

**EASTERN PLAINS COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING
February 8, 2017
418 Main St., Clovis, NM**

Chairman Fidel Madrid 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:

Fidel Madrid, Clovis; Sandra Taylor-Sawyer, Clovis Alternate; Wesley Shafer, Grady; Robert Thornton, Curry County; H.P. Cargile, Melrose; Lewis Cooper, Texico; Amanda Lucero, De Baca County; Ralph York, De Baca County Alternate; Ernest Tapia, Guadalupe County; Oscar Robinson, Portales; Donna Sue Milson, Roy; Mike Cherry, Quay County Alternate; Ruth Ann Litchfield, Tucumcari; Becky Frazee, Dora; Justin Bennett, Union County; Franklin McCasland, Arch Hurley Conservancy District; Wade Holdeman, FSID.

MEMBERS ABSENT:

Justin Ingram, Ft. Sumner; Roman Garcia, Vaughn; Robert Aragon, Harding County; Richard Primrose, Quay County; Apolonio "Moe" Ramirez, Logan; Cynthia Lee, San Jon; Jill Caviness, Causey; Kim Summers, Elida; Toni Whitecotton, Floyd; Jack Chosvig, Clayton; Terry McNabb, Folsom; Mignon Sadoris, Grenville;

STAFF PRESENT:

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

STAFF ABSENT:

Vincent Soule, attending Leadership Clovis.

GUEST PRESENT:

Kevin Wilson, Eastern New Mexico Media Inc. (aka CNJ)
Trisha Korbas, EDA
Lurdes Meathersby, USDA

APPROVAL OF AGENDA:

THAT the February 8, 2017 Board of Directors agenda be approved.

MOTION: Donna Milson
SECOND: Lewis Cooper

MOTION CARRIED

APPROVAL OF MINUTES – October 5, 2016:

THAT the October 5, 2016 meeting minutes be approved as written and submitted.

MOTION: Justin Bennett

SECOND: Donna Milson

MOTION CARRIED

APPROVAL OF FINANCIAL REPORTS:

Financials:

Erick commented there's a financial report for EDA, Transportation, and the General Budget. The noticed after the financials were printed and emailed to Mary that there were Some miss quotes that will be corrected; there for he will not lean on those too heavily because they are working getting those cleaned up.

Erick stated he wanted to cover the year to date performance. Right now, collectively, EPCOG is spending 72% and should be at 58% for the year. So what that means is we are 20 - 30k behind where we should be. This sounds terrible, but we have to keep in mind we have the audit budgeted into this as well as the Ute Water and these are our two largest expense.

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. When we stream line all of this it brings us to about \$10,000.00 behind where we need to be with budget.

Erick said we'll have to continue to keep watch on spending and now that the Session is mostly over we should be able to crank back and really tighten up on spending. This continues to remain a critical aspect of the budget with cash flow being a night mare for the COG simply because everything operates in arears with receiving grant funding. It's a matter of cash not hitting the bank when we need it to. Once again, it continues to be a challenge because the budget is very tight. He will continue to watch this closely; but we should be able to ride out the rest of the year

Erick commented he was looking at the numbers this morning after they had made some of the corrections that didn't make the financials we printed for the meeting. There's nothing that is overly glaring. He will move around some of the figures Sandy brought to his attention. He stated that because they were dragging on some of the payments going out we did incur some late payment penalties from the IRS. They have since changed that on their end and are utilizing the line of credit a little more. Erick stated that Integrity reduced their fees some to help absorb some of the IRS penalties. Elisa and Erick will

have the changes ready for next month. They are printing the financials monthly for Sandy's review and approval.

We are still waiting on DOT and DFA grant funding to come in. Erick commented that while waiting on funding we lean on the line of credit a little more than we should. Reality is EPCOG doesn't have any surplus funds to help when grant funding is slow coming in. It is a struggle and EPCOG needs to find funds from additional sources.

Sandy commented that we would need to do some budget adjustments for the EDA \$10,000 increase, contracts for Portales and Vaughn, and the reduction from DFA. Once these budget adjustments are done it should improve the situation a little. Budget adjustments will be ready for the next meeting.

Ray let Erick know he applied for a community grant program with NM Gas Company for \$20,000.00 in July. He also submitted a BNSF grant for \$50,000.00.

Sandy said EPCOG would continue to look for unrestricted funds.

Erick commented that is the challenge for EPCOG, the DOT and EDA are great, but those are restricted funds.

The restitution payments from Lori Howard are trickling in \$25.00 every couple of months or so. At the rate these are coming in it will be a long time if ever before we recognize the full amount of \$35,768.00.

Vice-Chairman, Oscar Robinson, asked if Erick could explain what the Ute Water Assessments of \$50,125.00 is.

Sandy said she could explain it. Sandy stated EPCOG is the fiscal and administrative entity for the Ute Water Commission. Now, that is not the Water Utility Authority. It is the Ute Water Commission that is the group of local governments that came together about 1964 and created a Joint Powers of Agreement with the Interstate Stream Commission. They are the body that negotiates and contracts with the Interstate Stream Commission for the reservation and purchase of water from the Ute Reservoir. EPCOG is responsible for keeping their books, sending out billings, and collecting the money. The total is \$50,125.00 and that is simply money in money out. We send out the bills, they send payment to us and in January turn around and write one check to the Interstate Stream Commission for everyone's reservation and purchase amounts.

Erick stated this is one of the corrections he will be making. Once correction is made it will show \$50,125.00 received and \$50,125.00 paid.

Sandy commented that a few years ago the Ute Water Commission did vote to give an administrative fee giving EPCOG some funds for bookkeeping, postage, etc., which we have since used. Should they decide to do this again the amount would change a little more than the \$50,125.00. She also commented Ute Water Commission meets on an as needed basis and haven't met since October 2013.

Erick asked for any other comments or questions.

THAT the February 8, 2017 financials and budget adjustments be approved as submitted.

MOTION: Becky Frazee

SECOND: Oscar Robinson

MOTION CARRIED

PRESENTATION BY TRISHA KORBAS, EDA:

Trisha introduced herself to the group and explained some of the following points.

Who is EDA?

- Department of Commerce
- Headquarters (DC)
- 6 Regional Offices
- Mission: To lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.
- EDA provides **grant-based investments** to units of state and local government, universities, public or private non-profits, District Organizations, Institutions of higher education, Indian Tribes, in communities and regions suffering from severe economic distress.
- EDA targets its investments to attract **private capital investment** and to create *(or retain)* **long-term, high-skill, high-wage, sustainable jobs**.
- EDA investments are focused on **locally-developed, regionally-based economic development initiatives** that directly contribute to economic growth... and that emphasize **innovation, entrepreneurship, and regional competitiveness**.

Austin Regional Office

- 5 States
- Allocation based on population

EDA Partners

- EDDs/COGs funded annually to maintain the Comprehensive Economic Development Strategy (CEDS)

What are EDA Programs?

- Public Works & Economic Adjustment Assistance
- Short Term Planning and Local Technical Assistance
- University Centers
- Partnership Planning
- Supplemental Funding (Disasters)
- Regional Innovation Strategies

What is the eligibility criteria?

- Eligibility is based on level of economic distress:
 - Basic grant rate is 50%, but can go up to 100% depending on the level of economic distress;
 - 24-month unemployment
 - PCI
 - “Special Need”

Trisha Korbas may be contacted for assistance at 720-626-1499 or tkorbas@eda.gov.

A copy of the presentation is filed in the Board of Directors meeting folder and a digital copy in February 8, 2016 meeting folder on computer.

EXECUTIVE DIRECTOR’S REPORT:

Sandy commented the EPCOG Audit is complete and on today’s agenda for approval. Rio Pecos audit is underway. While we don’t have any findings related to our financial management, some of the questions asked by the auditors prompted us to make some revisions to our financial management policy which is also on today’s agenda for approval.

Ray and Sandy attended the National Association Development Organization (NADO) and SW Regional Executive Directors’ Association (SWREDA) Conference in San Antonio Oct. 15-19. Travel expenses were reimbursed, so there was no impact to the budget for us to attend this training. Ray, Vincent and Sandy also attended the NM Infrastructure Finance Conference in Ruidoso Oct. 26-28. Scholarships for registration costs were provided for Ray and Vincent; Sandy served on a speaker’s panel so her registration was only \$50.

Sandy reported she is now one of two NM representatives on the SWREDA Board, and they are currently planning the next SWREDA conference to be held in Baton Rouge, LA in July. EPCOG still has a credit with United Airlines for the tickets for last year’s cancelled conference, so that part of their travel has already been paid. Most of our SWREDA Board meetings are done by conference call, but are planning to have a meeting in Dallas in April. As a board member, her travel expenses to SWREDA meetings and conferences will be reimbursed.

EPCOG can now refinance or sell Rio Pecos Estates as of Nov. 1. Sandy has been working on that with our management company, JL Gray. She has been in discussions with NM Mortgage Finance Authority regarding renegotiating the interest rate on our current mortgage; they are waiting for guidance from HUD. Prior to refinancing the property or renegotiating the mortgage terms, we must settle the issue of the limited partners (tax credit partners). Michel and Associates, the management company for the limited partners, wants to end the agreement as the tax credits have expired and the

partnership is no longer of any benefit to them. JL Gray has agreed to buy out the limited partners' interest, and become the limited partner in the complex; however they are reluctant to do this until they know for certain that the interest rate on the mortgage will be reduced. Due to the time spent in waiting for HUD, Sandy is looking at other options. It is more important than ever that we refinance this property so that we are not constantly subsidizing it. Ruth Visage and San Jon apartments continue to cash flow, and we are using the owner's draw we get from these two properties to put funds into Rio Pecos.

Sandy reported we have received a cut to our State Grant in Aid. Rick Lopez told the COGs to prepare for a \$7,000.00 reduction but when we received the paper work it was \$5,442.86, from \$91,585.71 to \$86,142.85. That brings our total amount of reduction for this fiscal year to 9,343.03. We have been advised to expect a similar reduction for the next fiscal year. We also received an increase in our EDA grant by \$10,000 per year. All of the necessary documents for both the reduction in the State Grant in Aid and the increase in the EDA grant have been submitted. We will have budget adjustments to approve for these changes at a future meeting. In addition, we are continually looking for other grant funding and have had discussions with the NM Gas Company to receive one of their grants in July. We continue to be very conservative with spending in order to stretch our budget. We have entered into a fiscal agent contract with the Village of San Jon, a CDBG Administration contract with the Town of Vaughn and a CDBG Administration for the City of Portales which will provide a little bit of supplemental funding for the next two years.

Sandy's Certified Procurement Officer certificate expires in May, and she will need to attend a recertification class in the spring or summer. The State Purchasing office is reviewing the recertification requirements and sent out an email granting extensions for recertification for those whose certificates expire before the revise the requirements. Please let her know if you need a copy of that memo.

Sandy attended the Job Creation Listening Tour with NM House of Representatives Speaker Brian Egolfal and several other legislators on Dec. 6. This meeting was well attended despite the harsh winter weather that day. She also attended the opening session of the Legislature and Gov. Martinez's State of the State address on Jan 17, Quay County legislative breakfast on Jan. 18, the Union County legislative luncheon and the Clovis/Portales legislative dinner on Jan 23. Made visits to several legislators and sat in on some committee meetings Jan. 24. Primary issue this session is the budget crisis. She is planning to attend Municipal Day on Feb. 22 if the budget allows.

The next NewMARC meeting will be Feb. 9 in Santa Fe to discuss issues taking place at the state and federal levels. We also have NewMARC meetings scheduled Feb. 27 and 28 in Albuquerque.

The next FUNDit meeting will be held the afternoon of Feb. 28 in Albuquerque. If you have a project that would be beneficial to the economic development in your community and you need to finance that project you bring it before the FUNDit panel. The panel is made up of representatives from different funding agencies such as EDA, all of the COGs, economic development, the environment department, DFA, USDA, etc. NMEDD has sent out the notice and request for projects for review.

She attended the final NM Jobs Council meeting November 22 in Santa Fe. The contract consultant to the Jobs Council, Mark Lautman, presented his recommendations to the council along with two potential bills for funding which received no support from the Jobs Council. Funding for another jobs council is not expected.

Sandy stated due to the budget crisis, the legislature has included elimination of some capital outlay grants in the 2017 solvency bill. Most of these are grants that have had no activity and/or the bonds have not yet been sold for those projects. Only four grants from our region were included, and I believe that at least two of those have been removed from the list. On Jan. 30, we were notified that effective Jan. 23, DFA has frozen all capital outlay grants that have had no activity with the exception of 2016 capital outlay grants. It is **crucial** that local governments update the status of their capital outlay awards in the Capital Project Monitoring System (CPMS) by the end of each month **and** file the required paper reports in a timely manner. I am available to help with this if anyone is having trouble with this.

EPCOG is currently administering Texico's 2015 CDBG grant and Vaughn's 2016 CDBG grant. We have agreed provide fiscal agent services to San Jon for their Water Trust Board grant once they receive their grant agreement.

Sandy reported she has agreed to serve on a water policy strategic planning committee for the City of Clovis. Commissioner Ladona Clayton is leading this planning process.

She is assisting Ft. Sumner Irrigation District with strategic planning and researching funding options for various plans and projects.

The CDBG Application workshop was postponed until March 15. She will send out more information as soon as it is received.

PROGRAM REPORTS:**EDA and Government Affairs-Raymond Mondragon:**

This report covers from October, November & December 2016 & January 2017. Ray reported he attended the following activities and meetings.

- Attended the Water Research Resources Institute program in Silver City, NM
- Attended the EIB (Economic Incentive Board) meeting at City of Clovis I represent District 4 on the board.
- Sandy Chancey and I Attended NADO (National Association Development Organizations) and SWEDA Conference (Southwest Economic Development Association) in San Antonio, Texas.
- Attended the NM Infrastructure & Finance Conference in Ruidoso, NM.
- Completed a small grant request for the De Baca County Sheriff's Department.
- Attended the Clovis Water Policy meeting held at EPCOG offices.
- Attended NMIDEA Annual Meeting in Albuquerque NM to plan for the upcoming 60 day legislative session and to set legislative priorities.
- Participated in a NADO Webinar on the upcoming Trump Administration and what that means.
- Attended a legislative Jobs Council meeting in Santa Fe.
- Attended a meeting in Albuquerque, NM at the ACI (Association Commerce & Industry) to review NM Jobs Council Legislation. Attended by approximately 15 economic developers.
- Attended the Annual meeting of the Prairie Partners & RC&D at the Tucumcari Convention Center.
- EPCOG assisted and organized the Quay County Legislative Forum at the Tucumcari Dinosaur Museum. We had 68 in attendance along with Senator Pat Woods and Rep. Dennis Roch.
- Conference call to discuss funding options for Tucumcari Water & Sewer improvements.
- Attended a retirement luncheon for Tom Phelps, CEO of Plateau at the Clovis Learning Center at Plateau.
- EPCOG staff attended the listening tour of the new Speaker of the House Rep. Brian Egolf and other State Representatives.
- Assisting the Santa Rosa Water Mutual Domestic Association with a small grant. Went to Santa Rosa to photograph the area for the designated pipeline.
- Assisting the Town of Clayton with a small grant for a police radar trailer.
- Attending the opening of the session of the legislature on January 17. EPCOG staff attended that session.
- EPCOG staff also attended the Quay County Legislative Breakfast at the Inn of Loretto.
- Attended the NMIDEA (New Mexico Industrial Developers Executives Association) Legislative meeting at the Hotel Santa Fe. I served on a legislative panel to discuss NM Legislative issues and NM's budget.
- Attended the NM Senate Finance Committee hearing at the State Capitol to support Economic Development JTIP & LEDA funds for economic development projects.
- Attended the Enlace Luncheon meeting at the Inn of Loretto in Santa Fe, NM.

- Working on two small grants for Clayton, NM and Santa Rosa Mutual Domestic Water Association.

Transportation-Vincent Soule:

Vincent was absent as he is taking part in the Leadership Clovis and will be out of the office the second Wednesday of each month.

Events and meetings Vincent attended during October, November and December 2016.

- Attended workshop at Mid-region Council of Governments Oct. 6th – 7th.
- Attended Leadership Clovis Class Oct. 12th
- Attended NERTPO meeting in City of Tatum Oct. 20th
 - Rating and Ranking of Public Transit applicants
- Attended NM Infrastructure and Finance Conference October 26th – 28th
- Attended Leadership Clovis Nov. 9th
- Attended NERTPO meeting Nov. 16th
 - Rating and ranking of TAP/RTP
 - Reforming of RTIPR
 - Attended Legislative Forum in City of Tatum Dec. 6th
 - Attended Leadership Clovis Dec. 14th
 - Attended NM Chapter of American Planners Association in Albuquerque Dec. 16th
 - Attended Roadway Project Feasibility meeting Dec. 19th
 - Elected into board of Directors of Young Professionals of Clovis
 - Attended Brian Egolf “Listening Tour” Jan. 6th
- Attended Clovis/Curry County Chamber of Commerce Dinner Jan. 20th
- Attended Leadership Clovis in Santa Fe, NM Jan. 23rd – 24th
- Attended as guests to ENLACE Luncheon in Santa Fe Jan. 26th (Raymond and I)
- Meeting with NMDOT Planning on Jan. 26th
- Attended SERTPO (Policy Committee) meeting in Roswell Jan. 31st

Upcoming:

- Leadership Clovis: Feb. 8th, 2017
- Transportation Roundtable: Feb. 14th, 2017
 - Los Alamos, NM
- NERTPO: Feb. 15th, 2017
 - Angel Fire, NM
- National Rural Transportation Conference
 - June 28th – 30th, 2017
 - Denver, CO
 - Grand Hyatt Denver
 - <https://www.nado.org/events/rpo2017/>
 - Registration not open yet
- CDBG Workshop: March 15th, 2017
 - Albuquerque, NM
 - Registration info to be released later in year
- Solvency Package in Senate Bills SB111-114

- SB 112 and HB 5 : Capital Outlay Projects
- Fuel Taxes increase (for municipalities and counties): HB 63
 - Increase fuel taxes by one cent per year per gallon. Max is five cents per gallon (current max is two cents per gallon).
 - Revenue from this tax will be restricted to local roads and bridges.
- Governor Susan Martinez FY18 Budget Recommendations (Executive Budget Recommendation FY 2018)
 - NMDOT Total Budget fall is recommended 0.8%
 - About a \$7 million reduction in operations
 - <http://govrel.unm.edu/legislative-sessions/2017/FISCAL%20YEAR%202018%20EXECUTIVE%20BUDGET%20RECOMMENDATION.pdf>

Planning Documents and Data

- If your planning documents are five years or older, consider updating.
- ADA transition plans are required for entities employing fifty or more individuals
 - If you are unsure if you have one, please check your Title II plan
- Title VI Plans
 - Are required and must be submitted to the NMDOT Civil Rights Bureau
 - NMDOT and FHWA-NM are working on a list of those who have a plan registered with the Bureau. That list will be distributed to planners, and we will work with entities that do not have a submitted plan.
- Data
 - USDOT is very data driven. Any documents with data are considerably helpful.
 - If you want traffic counts, inform me ASAP.
 - If you want to reclassify a road (ex. minor arterial to major arterial), inform me ASAP.

NEW BUSINESS:

Approval of 2016 Audi:

Sandy commented that the only finding was the Rio Pecos contract not being signed and submitted on time.

THAT the EPCOG 2016 Audit be approved.

MOTION: Franklin McCasland

SECOND: Oscar Robinson

MOTION CARRIED

Approval Financial Policy & Procedures Manual (pg. 3 Financial Policy Introduction / pg. 13 Accounts Receivable Flow Chart):

Sandy stated while we don't have any findings related to our financial management, some of the questions asked by the auditors prompted us to make some minor revisions to our financial management policy.

THAT the Financial Policy & Procedures Manual be approved as presented.

MOTION: H.P. Cargile
SECOND: Lewis Cooper

MOTION CARRIED

COMMENTS:

Franklin McCasland shared his concerns for HB 104 and 174 concerning how elections for local governments are held. (Copies in Board file.)

Sandra Taylor-Sawyer commented that the Small Business Development Center would be visiting schools in Curry, De Baca, and Roosevelt Counties to survey some of the students.

ADJOURNMENT:

Since there is no further business to come before the board the meeting adjourned at 12:10 p.m.



Fidel Madrid, Chairman

*All reports filed in the Board Minutes File.