

SOUTH CENTRAL REGIONAL TRANSIT
DISTRICT BOARD OF DIRECTORS
Board Meeting
AGENDA

Wednesday, March 23, 2022, 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, March 23, 2022, at 1:30 PM, a virtual meeting via Goto 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.

PUBLIC INPUT:

Prior to and during the meeting, for the duration of public input, please use the following email link to submit your input: admin@scrttd.org. The information will be provided to the Transit District Board.

Board Meeting Agenda and Virtual Meeting via Goto.

Wednesday, March 23, 2022
1:30 PM | (UTC-07:00) Mountain Time (US & Canada) | 2hours

Please join meeting from your computer, tablet or smartphone.
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**SOUTH CENTRAL REGIONAL TRANSIT DISTRICT
City of Anthony City Hall
820 NM-478 Anthony, New Mexico 88021**

BOARD AGENDA

March 23, 2022

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 January 26, 2022
6. Executive Director's Report – David Armijo
7. Action item: FY2022 Auditors Report – Itza Sosa, Beasley, Mitchell & Co., LLP
 - a. March 8, 2022, Office of the State Auditor Correspondence Authorization to Release SCRTD Audit Report
 - b. Resolution to Approve FY2021 Audit Report
8. Discussion Item: Fiscal Year 2021-2022 Budget Approval State of New Mexico Department of Finance and Administration
 - a. DFA Correspondence Approving FY2021-2022 Budget
9. Discussion item: Budget Workshop – Adam Shea
10. Discussion item: Membership Increase Based on Inflation – Adam Shea
11. Discussion item: Section 5307 Split Letter Agreement – Partial Funding
12. Board Comment
13. Adjourn - **Next Meeting April 27, 2022**

Item #5 Minutes

**South Central RTD
Board of Directors Meeting
Wednesday,
January 26, 2022 - 1:30 PM
Doña Ana County Government Center
845 N. Motel Blvd, Las Cruces, NM 88007**

MINUTES

MEMBERS PRESENT:

Javier Perea, RTD Chair, City of Sunland Park
Nora Barraza, RTD Vice Chair, Town of Mesilla
Majorie Powey, Village of Williamsburg
Lynn Ellins, Doña Ana County
Cathy Harmon, City of Elephant Butte
Yvonne Flores, City of Las Cruces

MEMBERS ABSENT:

Diana Trujillo, City of Anthony
Peter Atencio, Village of Hatch
Sharon Thomas, Citizens Advisory Committee

SCRTD STAFF: David Armijo, SCRTRD Executive Director
Sara Vasquez, SCRTRD
Adam Shea, SCRTRD

OTHERS PRESENT: Becky Baum, RC Creations, LLC, Transcriptionist

1. CALL TO ORDER

Javier Perea called the meeting to order at approximately 1:45.

2. PLEDGE OF ALLEGIANCE

ALL STAND FOR THE PLEDGE OF ALLEGIANCE.

3. ROLL CALL

A quorum was determined to be present.

4. APPROVAL AGENDA

There were no changes to the agenda. Motioned by Nora Barraza, second by Yvonne Flores. Passed unanimously.

5. PUBLIC INPUT

There was none.

6. APPROVAL OF SCRTD MEETING MINUTES OF November 24, 2021

There were no changes to the minutes. Motioned by Nora Barraza, seconded by Yvonne Flores. Passed unanimously.

7. EXECUTIVE DIRECTOR'S REPORT

David Armijo gave the Executive Director's report. Ridership is holding steady; typically, ridership drops in the winter months but is higher than this point last year. Ridership is expected to improve in some areas with new bus stops and signs, particularly in more rural routes.

SCRTD made a request to legislature for capital. Legislature began roughly a week prior and it's a better year than previous years in terms of money. The first five buses received from the 2015 legislation have now been in service for six years and reached 280,000 miles each. Currently all buses and vehicles ordered are delayed. It is anticipated that it will take up to two years to replace the buses in stock; mileage is expected to be at roughly 350,000 to 400,000 miles, which is exceeding the average milage. These buses have done well with challenges during the first couple of years. SCRTD is asking for funds from legislature to help with a local match to replace these funds; use funds from El Paso once funds are known. The three buses currently on order are \$135,000.00 each, with the next round of buses being \$155,000.00 each.

The funding would typically come into the CIP for two years to draw the funds. If the order is put in now, the buses should be received within the two years. The current buses on order are gasoline but could be hybrid. Electric buses cost closer to \$800,000.00 each. The size of bus SCRTD is purchasing does not come in electric; it is estimated to be roughly five years away from being able to order electric buses. Electric buses typically have a 12 year life cycle; possibly 15 years but people tend to keep buses six years. There is now a no energy/low energy grant available which SCRTD will follow up on to possibly receive an electric bus; the size of bus that works best for SCRTD is a 29 foot one.

An administrative vehicle was ordered within the past week. Roughly \$400,000.00 of capital funding in the budget was programed through the state which began on October first. The vehicle will be used for support transportation staff; move drivers between locations, staff to monitor the service, and etcetera. The vehicle is a van rather than sedan so that way at times riders can be moved. This vehicle is roughly

\$35,000.00; 80% paid for by federal funds and 20% paid for by local with any savings going back to the state. A state vendor out of Albuquerque was used. The vehicle should be here next month. More vehicles are still needed as the SCRTD grows.

The new buses on order are expected to come in in August; one was ordered over 18 months ago. The vehicles were originally \$98,000.00 two years ago and are now \$135,000.00; the state made up the difference. The state gave SCRTD a special grant to cover 100% of one vehicle. This allows them to retire the 700 series vehicles which were originally purchased used from Rio Metro. The buses began with roughly 70,000 miles and are now approaching 270,000 miles; approaching nine years of age and will need to be replaced. A new grant was submitted last year to be awarded in April; will include a couple expansion buses.

SCRTD have been working through a number of measures including updating the bus stop list, acquired poles and signs which are from Albuquerque as there was no one in the region, and etcetera. Roughly 250 poles will be replaced; the first 50 will be replaced on Turquoise and Copper routes within the next two weeks. The original poles were roughly four feet high; these will be at least six feet high and follow normal standards of architecture; most are state right-of-way and been pre-approved. The next ones to be installed include those in Las Cruces, Doña Ana County, and Mesilla; roughly two to four weeks out. Once the poles are installed each route will have its own sign; local companies have been competitive.

A survey has shown that most people find out about SCRTD when they see a bus drive by; signs are expected to help. The signs will not show the times of bus stops but there are other signs that will be put out in certain locations; roughly 10 of them. One place for the schedule will be in Mesilla Town Hall. Google maps has the schedule listed. The survey showed most of the population do have cell phones to access Google; it is possible many people did not fill out the survey because they did not have access. Pathfinder signs are much bigger signs, roughly 31 by 13.5.

These signs will be two-sided at specific places, coming into El Paso from Chaparral, Hatch, Mesilla, and etcetera. The service miles are 115 square miles, and these signs will give a better identification of that service area. David Armijo is happy to receive input for locations. The Orange Route was removed due a pending contract. It will be discussed later today. The signs on state highways will be done through NMDOT. There is a lot of turnovers in the transit industry right now; everyone has changed over within the past six years except for Michael Bartholomew and David Armijo. This can be a difficulty while moving forward with new projects.

The legalities of the 5307 is in place; reviews have been done, letter has been drafted and circulated. The only issue is that the amount to put on the letter is unknown due to federal process, no transportation budget as of yet. The hope is

that Mr. Sandoval, the Secretary of Transportation of the state, made a nice presentation; an effort to change the process of transit districts being funded through counties rather than state. The rule in State Bill 30 would change the process to allow the money to flow from sales tax directly to the transit districts. This would not affect SCRTD at this time, but two other members would be affected. The committee in charge of the State Bill 30 made it through building tax for transportation yesterday; Senator Hamblen said kind words about the SCRTD. Thursday will be another committee to see where the bill goes. There is a three percent holding fee to process the grant; DFA wants to keep it in place, but language is ambiguous.

Next week the Santa Fe Municipal League Day will happen. There will be meetings with representatives and senators. David Armijo would like for Nora Barraza to give them a fact sheet for the five 225 buses. Mr. Armijo has been working with Representative Ferrari on that. There was brainstorming on how to engage the representatives from Sierra County to support funding for new buses and provide service to them; it is not part of the capital outlay at this time. There's a possibility that another bus could be available to use within the next few months. The funds from legislation are needed to match the El Paso money for replacement buses; a high priority is to fix current issues rather than add more service.

Mr. Armijo is in the process of working the state to acquire a used bus for additional services; 2015 bus sitting on the Indian nation in Rio Arriba, 2,200 miles, seven years old, has an ADA lift, and it is almost 40 feet. The state will give the bus to SCRTD at no cost but will cost roughly \$2,500.00 to prep the bus. That can support the southern services which will then free up a bus to add service. Nora Barraza would like to make service to Sierra County a priority.

8. ANNUAL OFFICER BOARD APPOINTMENTS AND APPROVAL OF RESOLUTION

Chair, Vice Chair, Treasurer, and Secretary need to be appointed. The current slate of officers is Chair Javier Perea, Vice-Chair Nora Barraza, Treasurer Diana Trujillo, and Secretary Sanchez. Nora Barraza requested to keep the current slate of officers for the next year; Majorie Powey agreed.

Motioned by Yvonne Flores, seconded by Nora Barraza. Majorie Powey stated that she appreciates everything the Board does. Passed unanimously.

9. A RESOLUTION APPROVAL THE SCRTD MEETING SCHEDULE FOR THE YEAR 2022

Motioned by Nora Barraza, seconded by Yvonne Flores. Passed unanimously.

10. DISCUSSION AND APPROVAL OF RESOLUTION FOR SECOND QUARTER FINANCIAL REPORT

Adam Shea gave the presentation of the financial report for the second quarter for SCRTD. Expenditures year to date are \$896,237.57; roughly 45.7% for the year. Revenue received is \$935,172.38; 39% of overall budget. The bank balance is \$84,254.96. Certain expenditures are highlighted due to the extensive amount that has been expensed; maintenance on vehicles due to diagnostics on a couple buses or buses that require towing, bus stop refurbishing project, advertisements due to extra advertisements for open positions, and office equipment due to disinfectant supplies and copiers.

Cash flow is good but accounts receivable needs to catch up to allow process of expenses. The first quarter reached 24% and the second quarter has only reached 22%. The audit was completed and submitted on December 15th; payment was in January of roughly \$16,000.00. The audit was regular as well as federal. The vanpool tech support will begin this fiscal year but there are no vans as of yet. The tech support was put in place to aid in maintenance of those vehicles. There is funding from the county with the last budget cycle as well as \$90,000.00 for two vans from legislature: waiting for the vehicles. The vehicles did not come in when expected due to unavailability; will hopefully come in next quarter.

There are no new vehicles expected in the fleet at this time, only replacements. One bus was in an accident which wasn't the SCRTD's fault and now there are 13 buses; older bus that needed to be retired. Year to date revenues received is \$938,047.84; \$1,452,811.36 is expected in revenue for this fiscal year. The NMDOT has allowed SCRTD to recoup expenses based on 80/20 or 50/50 but they are still waiting on capital appropriation items to be loaded and used. Until expected items come through, the projected revenue will not be received. Total revenues compared to expenses are 49%.

The commercial loan of \$30,000.00 in December was due to cash flow issues; needed to make sure a van would be covered but it didn't come. There is currently \$40,982.66 in operating which includes the loan. The loan is being paid off; balance is currently \$30,000.00. Once the additional funding from the county is acquired it will be paid off, by end of fiscal year for certain.

Motioned by Yvonne Flores, seconded by Nora Barraza. Passed unanimously.

11. DISCUSSION AND APPROVAL OF BUDGET ADJUSTMENTS FOR FISCAL YEAR BUDGET FY2021-2022

Adam Shea gave the presentation. A net amount of \$30,000.00 on both revenue and expense side will need to be adjusted in order to cover the commercial loan. Workers Comp will be reduced by \$21,901.00 as it was paid in full. The maintenance on vehicles needs to be increased by \$10,000.00 due to that being

an issue. There was discussion on if it is a permissible accounting action to move money in order to cover a loan; it is acceptable to move amounts from one account to another account so long as there is approval from whomever is in charge. There was an outstanding loan amount of \$50,000.00 at the end of the previous fiscal year; \$41,150.00 was paid back on that. Both loans will be paid off once the funds from the county is received. The money will be transferred out of Workers Comp, Legal Fees, and professional services, and signs to cover anticipated deficits. There is \$400,000.00 in capital which has not been put into the account by the state. The biggest issue with the budget is the revenues tend to come in late which is why loans are needed at various times.

Motioned by Lynn Ellins, seconded by Nora Barraza. Passed unanimously.

12. DISCUSSION AND APPROVAL OF RESOLUTION FOR ZIA THERAPY AGREEMENT FY2021-2022 IN SUPPORT OF NMDOT GRANT FOR LOCAL MATCH

David Armijo gave the presentation. It is an annual contract with Zia Therapy to support the Orange Route; three service trips a day Monday through Friday between Alamogordo to Las Cruces and Doña Ana County. The route has been in service for eight to nine years. The agreement is usually a 50/50 split of operating costs with the state of New Mexico through a similar grant; Zia Therapy is the operator. Due to the pandemic the CARES Act funds made it possible to pick up 100% of the cost. Zia Therapy has requested support to offset their fare box recovery; \$3,254.80. It is programed in the budget.

Motioned by Yvonne Flores, seconded by Nora Barraza. The Chief Executive Officer from Zia Therapy stated that the money was requested for operating assistance, but it's slated for admin assistance. There will need to be additional conversations on whether this will be a continued expense; SCRTD is looking at contract awards later this year. It is based on an annual grant and therefore unable to plan if it is needed each year. Passed unanimously.

13. DISCUSSION AND APPROVAL OF RESOLUTION TO AMEND DOÑA ANA COUNTY 2021-2022 MOU OPERATING AGREEMENT

Motioned by Lynn Ellins, seconded by Yvonne Flores. The county did approve this change with other mid-year adjustments. David Armijo stated he appreciated the professionalism working with the county staff and finance department; Adam Shea did the initial assessment. It is an \$83,000.00 increase. Passed unanimously.

14. LEGISLATIVE CAPITAL OUTLAY REQUEST FY2022

David Armijo stated he covered this in his previous presentation. SCRTD is requesting funding of \$225,000.00 from legislature; information has gone out and been submitted to the state a week ago. This will be updated to the Board later

today as well as letters sent out to the legislative committee later this week; more details on why and how the money will be used. Total estimation of cost of buses is \$155,000.00 a piece for a total of \$775,000.00.

15. BOARD COMMENT

Chair Perea asked the Board to fill out the evaluations and return them to him. Chair Perea congratulated the elected officers.

16. ADJOURNMENT - Next meeting February 23, 2022

Chairperson

#6 Executive Directors Report – Verbal Briefing

#7 FY2022 Auditors Report:

This item will be presented by Itza Sosa, Beasley, Mitchell & Co., LLP
The report will include a copy of the letter from the State Auditor approving the report and a letter from the Department of Finance and Administration approving the current fiscal budget for the South Central Regional Transit Administration.

The board will need to take action once the Audit report is presented. Approval of a board resolution is provided in the agenda package and listed below. The Auditors letter is also listed below.

BRIAN S. COLÓN, ESQ., CFE
STATE AUDITOR



State of New Mexico Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

Via Email

March 8, 2022

SAO Ref. No. 4105

David Armijo, Executive Director
South Central Regional Transit District

darmijo@scrttd.org

Re: Authorization to Release FY2021 South Central Regional Transit District Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 12/15/2021. The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and 2.2.2.13 NMAC. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

- the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
- the OSA will post the report on its public website; and
- the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per 2.2.2.10.M(4) NMAC, at a meeting held in accordance with the Open Meetings Act, if applicable.

The IPA's findings and comments are included in the audit report on page 44. It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian S. Colón".

Brian S. Colón, Esq.
State Auditor

cc: Beasley, Mitchell & Co., LLP

2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507
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**South Central Regional Transit District
Resolution Number: FY22-17**

A Resolution approving the South Central Regional Transit District Audit for Fiscal Year July 1st, 2020, to June 30th, 2021.

WHEREAS, the South Central Regional Transit District Board of Directors met in a meeting Wednesday, March 23rd, 2021, in the City of Anthony City Hall, 820 NM-478 Anthony, New Mexico 88021; and,

WHEREAS, the South Central Regional Transit District approves the Audit for Fiscal Year July 1st, 2020, to June 30th, 2021,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South-Central Regional Transit District does hereby approve the Audit for Fiscal Year July 1st, 2020, to June 30th, 2021.

ADOPTED AND APPROVED THE 23rd DAY OF MARCH 2022.

Javier Perea, SCRTD Board Chair

ATTEST:

David Armijo, Executive Director

#8 Fiscal Year 2021-2022 Budget Approval State of New Mexico
Department of Finance and Administration

Correspondence is listed below.

MICHELLE LUJAN GRISHAM
GOVERNOR



DEBORAH K. ROMERO
CABINET SECRETARY

DONNIE J. QUINTANA
DIRECTOR

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building • 407 Galisteo St. • Suite 202 • Santa Fe, NM 87501
PHONE (505) 827-4950 • FAX (505) 827-4948

November 18, 2021

Javier Perea,
Chairperson
South Central Regional Transit District
830 Anthony Dr. Anthony, NM 88021

Dear Mr. Perea:

The final budget for your local government entity for Fiscal Year 2021-22, as approved by your governing body, has been examined and reviewed. The Department of Finance and Administration, Local Government Division (LGD) finds it has been developed in accordance with applicable statutes and budgeting guidelines, and sufficient resources appear to be available to cover budgeted expenditures. In addition, the Budget Certification of Local Public Bodies rule, 2.2.3 NMAC, requires that your entity's audit (The Tiered System rule, 2.2.2.16 NMAC, requires that your entity's "Agreed Upon Procedures") for Fiscal Year 2019-2020 should have been submitted to the Office of the State Auditor as of this time. The LGD's information indicates that you are in compliance with this requirement. Therefore, in accordance with Section 6-6-2(E) NMSA 1978, the LGD certifies your entity's final Fiscal Year 2021-22 budget.

Budgets approved by the LGD are required to be made a part of the minutes of your governing body in compliance with Section 6-6-5 NMSA 1978. In addition, Section 6-6-6 NMSA 1978 provides that the approved budget is binding on local officials and governing authorities, and any official or governing authority approving claims or paying warrants in excess of the approved budget or available funds will be liable for the excess amounts. Furthermore, state statute requires all revenue sources be expended only for public purposes, and if applicable, in accordance with the Procurement Code, Chapter 13, Article 1, NMSA 1978. Use of public revenue is also governed by Article 9, Section 14 of the Constitution of the State of New Mexico, commonly referred to as the anti-donation clause.

Finally, as required by Section 6-6-2(H), NMSA 1978, LGD is required to approve all budget increases and transfers between funds not included in the final approved budget.

If you have any questions regarding this matter, please call Rick Chavez of my staff at 505-670-7320 or via email at Rick.Chavez4@state.nm.us.

Sincerely,

Brenna J. Suazo-Vila
On behalf of:
Donnie J. Quintana, Director
Local Government Division
xc: file

#9 Budget Workshop

Adam Shea, Finance Director will present the budget for next year. Several substantive budget items remain unknown at this point, primarily the NM DOT and Doña Ana County funding. Those items are in process and will not be approved until June 2022. Consequently, the data provided will be estimates and based on the current budget year with some increases that are expected to be received and programmed by both entities. Two separate presentations will be made at the meeting. The first and overview of the past year projects and list for the next year, followed by a financial review of next year's budget.

No board action is required at this time.

#10 Membership Fee Increase Based on Inflation

The 2020 Census data for number of citizens by jurisdiction is available. Staff has updated the population data for each member agency. Furthermore, using the Federal Reserve projections for the past decade plus 2021, the cost per resident in each member jurisdiction has been increased to reflect the incremental cost for the past decade. No further projection going forward has been assessed. The change in the membership fee will be discussed in further detail.

#11 Section 5307 Split Letter Agreement

The district is receiving \$204,000 in partial funding for Fiscal Year 2022. This is part on the limited budget approved for the US Department of Transportation. However, now that a full budget for the year is in place, we are awaiting an updated Annual Funding Table issued by the US DOT that will include the balance of the funds due for this fiscal year.

The initial use of these funds will go towards capital with a limited amount going to operations. More detail will be provided in the oral report at the meeting. No board action is required at this time.