijo is the professional Executive Director and he is saying rather than outsource the fiscal responsibility through SCCOG, the duties would be taken in house with significant savings. The Executive Director is saying that cash flow is not a serious issue. Member Garrett said there is always going to be a cash flow lag due to the

process. He went on to clarify with the Director that the credit card with the Bank would be to extend the float to deal with cash flow. Member Garrett said he sees the budget as being made up of four parts, administrative, operational, capital assets and reserves. Director Armijo explained that when SCRTD started up in 2016, it had zero dollars, after the first year we went into the next fiscal year we had \$13-14,000 and according to FY17 audit, we had around \$34,000 as of July 1, 2017. He feels the FY18 audit should show \$60,000 to close out the year and his expectation is as of July 1, 2019 we should have \$100,000, with the changes being made in fiscal management.

Member Garrett said there are two major changes in this budget. One is the money saved by dropping the SCCOG contract, will be used to hire additional staffing and other contracts to do the work the SCCOG performed. The other is reducing operational costs in terms of STS and increasing efficiencies by consolidating the terminal and rearranging the bus schedules. The budget needs to be looked at from a higher level overall and understand the direction SCRTD is going, with the Executive Director taking full responsibility for the entire operation and doing these tasks in house. The Board should look at the budget in terms of how it fits into Board expectations.

Director Armijo said we can't wait until next May to have this conversation with the County. We need to work now towards building the ridership numbers the County is looking for to gain additional funding from them. He is starting with a summer program to carry 30-35 Gadsden school children each day to New Mexico State University. The revenue won't be much even though it will be paid rides. More importantly, the ridership will pick up by 1000 rides during the summer months which are typically slower.

Member Garrett said "We are trying to build a system. The County preliminary budget has been approved at \$350,000 but that doesn't mean as we move further into the year that SCRTD couldn't go back to the County and ask for another \$80,000 to fund the para ride program. When the \$137,000 was proposed to the County, there were no letters of support from any of the other members. What the rural transit program has been reduced to is how many people are using the bus and what the cost is per rider to provide the service. However, that is not our Mission, and the budget is tied to the Mission. This is a very important resource for our communities. The job of the members is to reach out to the Commissions, Boards, Councils and market why the transit service exists and why we need the funding. He said this is a million-dollar budget and it will need to be adjusted but we are moving in the right direction. The Board needs to hold the Director accountable and make sure the funds are in place to do the job."

XIII. Discussion Items

a. Dona Ana County MOU Agreement with SCRTD Funding FY18-19

Mr. Armijo said he has already covered this item in his report. Chair Perea asked if he has covered a., b., and c. and he agreed.

Member Garrett asked about the delay in payment from the County and a discussion took place that the turn around is not according to the contract. It was suggested that the billing move to the first of the month with the new agreement and follow up with the 5311 reports after the fact as it takes two to three weeks to be paid. Vice Chair Barraza said in speaking with Commissioner Gonzales regarding the SCRTD and he said they are not receiving the reports in a timely manner. Mr. Armijo said that is true since he gives the report to the County Manager staff and he chooses not to pass the information on to his Commissioners. He delivers a hard copy and the electronic copy that is 268 pages of information. If this Board wished him to send it directly to the Commissioners, he would be glad to do so. Member Garrett said he feels sending the electronic copy to the Commissioners would be a wise idea. Chair Perea said a consensus of the Board would be sufficient to cc the Commissioners.

b. NM DOT Grants for FY19

i. 5311 Rural Grant- covered in Directors Report

ii. 5310 Enhanced Senior and People with Disabilities Grant- covered in Directors Report

c. Agency Budget FY2019-See Attached

IX. Action Items:

9.a. Resolution approving the Financial Statements of as April 30, 2018.

Katherine Gervasio came to the podium to stand for questions. The budget adjustments were explained during the financial report. Vice Chair Barraza made a motion to approve the Financial statements as of April 30, 2018, Member Garrett seconded. A roll call vote was taken, and the motion carried unanimously.

9.b. Resolution Approving the Opening of the Bank of the West Account and transfer of funds from Bank of the Southwest

Vice Chair Barraza said before action is taken on this, Member Eakman asked the budget vote to be delayed until the next meeting. She would like to approve the budget before the Board acts on these other items as all the Resolutions from b to g are tied to the budget.

Chair Perea asked if the Board wished to act on item 9d. at this time. No objections were made.

This item was returned to after the vote was taken on 9.d.

Vice Chair Barraza asked the SCCOG who they bank with. Mr. Jay Armijo replied the District banks with the Bank of the Southwest and so does the Council of Governments. She asked how the transition will take place since the SCCOG is still under contract until the end of June. Mr. Jay Armijo replied that he doesn't have a problem with the District opening another bank account, the only logistical problem he sees is the electronic funds deposited through DFA and other invoices that are paid electronically. As far as shifting the revenues it will take some weeks to get vendors moved over to the new account to be paid. The Director can open a bank account tomorrow, but there would be no money in it. Vice Chair suggested both Directors get together and work out what needs to be done to make this transition. Mr. Jay Armijo said it was mentioned earlier that there is \$30,000 in the account now, but that is due to the SCCOG not being paid, so there is nothing to transfer over.

Director David Armijo said he can open a bank account with a dollar. He doesn't expect that to take effect until June 30, but he needs an account of record to get DFA and his vendors set up with the new account. It will also require the signature cards to be established and there are no policies in place regarding bank accounts.

Chair Perea clarified this action is only to open the account and no other action at this time. The Executive Director said he needs a \$100.00 to open the account and the approval of the Board to take that action.

Vice Chair Barraza made a motion to approve the Resolution to open a bank account at the Bank of the West for the South Central Regional Transit District, Member Garrett seconded. A roll call vote was taken, and the motion carried unanimously.

9.c. Resolution Approving the Use of Commercial Credit Card for Small Purchases

Director David Armijo recommended that this item and item f. be differed until the June meeting.

Chair Perea asked if there was any objection by the Board. There were no comments. He then asked the Director to bring a set of policies to review along with the credit card Resolution. Mr. Armijo agreed and said that was his intention based on the policy used by the County.

9.d. Resolution Approving the District Budget for Fiscal Year 18-19

Chair Perea asked for a motion on this resolution. Member Garrett made a motion to approve the Fiscal Year 18-19 budget, Member Eakman seconded.

Vice Chair Barraza said she would like to postpone this action until the Board has a chance to review the budget and act at the next meeting. Chair Perea said the motion to postpone takes precedence over the motion on the floor. Member Powey seconded the motion to postpone.

A discussion took place before the roll call vote that the reason for the delay is to obtain further information about the budget, so an informed decision can be made. Katherine Gervasio said this budget is not submitted to DFA, so the delay doesn't have an impact. She went on to say the 5311-budget information is included in the application. Director Armijo stated that if another month goes by the budget is not going to change, so it will be the same budget you are seeing now.

Member Eakman asked if the members are free to email questions and concerns to the Director. Chair Perea said if it is a one on one email and no discussion take place among the Board, there is not a problem.

Member Powey stated that it is not reasonable to expect the fuel costs to remain the same for FY19 along with other costs that stayed the same. Mr. Armijo directed Member Powey to page 10 of the packet, it lists the fuel costs year to date. If there is a budget adjustment to come in this fiscal year, it can be taken out of reserves. He feels he will have cost savings with the consolidation for next year. The Director said he can bring back a budget that zero's out any

reserves and puts money into the accounts that you want if that makes the Board more comfortable. The goals he has been given by the County and NM DOT is to have a lean budget and that is what he is trying to accomplish.

Member Powey asked about the salary expectations for the Finance Manager and why the benefits associated with a new employee didn't go up. Mr. Armijo said he had answered that question earlier and he will explain it once more, it has an \$84,000 increase in salaries, but he expects to hire the Finance Manager at \$40-55,000. That gives a cushion in wages and as Katherine stated earlier the staff is not using the benefits that were budgeted. He anticipates by fiscal years end, benefits will finish out lower than budgeted, therefore he left it the same but added some for PERA.

Vice Chair Barraza asked the Director to bring to the next meeting a chart that lists all the employees' wages and benefits and any increase in wages and benefits and the ADP costs will be.

Member Garrett asked Jay Armijo, Executive Director of the South Central Council of Governments, if the SCCOG would be willing to help the Director to formulate the information that is being requested. Jay Armijo said the SCCOG has a contract until the end of June and is always available to help.

Member Garrett asked that the other items should not be postponed since they are necessary to be in place for all the pieces to fall into place. The SCRTD Director said that is true and for each month that is delayed, it costs the District \$10,000 per month in charges from SCCOG and if a decision is not made on the property, the District could lose the facility. Mr. Jay Armijo responded that if a short-term contract is needed between the District and the SCCOG, it would not cost \$10,000 per month according to this the SCCOG would not be doing payroll and a staff member will be cut as of July 1st.

Member Powey said this question is for the SCCOG. According to the current budget, you are only at 55% of the billable contract. Does SCCOG intend to bill out the balance due and why is that so low. Mr. Armijo said there is money that will be left on the table. The clerk position was left open for several months and Katherine has limited her time as much as possible, knowing the budget was tight and that also has left money. The SCCOG has always intended to be a good partner in this program and wants to see it succeed. Vice Chair Barraza asked how much SCCOG plans to bill for the rest of this fiscal year. The question was turned over to Katherine Gervasio who said with May and June, it would be personnel costs for a combined amount of about \$15,000.

A roll call vote was taken for the postponement motion on the floor; Members Perea, Barraza, Eakman, Powey, and Trujillo voted aye; Members Garrett and LaFont voted nay, the motion carried.

9.e. Resolution Approving the Lease of a Bus Facility on 833 Anthony Drive, Anthony

Member Eakman made a motion to approve the Resolution for the lease of a bus facility on 833 Anthony Drive, Member Garrett seconded. A roll call vote was taken; Members Perea, Garrett, Eakman, Powey, and LaFont voted aye; Members Barraza and Trujillo voted nay, the motion carried.

9.f. Resolution Approving the Addition of New Positions to the District Compensation Schedule of Positions- Tabled to the June meeting

9.g. Resolution Approving the Opening of an ADP Account to provide Payroll & Human Resources-See Attached

Vice Chair Barraza asked for some history about ADP. Mr. David Armijo said the Board was given the program information in the packets. They are a national company that have been around for some time, providing payroll and human resource services. They do it for a small fee of \$360.00 per month or \$3700.00 per year and they represent the company in Workmen's' Comp and other human resource functions. To reduce costs for those services currently provided by the SCCOG, this is the way to go. They allow the labor information through the cloud. Barraza asked if the Financial Manager would handle payroll. Mr. Armijo replied yes but they would still have to use a system, either Quick Books or ADP. If you do Quick Books, you would still be responsible for calculations of payroll taxes and the likes and this way it is all handled by ADP.

Member Ekman made a motion to approve the Resolution of open an account with ADP, Member Garrett seconded. A roll call vote was taken, and the motion carried unanimously.

X. Board Comment

Member Eakman said one of the biggest risk we have is the loss of the Executive Director and we need to manage that risk by obtaining insurance to cover for key persons.

Member Garrett said the Board needs to address the concerns of Ms. Vullo for SCRTD to be able to generate revenue by being available to transport people to scheduled events of any type. It would help to clarify to the County that SCRTD does provide a service to the community.

Member Trujillo reported that in October, her email account was hacked. It is the same address but is now .org. She said that it may have been the reason why the City of Anthony didn't submit a response to the RFP for the Fiscal Agent. She may have not received the information as a result. It did not give her attorney the time needed to respond.

Vice Chair Barraza said she wants the Board to be fiscally responsible with the budget. She would also like the Board to follow up with both public comments for the para transport and provide shuttle services for a fee.

XI. Adjournment: Chair Perea called the meeting adjourned at 3:43pm.

Approved by:

SCRTD Chairman

Date

Kathy Elverum, SCRTD Recorder

Recordings of the meeting are available upon request.

Item #6 – Financial Report May Expenses

South Central Regional Transit District						
FY 17-18 EXPENDITURES as of 05.31.18						
Descriptions	Budget	Revision Request Increase/	Y-T-D	Invoices Accrued but not paid	%	Remaining
<i>Personnel Services</i>						
Salaries	312,000.00	20,901.11	265,068.79	28,257.56	94%	18,673.65
<i>Employee Benefits</i>						
FICA/Medicare Tax	21,436.34	3,752.76	20,053.40	2,138.82	104%	-755.88
WC/SUTA	6,502.90	(2,000.00)	2,907.30	174.50	47%	3,421.10
Workers' Comp Insurance	26,100.00		23,436.00		90%	2,664.00
Health Insurance	35,678.46		29,375.73	2,830.04	90%	3,472.69
Retirement - PERA	23,088.00	1,489.15	18,898.22	1,978.93	90%	2,210.85
<i>Travel</i>						
Travel - Reimbursement	4,000.00	(1,000.00)	1,851.86		46%	2,148.14
FUEL	84,360.00	5,526.31	79,886.31		95%	4,473.69
Maintance on Vehicles	47,155.54		32,426.32	13,523.69	97%	1,205.53
<i>Supplies</i>						
Supplies	6,360.00	1,640.00	5,914.26	1,968.78	124%	-1,523.04
<i>Insurances</i>						
General Liability	2,376.00		1,372.00		58%	1,004.00
Automobile Insurance	74,000.00		61,422.55		83%	12,577.45
D&O Insurance	2,640.00		2,640.00		100%	0.00
<i>Contractual Services</i>						
Professional Fees/Audit	9,500.00		9,500.00		100%	0.00
Legal Fees	1,000.00		717.84		72%	282.16
Contract Services						
SCCOG	115,000.00	(38,557.49)	60,193.30	8,309.28	60%	46,497.42
STS, NM	130,800.00	9,237.31	108,510.47	20,526.84	99%	1,762.69
Zia Therapy	12,000.00		10,000.00	1,000.00	92%	1,000.00
Camino Real	5,676.77		5,676.77		100%	0.00
FineLine Graphics	2,500.00		1,678.83		67%	821.17
<i>Operating Cost</i>						
Advertisements	150.00		-		0%	150.00
Conf/Seminars/Training	250.00		144.95		58%	105.05
Postage	50.00		-		0%	50.00
Office Equipment	500.00	(500.00)	-		0%	500.00
Subscription/Dues	500.00		500.00		100%	0.00
Asset Management	700.00	(350.00)	-		0%	700.00
Telephone	7,200.00	1,000.00	7,663.38		106%	-463.38
Reserve	7,389.60	(1,489.15)	-		0%	7,389.60
Bus Rental	1,620.63		1,620.63		100%	0.00
Rent- City of Anthony	3,150.00	350.00	2,800.00	350.00	100%	0.00
<i>Capital Assets</i>						
Capital Assets	-	-	-			0.00
Total Expenses	\$ 943,684.24	\$ 0.00	754,258.91	81,058.44	89%	108,366.89
Total Expenditures				\$ 835,317.35		

Item #6 – Financial Report May Revenues

FY 17-18 REVENUE						
South Central Regional Transit District						
Support & Revenue	Revenue	Revision Request Increase/ (Decrease)	Y-T-D Received PMT	Invoiced But Not Received	% Y_T_D	Remaining Balance
Membership Dues						
CITY OF LAS CRUCES	\$ 49,980.00		\$ 49,980.00		100%	\$ -
DONA ANA COUNTY	\$ 43,164.00		\$ 43,164.00		100%	\$ -
SUNLAND PARK	\$ 7,208.00		\$ 7,208.00		100%	\$ -
TOWN OF MESILLA	\$ 1,124.00		\$ 1,124.00		100%	\$ -
VILLAGE OF HATCH	\$ 843.00		\$ 843.00		100%	\$ -
City of Anthony	\$ 3,510.00		\$ 3,510.00		100%	\$ -
CITY OF ELEPHANT BUTTE	\$ 732.00		\$ 732.00		100%	\$ -
CITY OF TRUTH OR CONSEQ	\$ 3,315.00	-			0%	\$ 3,315.00
TOWN OF WILLIAMSBURG	\$ 229.00	-	\$ 229.00		0%	\$ -
						\$ -
Dona Ana County GRT	350,000.00	-	262,500.03	58,333.34	92%	\$ 29,166.63
						\$ -
El Paso MPO 5310	42,905.00		42,905.00		100%	\$ -
NMDOT 5311	103,403.00		98,108.31		95%	\$ 5,294.69
NMDOT 5311*	314,315.00		246,696.87	45,263.63	93%	\$ 22,354.50
Bus Fares/Ticket Sales	9,400.24		8,973.72	1,000.00	106%	\$ (573.48)
Advertisement Revenue	12,056.00		0.00		0%	\$ 12,056.00
Misc. Revenue	1,500.00		1,500.00		100%	\$ -
TOTAL REVENUES	\$ 943,684.24	\$ -	\$ 767,473.93	\$ 104,596.97	81%	\$ 71,613.34
* Funding Begins October 1st, 2018						
			Total Accrued Revenue	\$ 872,070.90		

#7 Executive Directors Report

#8 Discussion Items: Annual Fiscal Year Budget

#9 Action items:

- a. A Resolution approving the Financial Statements as of May 31, 2018.
- b. A Resolution approving the District Budget for Fiscal Year 18-19
- c. A Resolution approving the submission of the FY2020-2024 ICIP to the DFA
- d. A Resolution of the State of New Mexico Deferred Compensation Plan

Agenda Item 9A:

South Central Regional Transit District Resolution Number:

A Resolution approving the South Central Regional District Fiscal Year 2018 Financials with Budget Adjustments as of May 31st, 2018.

WHEREAS, the South Central Regional Transit District Board of Directors met in a meeting Wednesday, June 20th, 2018 in the Dona Ana County Offices, 845 N. Motel Blvd., Las Cruces, N.M.; and,

WHEREAS, the South Central Regional Transit District accepts the Fiscal Year 2018 Financials and Budget Adjustments as of May 31st, 2018

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Central Regional Transit District does hereby approve the Fiscal Year 2018 Financials and Budget Adjustments as of June 20th, 2018.

ADOPTED AND APPROVED THE 27th DAY OF JUNE 2018.

Javier Perea, SCRTD Board Chair

ATTEST:

David Armijo, Executive Director

AGENDA ITEM 9B

South Central Regional Transit District Resolution Number:

A Resolution approving the South Central Regional District Budget for Fiscal Year 2018-19

WHEREAS, the South Central Regional Transit District Board of Directors met in a meeting Wednesday, May 23rd, 2018 at the Dona Ana County Offices, 845 N. Motel Blvd., Las Cruces, N.M.; and,

WHEREAS, the South Central Regional Transit District approves the Budget for Fiscal Year 2018 to 2019,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Central Regional Transit District does hereby approve the Fiscal Year Budget for 2018 to 2019.

ADOPTED AND APPROVED THE 23rd DAY OF May 2018.

Javier Perea, SCRTD Board Chair

ATTEST:

David Armijo, Executive Director

AGENDA ITEM 9C

SOUTH CENTRAL REGIONAL TRANSIT DISTRICT

COUNTY OF DOÑA ANA

Resolution No. _____

A RESOLUTION

ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)

- WHEREAS, the South Central Regional Transit District recognizes that the financing of public capital projects has become a major concern in New Mexico and nationally; and
- WHEREAS, in times of scarce resources, it is necessary to find new financing mechanisms and maximize the use of existing resources; and
- WHEREAS, systematic capital improvements planning is an effective tool for communities to define their development needs, establish priorities and pursue concrete actions and strategies to achieve necessary project development; and
- WHEREAS, this process contributes to local and regional efforts in project identification and selection in short and long-range capital planning efforts.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CENTRAL REGIONAL TRANSIT DISTRICT that:

1. The South Central Regional Transit District has adopted the attached 2020-2024 Infrastructure Capital Improvement Plan, and
2. It is intended that the Plan be a working document and is the first of many steps toward improving rational, long-range capital planning and budgeting for New Mexico's infrastructure.
3. This resolution supersedes resolution no. 7.

PASSED, APPROVED and ADOPTED by the governing body at its meeting of June 27, 2018.

Javier Perea, Board Chair

ATTEST

David Armijo, Executive Director

AGENDA ITEM 9D

State of New Mexico Deferred Compensation Plan



Deferred Compensation Plan

Adoption Resolution

Employer: South Central Regional Transit District (SCRTD)

Notice/Resolution Number: _____

A RESOLUTION TO ADOPT THE STATE PLAN FOR DEFERRED COMPENSATION

WHEREAS, the State of New Mexico has enacted the Deferred Compensation Act (NMSA 1978 Section 10-7A-1 et seq.) which permits any local public employer to adopt the Deferred Compensation Plan as approved, pursuant to NMSA 1978 Section 10-7A-8 by the Public Employees Retirement Board, and

WHEREAS, the State of New Mexico, by the Public Employees Retirement Board has established and maintains the Deferred Compensation Plan ("Plan") for participation by state employees and by local employees, and

WHEREAS, the South Central Regional Transit District of Dona Ana County New Mexico, (hereinafter referred to as the "Participating Employer") desires to adopt the Plan for participation by its employees;

WHEREAS, the Participating Employer has also determined that it wishes to encourage employee's savings for retirement by offering salary reduction contributions;

WHEREAS, the Participating Employer has reviewed the Plan;

By adopting the Plan, the South Central Regional Transit District (SCRTD) adopts the investments and services selected by the Public Employees Retirement Board.

Section 1.

The Employer shall abide by the terms of the Plan, including amendments to the Plan made by the Public Employees Retirement Board, all investment, administrative, and other service agreements of the Plan, and all applicable provisions of the Internal Revenue Code and other applicable law.

Section 2.

The Employer may terminate its participation in the Plan, if it takes the following actions:

- (a) A resolution must be adopted terminating its participation in the Plan
(b) The resolution must be filed with the Deferred Compensation Manager and the Public Employees Retirement Board within 15 working days of approval by the governing body of the local public body.
(c) The resolution must be filed not less than two years after the date the Employer's participation became effective.

Executive Director

The Executive Director has authority to execute on behalf of the SCRTD

documents to implement the Plan for the Employer, and to act to correctly maintain the Plan under this Resolution.

APPROVED by the Governing Body of the South Central Regional Transit District (SCRTD) this 27 day of June, 2018.

(Name)

By: _____

