



**NORTH CENTRAL SOLID WASTE AUTHORITY
BOARD OF DIRECTOR'S
EMERGENCY MEETING**

Friday, June 29, 2018 at 9:00 A.M.

**2016 N. Riverside Drive
Española, New Mexico 87532**

I. Roll Call

Board Members:

Rio Arriba County	Tomas Campos/Chairman, <i>Absent</i>
Ohkay Owingeh	Ben Lujan/Vice Chairman, <i>Present</i>
Santa Clara Pueblo	Bernardino Chavarria/Secretary, <i>Present</i>
Rio Arriba County	Alex Naranjo, <i>Present</i>
City of Española	John Ricci/ <i>Absent</i>

Staff Members:

Manager	Peter Fuller
CFO	Audrey Gonzales
HR Administrator	Janet Saucedo
Executive Assistant	Jackie Martinez

II. Call to Order-Forum

Vice Chairman Lujan officially called the meeting to order at 9:37 A.M.

Motion made by Commissioner Alex Naranjo to call the meeting to order for June 29, 2018.

Motion seconded by Secretary Chavarria

Motion approved and carried 3-0

III. Audience Participation/Public Comment

None

IV. NCSWA Budget Approval

A. Proposed Budget FY 2019 (Approval & Resolution)

Manager Fuller states that this is the same packet as last meeting on June 20, 2018. Vice Chairman Lujan got a hold of Chairman Tomas Campos yesterday (June 28, 2018), and he would like us to go with the zero-based budget if all possible. Mr. Fuller asks if we need to pay that out of the cash reserve. Vice Chairman Lujan states, either that or go look at some cuts throughout the line items. Member Naranjo asks Vice Chairman Lujan what's that in reference to. It's showing a deficit. CFO Audrey Gonzales explains that what she talked about with Fierro & Fierro, Ed and Dominic is a rough figure. Ms. Gonzales states with employees coming and going, there is always that flexibility,

therefore there will not always be a deficit of \$55,000. Mr. Naranjo asks Ms. Gonzales if she has the resources in the present balance to pay that off. Yes. Mr. Fuller replies by saying in the last meeting Dominic's note read, part of this budget was a statement that yes, if necessary to show a zero we can pay the \$55,000 out of the current cash reserves and be clean. Mr. Naranjo asks if the ending cash balance is one million, seven hundred and forty-five thousand. Vice Chairman Lujan states we were talking about some of the line items proposed in the budget and some of them have increasements. Chairman Campos was concerned about ensuring we were budgeted because of the increase in the insurance. Vice Chairman Lujan continues to talk about the line items on the second page in regards to auditing services, legal services and consulting services. Ms. Gonzales explains to the Board; the reason auditing services is going to be so high is because we are going to have three years caught up in this one year. This will be the only year that this will happen. Secretary Chavarria asks Ms. Gonzales if that line item was the 6590. Ms. Gonzales states that this is correct and that the line item was broken up into three different areas to make it clear what we are spending the money on. If you look at 6590 and 6591 we have a proposed budget of zero because we split them up. Ms. Gonzales states in 3 months we will do an analysis to do a BAR wherever we need to if we over expend on one. We can always move the money to another. Vice Chairman Lujan questions increases on 6253 and 6252, purchases of dumpsters. Would it be easier to zero those out and have a balance budget and out of our money purchase those in order to show zero to the State? Based on the budget, we are in the red (\$55,000). Mr. Fuller states according to Dominic, if we needed to, we can zero out the \$55,000 from our current cash reserve. Ms. Gonzales states the reason the \$49,000 increased so high is because nobody budgeted the last two years. We budgeted a high amount in case we would run out of polycarts like last year. We need the polycarts in order to throw the trash. Mr. Fuller states that we need to purchase polycarts. Mr. Fuller believes that Dominic is proposing NCSWA pay the \$55,000 to clear it and reduce the cash reserve and go from 1745 to 1690 and be done. Mr. Fuller agrees we need to present zero at the top and adjust and do BARS down the road. Ms. Gonzales states, last year Mr. Gino Romero never budgeted for the dumpsters or the polycarts. This year we are struggling, trying to make ends meet with what we've got. Ms. Gonzales added two different line items and added some money for this year. Ms. Gonzales states it went kind of high because we are unsure what it's going to take and where we're at with last year not having anything, it's going to make us go higher this year. She goes on to say what's hard is a lot of stuff that wasn't budgeted correctly or we didn't understand how it was budgeted last year, will affect us this year. Vice Chairman Lujan understands that; however, he does not want to turn in a budget that shows we are at \$55,000. If we can find a way to zero it out and still know that we are going to cover the cost at some point. Ms. Gonzales states what is hitting us hard is our insurance match. Somewhere in some resolution the employee pays 30% and the employer pays 70%. Ms. Gonzales is unaware where the resolution is. Vice Chairman Lujan talks about how funny proposing a COLA will be because we are in a deficit. Ms. Gonzales found out this morning that Board wants to get rid of the COLA. Vice Chairman Lujan thinks it's important to get employees an increase, Mr. Fuller agrees. Mr. Fuller goes on to talk about his priorities; morale, which means raises and equipment. Mr. Fuller apologizes for not having enough time to back out the 1% COLA out of all these numbers. He would rather back out the

1% and make a provision for seeking increase based on merit which Mr. Naranjo mentioned earlier. Vice Chairman Lujan likes to see employees get the same raise across the board because of course the higher ups are going to get the majority of the raise. Vice Chairman Lujan believes around two or three years ago employees got a dollar raise. Mr. Gino Romero did not want the raise, rather he wanted the raise to go to the employees across the board to build morale up. Secretary Chavarria states that Chairman Campos suggested over a certain percentage is a lower increase and the raise was more equal across the board. In the past, Mr. Naranjo gave raises based on a salary schedule so it would equal out. Mr. Fuller states that NCSWA is trying to propose \$280,000 from the COLA, that's two trucks. He states, we can buy one truck and take the rest. Pay the \$55,000 and allocate toward the raise that Mr. Naranjo has outlined. The 1% is done at everybody's salary. Vice Chairman Lujan stresses that the hardest thing is building that morale among the employees. Mr. Fuller agrees and is supportive of that. Ms. Gonzales's goal is to go to the legislature and ask for money to buy vehicles, once NCSWA gets caught up with the budgets being done. The budgets will be done in September, and will be in compliance in December, Mr. Naranjo goes back to the stages and suggests NCSWA should do 2, 3, 4 and 5, % increases and see what it comes out to.

Mr. Naranjo questions the insurance, account number 6400 and why is it such a high increase of practically \$30,000? Ms. Gonzales replies, because of the rates that we've had with our employees and the accidents that we've had. Based on what Mr. Fuller has heard on automobile insurance and from people he has talked to say there are two things going on in the automobile insurance across the board, and those two things are people are texting while driving, and cars are not what they used to be. The new cars have a back-up camera on the bumper now. Repair costs have increased because if the bumper gets smashed they now have to fix the bumper and the back-up camera. Mr. Fuller is being told that it's an across the board thing. Mr. Naranjo asks Mr. Fuller if NCSWA has evaluated the insurance coverages. Mr. Fuller states that we are in the process of doing that. Mr. Naranjo states that by law you have to have about a million dollars in liability insurance. Mr. Naranjo continues to say, instead of having a \$500 deductible, you can go as high as a \$5,000 deductible, in reference to those \$200,000 trucks. You can even go \$10,000, \$15,000, and \$20,000 in. That would save a lot of money. Mr. Fuller states, point taken. Mr. Naranjo states that the insurance property sticks out like a sore thumb. Vice Chairman Lujan states that is because NCSWA is on different properties now. Mr. Naranjo states that the NCSWA needs to have liability and \$10,000 is not enough for that. Liability on this building alone is about \$40,000 a year. Mr. Fuller states that's what we need to do.

Mr. Naranjo goes on to say that the fuel (6500) is being decreased by \$80,000 and nothing has changed. Ms. Gonzales states that it's just an estimate because the fuel and oil were combined before. Mr. Naranjo states the oil is at \$40,000 and the fuel is at \$260,000. NCSWA is dropping \$80,000. Some of these accounts were combined and Ms. Gonzales wanted to track them separately, so new accounts were added. Mr. Naranjo questions account 6510, landfill charges and states NCSWA is being decreasing it by \$30,000, \$55,000. Mr. Fuller replies by saying in 2017 we were low and in 2018 we were high. Dominic used a conservative estimate. Mr. Naranjo states that this looks

like a pretty good budget. Mr. Fuller believes despite of what we may currently think of Mr. Byers, we do have a good rate of the landfill. Mr. Naranjo believes NCSWA should join the bandwagon with Mr. Byers because he seems to know what he's talking about.

Ms. Gonzales states she dropped line item 6550 by \$5,000 because if we get new containers, we won't have that repair so high. Vice Chairman Lujan states that NCSWA tied yourselves down a lot on the line items which is good. Mr. Lujan goes on to say that it's going to be challenging to see if that actually becomes an actual. Ms. Gonzales states if we would have put the 3% in, we would have been one hundred and some thousand in deficits which was the hardest part. Ms. Gonzales tried to get as close as she could to give employees the 1%. Ms. Gonzales states when you look at the \$55,000 even with the last employees that we had before and when you look at the 2017 and 2018 we went from 1.9 to 2.1 in salaries. This is because we have such a turnaround, which what helps us a lot. Mr. Naranjo asks Ms. Gonzales in case of an emergency how much money do you have in reserves? Ms. Gonzales replied, about \$437,000. Mr. Naranjo believes if the budget is 5.2 there should be a reserve of at least one million. Mr. Naranjo asks how much do you have in liquid? Mr. Fuller answers 1.7. Mr. Fuller states that Mr. Ricci pointed out in a prior meeting that we haven't had any money in time certificates. Mr. Fuller states NCSWA is not investing and we need to invest it. Ms. Gonzales states that NCSWA did the best we could. Ms. Gonzales states we finally have a good budget, although it's a tight, that's all we could do with what we have. Secretary Chavarria states that last year's budget was balanced. Vice Chairman Lujan asks about line item 6630, RAC Loan Payment. Mr. Naranjo states that we were willing to forgive the whole loan and the only reason Mr. Naranjo got involved was because everyone was getting 12% raises and Mr. Gino Romero was giving himself a 20%. The contract clearly stated that if and when NCSWA would start making a profit, then we would sit down and look at it again. Mr. Naranjo states its too late to forgive the loan. Vice Chairman Lujan asks how we are going to balance this? Mr. Naranjo states it's balanced. Mr. Fuller verifies that we need \$55,000 to clear it. Mr. Fuller believes we should buy one vehicle instead of two, in order to clear the \$55,000. Mr. Fuller would rather pay it out in cash and invest some of that cash. Vice Chairman Lujan would rather have NCSWA come in with a request later instead of having it in the red and turning that kind of a budget in. He would rather have a zero-based balance budget and turn it in. Secretary Chavarria states we can approve the budget as is today with one change. Mr. Fuller can take \$55,000 off \$280,000 9030 Capital outlay which will go down to \$225,000.

HR Administrator Janet Saucedo talks on behalf of the staff out in the field. Mrs. Saucedo states that the staff has been working hard, long hours. There have been two resignations. She goes on to say, with what the newspaper printed about the 1%, that is not going to feed the staff and will stand for them. With the way rates are going up with gas, food, etc. the long-term staff will not stay here. Long-term staff are leaving. They are going to Los Alamos and Santa Fe where they are getting paid more. Ms. Gonzales states that if HR Administrator Janet Saucedo is wanting to do a 3%, we are going to have to cut more places. Vice Chairman Lujan does not want a percentage, he would like a flat dollar amount for everyone. Mr. Fuller agrees.

Motion made by Commissioner Naranjo to change line item 9030 to \$225,000 and having a zero-balance budget.

Motion seconded by Secretary Chavarria.


X. Adjournment

Motion made by Secretary Chavarria to Adjourn at 10:02 am

Member Naranjo seconds the motion

Motion approved and carried 3-0

APPROVED AND ADOPTED THIS 18 DAY OF July, 2018



Tomas Campos, NCSWA Chairman
Ben Lujan, NCSWA Vice-Chairman

ATTEST:



Dino Chavarria, NCSWA Secretary