

**EASTERN PLAINS COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING
October 5, 2016
418 Main St., Clovis, NM**

Vice-Chairman Oscar Robinson conducted the meeting with the sign-in sheet serving as roll call.

INTRODUCTIONS:

Everyone in attendance introduced themselves, guest are listed below under guest present.

MEMBERS PRESENT:

Wesley Shafer, Grady; H.P. Cargile, Melrose; Lewis Cooper, Texico; George Gonzales, De Baca County; Justin Ingram, Ft. Sumner; Oscar Robinson, Portales; Roman Garcia, Vaughn; Donna Sue Milson, Roy; Cynthia Lee, San Jon; Justin Bennett, Union County; Wade Holdeman, FSID.

MEMBERS ABSENT:

Fidel Madrid, Clovis; Tim Ashley, Curry County; Robert Aragon, Harding County; Ernest Tapia, Guadalupe County; Robert Lumpkin, Tucumcari; Richard Primrose, Quay County; Mike Cherry, Quay County Alternate; Apolonio "Moe" Ramirez, Logan; Jill Caviness, Causey; Becky Frazee, Dora; Toni Whitecotton, Floyd; Kim Summers, Elida; Beverly Creighton, Elida Alternate; Terry McNabb, Folsom; Mignon Saddoris, Grenville; Jack Chosvig, Clayton; Leroy Montoya, Clayton Alternate; Franklin McCasland, Arch Hurley Conservancy District.

STAFF PRESENT:

Sandy Chancey, Mary Gray, Erick Robinson-via phone conference.

STAFF ABSENT:

Vincent Soule, meeting in Roswell and Raymond Mondragon, meeting in Silver City.

GUEST PRESENT:

Douglas Clark, CNJ

APPROVAL OF AGENDA:

THAT the October 5, 2016 Board of Directors agenda be approved.

MOTION: Justin Ingram

SECOND: H.P. Cargile

MOTION CARRIED

APPROVAL OF MINUTES – August 10, 2016:

THAT the August 10, 2016 meeting minutes be approved as written and submitted.

MOTION: Wesley Shafer

SECOND: Cynthia Lee

MOTION CARRIED

APPROVAL OF FINANCIAL & BUDGET ADJUSTMENTS REPORTS:

Financials:

Erick commented there's a financial report for EDA, Transportation, and the General Budget. These have a little bit of a new look, from what the Board is used to seeing, because these are printing out of QuickBooks rather than MIP. This is the look the financials will have going forward. He commented that he believes these will make a little more sense and be easier to read.

Erick stated we are early in the first quarter so there isn't much to talk about on the financials. He said Sandy will address the budget concerns that are coming up and we'll work through those as they come up, in terms of discretionary spending.

In terms of where we are with budgets to date, at this point we are right on track. There are some front loaded expenses such as insurance and things like that, that makes the budget through the first quarter look like we're over spending our budget. These expenses level out and recoup over the course of the year.

Erick said he wouldn't go into too much detail because it's early in the year. These reports are allocating based out of QuickBooks now and we are getting to where we can generate a timelier reporting. He will be able to get reports to Sandy for her review and she can monitor compliance and make decisions and do some other things that we weren't able to do in MIP. The MIP reports were very cumbersome and these out of QuickBooks are very simple reports and are able to be generated quickly. Erick commented that he hopes going forward this will assist us greatly in terms of oversight and planning for operations.

Erick commented that we've started communications on the annual audit, but haven't started any field work just yet. We aren't due until December 15th so we have plenty of time to get that completed. Erick will be getting with them in the next couple of weeks to get a list of samples they will be needed from us. Erick said he doesn't look for there to be any excitement on the audit, but you never know.

Erick asked for any comments or questions.

THAT the October 5, 2016 financials and budget adjustments be approved as submitted.

MOTION: Roman Garcia
SECOND: Donna Sue

MOTION CARRIED

EXECUTIVE DIRECTOR'S REPORT:

Sandy commented since we've just approved financials and we knew our budget was tight to begin with; we are waiting to hear what takes place. We will not know until the House of Representatives and the Senate come to an agreement, but we are probably looking at a 5.5% cut to our State-Grant-in-Aid for the remainder of this year. We have been told to expect an equivalent amount for the next fiscal year.

Sandy said she and Erick have been communicating and EPCOG has the contract for CDBG grant for the City of Texico, we will be fiscal agent for San Jon for their Water Trust Board grant and we'll be administering Vaughn's CDBG grant. She's also sent paperwork to Portales as they are considering using EPCOG to administer their CDBG grant. All of these will help fill the gap created by the decrease in funding. It's going to be rough, but we'll make it through.

Our budget will still be tight and we will not be able to use the extra income, from implementing the above mentioned grants, to do some maintenance we wanted to take care of in our office. But we will make it through it will just continue to be tight.

Rick Lopez, the Director of the Local Government Division of DFA, put out an email that he needed our quarterly reports and reimbursements request ASAP, so that has been completed. He said he would let us know just as soon as he possibly could what the budget cuts will be. Right now we aren't going to do any adjusting to the budget until we find out how much of a decrease we will be receiving.

Sandy commented she needed to inform the Board of another item. The Board approved her out of state travel to Baton Rouge for a conference which didn't happen because of the flooding. SWREDA has attached the SWREDA conference to the end of the NADO conference in San Antonio on October 15th to 19th. They also increased the scholarship amounts so Ray and Sandy will be attending the conference in San Antonio.

Sandy commented she will be on vacation from Thursday October 6th through October 15th then she will go to the conference.

Sandy reported there was a NewMARC meeting in Albuquerque on September 26th. The members had a discussion with Rick concerning emails some had received that Capital Outlay had been frozen. Rick told members the Capital Outlays that they are freezing are 2015 and back that have had no activity. That means no signed grant agreement, no notice of obligation, and no expenditure are the ones that have been frozen.

We have been told since then these Capital Outlay projects will not only be frozen, but

they will be swept. She looked at the list and didn't see any of our entities on the list.

Rick also told NewMARC members their staff is still working on getting the 2016 grant agreements out. Another thing the legislature is looking is any 2016 grants that were awarded and less than fifty percent funded for the project. Some of these projects may also be swept.

Much discussion took place concerning the up keep of the state and federal roads/highways. Sandy commented that the federal has a tier system and interstates are tier one roads so they get the attention first. Other federal highways such as 60/84 and 54 are tier twos so they are second priority.

Sandy said information has been passed on District II and the Santa Fe office that WalMart and Swift will be offering extra mileage to their drivers to use the interstate and stay off of 60/84 unless they had to use that road for deliveries.

More open discussion on roadway projects and funding for these projects, focusing on 60/84 and freight routes.

Sandy said Vincent has emailed out some templates for letters to both state and federal Legislators so we can start getting a push put on to get some attention made to that highway. The highway continues to become more and more dangerous.

Toni Whitecotton, with the Village of Floyd, asked about a rumor she has heard that when audits are reviewed if an entity have excess money they will look at taking it. Sandy commented she has not heard they're looking at taking it from the locals, but they are looking at doing it to state agencies.

The question was asked what was meant by taking it.

Sandy stated that if a state agency has a surplus in any of their budgets they are considering taking that surplus. They are talking about state agencies and school districts. Discussion took place concerning this.

Someone asked about Small Cities Assistance and Sandy stated everything is at risk at this point, nothing is safe.

Toni Whitecotton asked if Sandy would be keeping everyone up dated on the new law going into effect January 1, 2017 concerning payroll.

Sandy commented yes that EPCOG will keep all informed. She said this is a new federal department of labor rule on exempt employees, applying to all employees. Sandy said she will be attending a workshop, on this new ruling, when she attends the NADO conference in San Antonio. Sandy will pass on any information gathered at the workshop.

She said this concerns our budget at EPCOG; right now all employees are exempt employees. When this rule goes into effect, right now they've delayed the

implementation of that rule. It was supposed to go into effect December 1, 2016 but they've delayed it so they can study it more. If this does take place Sandy will be the only exempt employees. There's some special guidance about this on the USDOL website for nonprofits. We fall into that, because we are dependent on grant income. We can keep our staff on salary, but they can't work over forty (40) hours a week so this will mean some schedule adjusting for us. Having the office closed on Friday will help with that, giving us an eight (8) hour a week cushion. Since we've learned about this change coming about we have put into practice limiting and adjusting our schedules to 40 hours a week.

Wade Holdeman, with Fort Sumner Irrigation District, commented they have four (4) twelve (12) hour shifts for their ditch riders and this new ruling could put them out of business.

Group discussion took place concerning this new Department of Labor ruling.

NewMARC voted at their last meeting on September 26th to contract with Hubert Quintana, former NewMARC chairman and retired Executive Director of the Southeast NM EDD to help with NewMARC administration and advocacy. Hubert will help with scheduling meetings, presentations, and agendas. He will be our advocate to Santa Fe during the legislative session to help keep our funding levels stable. Hubert will also be available through his new consulting firm, Quintana and Associates, to help us with things such as strategic planning, capital outlay training, and economic development planning and training.

Sandy commented again that she will pass on any information from the workshop at the NADO conference to everyone. We will not meet again until February 2017, unless something comes up on the refinancing of Rio Pecos Estates.

Vice-Chairman, Oscar Robinson, commented that what they are doing is going back to the 1973 law; it's new because it's bringing more people into the population. The rules are still the same and the administrators have lost their authority to cull down workforce and worktime, meaning you could fire someone for working two (2) hours over if you told them not to. This is just an old 1973 law being brought back. Oscar told Sandy it would be great if she could do a workshop when she returns from the conference. Sandy said she has asked the Workforce Solutions if they have anyone who can train on this, but they don't, since they don't know what's going on at this point.

On October 26-28 Sandy, Ray and Vincent will be attending the New Mexico Finance Infrastructure Conference in Ruidoso at the Convention Center. Sandy stated she is on a speakers' panel; they will be doing a live FUNDIT panel. FUNDIT is a program with the Economic Development Department. Projects are presented to the panel for review and they help break the projects into phases and come up with different funding options for the project. Basically, projects are presented to the panel and they help come up with funding options.

Oscar Robinson commented that there is some good work going on with highway 70 with

the overlaying. Are those funds already encumbered? Sandy commented the department of transportation receives a lot of federal money. The state can't freeze any of that federal money. Anything being done on highway 70 is federal funding, but what could be at risk are local government road funds. She will not know anything until Vincent reports on the meeting he is attending in Roswell. Of course, any federal funds received the state has to match. Sandy said her understanding is the state match is already in place. Where it will hurt us in transportation is going to be the local government funded road projects that are using any capital outlay to provide the match for those projects.

PROGRAM REPORTS:

EDA and Government Affairs-Raymond Mondragon:

Ray was absent as he was attending a Water Resources Research Institute meeting in Silver City, NM. This report covers from August 2016 through September 2016.

- Wrote a small law enforcement grant for the De Baca County Sheriff's Department the amount was \$5,000.00 from the Plateau community grant.
- Attended EPCOG Board of Directors meeting Aug 10th gave an update to the board.
- EPCOG Staff had a meeting with staff from North Central COG in regards to the Ristra Project.
- The SWEDA Conference in Baton Rouge, LA was cancelled due to the extensive flooding there. Sandy and I were scheduled to attend that conference as per EDA contract. The SWEDA Conference has been added as an addition to the NADO Conference (National Association of Development Organizations) in San Antonio, Texas. Sandy and I will be attending that October 15-19 2016.
- Attended the NERPO-NEEDO meeting in Springer, NM with Vincent.
- EPCOG assisted the Roosevelt County Community Development Corporation with a Job Fair in Portales on September 29, 2016. The job fair was organized different from the EPCOG P-4 Partnership spring job fair when working with the partners and Cannon AFB. Portales was more focused on local businesses only and local folks needing employment. An effort was made with advertisement from De Baca County, Levelland, Texas, and Portales News Tribune. Orlando Ortega also made some of the radio morning shows at KSEL Country Portales, KTQM-KCLV-KWKA.
- Attended the Ports to Plains Conference in San Angelo, Texas in support of the trade corridor on highway 87 that passes through Clayton, NM. The program consisted on numerous speakers that included commerce connecting North America to your city, National legislative perspectives on freight, creating job opportunities within the trade corridor, multi-modal connections and importance of infrastructure. The closing banquet/reception featured an 1800's : I have attached a few photos of the event.
- Richard Primrose and I attended the ISC (Interstate Stream Commission) meeting in Albuquerque, NM and presented the region 1 regional water plan. Richard Primrose was the vice-chairman of the group and I served as secretary of the group. The ISC voted and approved the region 1 plan.
- Attended the 2nd annual Governor's Summit on Higher Education in Albuquerque, NM.

- Attended the NM End Hunger Summit and assisted the North Central COG with the event in Albuquerque, NM.

Sandy commented that Ray did attend the Ports to Plains Conference in San Angelo in support of the Trade Corridor that passes through Clayton. The Ports to Plains mission is to eventually make that part of interstate 27.

Sandy asked Justin if there was anything else on this. Justin said it is a long range plan 40 to 50 years out. They have to consider what a bypass would do to Clayton, Des Moines, etc. He commented they are just glad they have four (4) lanes ahead of Colorado. He stated there was a study done, some years ago, that if Colorado and New Mexico finished the four lanes at the exact same time the truck traffic does prefer the Colorado route; traveling up through Boise City and through Colorado.

He said since New Mexico has finished and Texas has done a great job filling in from Clayton to Dumas that the increase in traffic has been unbelievable. They may not be hitting the downtown stores, but just stopping for gas and food is a benefit to the community.

He said what he's hearing is the best Colorado is looking at is the super two (2) lanes with a passing lane ever so often. Colorado doesn't have any ambition of going full four (4) lanes.

Transportation-Vincent Soule:

Vincent was absent as he was attending a meeting in Roswell, NM.

Events, Meetings, and Assurances

August 2016 (post-EPCOG Board Meeting in August):

- ❖ Attended Young Professionals of Clovis (YPC) Luncheon
- ❖ Attended SERTPO Subcommittee Meeting online
 - Spoke on Roadway Criteria which will be brought up at the Oct. 13th, 2016 SERTPO Meeting
- ❖ Co-managed NERTPO Meeting in Springer, NM on August 24th, 2016
- ❖ Helped arranged NMDOT District IV meeting
- ❖ Reviewed Regional Work Program, NERTPO Bylaws, and NMDOT agreements with EPCOG
- ❖ Assisted with the implementation of letter to Governor concerning NM US 60/84

September 2016:

- ❖ Attended the Annual End NM Hunger Summit on September 27th, 2016
- ❖ NERTPO Meeting attended and co-managed in Santa Rosa, NM on September 28th, 2016
- ❖ Attended YPC Luncheon
- ❖ Arranged and attended PFF meeting with Clovis and Portales
- ❖ Had meeting with Portales over ADA Transition Plan
- ❖ Began Leadership Clovis
- ❖ Offered assistance with NERTPO PIFs
- ❖ Had meeting with NMDOT District IV to help facilitate processes
- ❖ Attended RTPO Roundtable in Ruidoso Downs, NM

Upcoming:

- ❖ October 6th, 2016: Transportation Commission Meeting in NMDOT District III Auditorium
 - http://dot.state.nm.us/content/nmdot/en/TC_Publications.html
- ❖ October 5th, 2016: Attending meeting with NMDOT District II regarding NMDOT processes and current state of the State
- ❖ October 13th, 2016: SERTPO meeting in Roswell, NM
 - Transit Rating & Ranking
- ❖ October 20th, 2016: NERTPO Meeting in Tucumcari, NM
 - Transit Rating & Ranking
- ❖ October 17th, 2017: Roadway Call for Projects
- ❖ November 1st, 2016: SERTPO TAP/RTP Applications due to Planners

NEW BUSINESS:Approval of Resolution to Refinance the Rio Pecos Estates:

Sandy stated the Rio Pecos Estates is a 26-unit multi-family affordable housing complex in Santa Rosa, NM. It was built with affordable housing tax credits. EPCOG owns these in conjunction with some tax credit partners. The current tax credit partners want to dissolve that arrangement, because the tax credits have expired and it is no longer beneficial to them. EPCOG is the general partner of the Rio Pecos Estates at .01 percent and the Limited Partnership is 99.99 percent. As part of the agreement, all of the responsibility falls on EPCOG.

Michael & Associates are our tax credit partners and they want to be bought out. We've made an agreement on price and J.L. Gray, who is our property management company, is working to purchase the Limited Partnership. They will become the tax credit partner. Once all of this is finalized EPCOG can refinance the property.

Sandy said the resolution will allow her to renegotiate the terms of the existing mortgage, reducing the interest. The current mortgage on this property is what they call a 542-C Risk Share Loan at a rate of 8.84 percent. There is a lock on the loan and it can't be refinanced, prepayment, or anything without a huge penalty until after November 1, 2016. She believes it can be refinanced at an interest rate of 5.5 percent.

THAT Resolution (EPCOG R-10-2016) be approved and that Sandy Chancey, as Executive Director, is hereby authorized, directed and empowered to sign and/or execute all documents necessary for renegotiating mortgage terms on behalf of Eastern Plains Council of Governments.

MOTION: Justin Ingram

SECOND: Wesley Shafer

MOTION CARRIED

Approval to close the office December 26th through 29th for the Christmas Holidays:

THAT the EPCOG offices close for the week of the Christmas Holidays and employees

do not need to use annual leave since it is approved holiday closing.

MOTION: Roman Garcia

SECOND: Justin Ingram

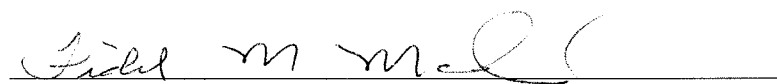
MOTION CARRIED

COMMENTS:

Sandy invited all to the BBQ lunch and blade signing sponsored by the Chamber of Commerce to kick off the Broadview wind turbine farm.

ADJOURNMENT:

Since there is no further business to come before the board the meeting was adjournment at 11:30 p.m.



Fidel Madrid, Chairman

*All reports filed in the Board Minutes File.