

June 1, 2024
Special Meeting

The Colfax County Board of Commissioners met on this date in a Budget Workshop in the Commission Chambers with the following members present:

Si Trujillo, Chairman – via zoom
Mary Lou Kern, Vice-Chairman – via zoom
Bret Wier, Member – via zoom

Also present: County Clerk Rayetta Trujillo and County Manager Monte Gore.

Chairman Trujillo called the workshop to order at 11:09 a.m. and thanked everyone for attending. The purpose of the workshop was to discuss the Budget for FY 2024-2025.

Others in attendance: Sara Torres, Tina Colangelo, Amadeo Soto, Tim Martinez, Kristi Graham, Leonard Baca and via zoom - Jun Roh and Tai Pettigrew.

1. Call to Order

Chairman Trujillo called the Special Meeting to order at 11:09 a.m. and stated all Commissioners are attending remotely.

2. Approve Agenda

Commissioner Kern made a motion to approve the agenda as presented. Commissioner Wier seconded the motion. Chairman Trujillo asked for a roll call vote, the Clerk polled the Commissioners: Commissioner Kern – aye, Commissioner Wier – aye, and Chairman Trujillo – aye. The motion passed unanimously.

3. Discuss/Action – Approval of Preliminary Budget for Fiscal Year 2024-25

Chairman Trujillo handed the presentation over to Ms. Pettigrew. Ms. Pettigrew presented the Budget Request Recapitulation to the Commission. Ms. Pettigrew stated the numbers speak for themselves and stated there are no raises for the Sheriff's Department and there are a lot of unknowns. Ms. Pettigrew stated there were some big transfers and they did take \$900,000 out of the general fund additional 1/12 to fund the transfers. Ms. Pettigrew stated that the cash balances for the preliminary budget need to be positive. She stated she did trim all the capital out until further notice to get a handle on the budget and stated she would have to go line by line with each department in order to keep the general fund solvent. Ms. Pettigrew stated she put almost a million dollars out of the GRT reserve into the different funds to keep everything in the positive.

Commissioner Wier stated he had several questions but was not sure when the appropriate time was to ask them, so he would rather listen first and if they were not answered, he would ask them later. Chairman Trujillo asked Tai if that was her presentation and she stated it was. Tai stated she felt the numbers spoke for themselves and she stated she knew there were going to be questions about what she did. Tai stated in order to get the preliminary budget to this stage, there are no raises for the Sheriff's Department. Ms. Pettigrew stated there are a lot of unknowns right now and she needed to speak with the department heads to check their grants and to discuss the expenditures.

Chairman Trujillo asked if the 3.5% and the Sheriff's increases were not included in the budget in order not to dip into the reserves and not come from the reoccurring funds. Ms. Pettigrew stated that was correct. Ms. Pettigrew stated all the short-term invoices needed to be paid. Manager Gore stated purchases orders are not being issued unless it is an emergency. Questions were asked about the revenues and where some of the numbers came from. Ms. Pettigrew stated she used numbers as a balancing tactic.

Assessor Kristi Graham asked the employees are not going to get the 3.5% COLA at this time is that right. Chairman Trujillo stated this was correct. Assessor Graham was also concerned about her 1% fund and wanted to make sure funds were there and wanted to meet with Tai when she arrives. Assessor Graham stated she did not think it was not a good budget to turn in and she talked with the other elected officials and as the Assessor she can put a stop to the budget or hold and that is what she was doing. Commissioner Kern stated the Assessor is correct, she does have the ability to stop or hold the budget. Commissioner Kern stated that she felt it was better to not turn in a budget with this many holes on it, because she felt it

would get rejected by DFA. Chairman Trujillo stated the Commission will not be moving forward with turning in a budget then and miss our deadline and directed the County Manager to reach out to DFA via email which needs to be sent today. Commissioner Kern requested the Commission be copied on the email. Chairman Trujillo asked that the Assessor be copied in the email and Commissioner Kern requested all the Department Heads too.

Commissioner Kern made a motion to adjourn. Chairman Trujillo seconded. Chairman Trujillo asked for a roll call vote, the Clerk polled the Commissioners: Commissioner Kern – aye, Commissioner Wier – abstained and Chairman Trujillo did not vote. Chairman Trujillo asked Commissioner Wier if he had any comments. Commissioner Wier stated it is just an interim budget and it is not the final budget which there are two months left to generate the final budget. Commissioner Wier stated the County was not able to receive appropriations directly and being on DFA's Target, he felt turning in something late would be more detrimental than turning in what was presented to the Commission. Chairman Trujillo stated he agreed with Commissioner Wier 100%, but they can't do anything about the Assessor putting a stop to the preliminary budget. Chairman Trujillo stated it is a moot point to even try to be released of the fiscal agent because the budget is being turned in late, then there will be a mark on the county. Rayetta Trujillo, County Clerk asked Chairman Trujillo if he voted to adjourn, and he said no not yet. Chairman Trujillo stated the motion failed.

Chairman Trujillo asked if Commissioner Kern had anything further. Commissioner Kern stated she did not know exactly what the process is for the Assessor to protest the budget, as she notified the Commission and Commissioner Kern stated she did not know if DFA has to get the notification as well. Commissioner Kern stated that she was not comfortable with the presented budget as it had identified several identified holes and lacking detail.

Manager Gore stated he had the County Attorney on the line, and he advised Jun the Commission was getting ready to pass the preliminary budget and the Assessor came forward and basically she is using her authority to stop that process and asked Attorney Roh to comment. Attorney Roh stated the Assessor has to prove the protest and he believes that he would have to check the rule to provide more accurate information. Attorney Roh stated he does believe the Assessor has the ability to protest and then adjust the part of the budget which she is protesting. Attorney Roh stated he was not sure if the Assessor can override the Commissions ability to approve and submit the budget which is required by State Statute.

Commissioner Wier stated for the motion on the table he would like to see it fail and to take a vote on approving the budget and submit the budget today on time and allow the Assessor to file a protest against it. Chairman Trujillo asked the assessor if she had something to say and asked her to come up to the mic. Manager Gore stated she stepped out. Chairman Trujillo asked that the minutes reflect the Assessor left at 1:20 p.m. Chairman Trujillo seconded the motion. Chairman Trujillo asked the Clerk to repeat the motion. Clerk Trujillo stated Commissioner Wier recommended to approve and submit the budget and allow the Assessor to file a protest after the budget was submitted. Commissioner Wier stated that was correct. the Clerk polled the Commissioners: Commissioner Kern – nay, Commissioner Wier – aye, and Chairman Trujillo – aye. The motion passed.

Commissioner Kern stated she still believes DFA needs to be notified why the budget is the way it is and that the County is still working on it. Chairman Trujillo stated he agreed with Commissioner Kern and directed the Manager to send an email to Michael Gilmore today, with DFA included as well as all the department heads and the Commissioners and Tai can help with a run-down of an update of where she stands and keep DFA in the loop. Commissioner Kern stated that she feels DFA should have been notified two or three weeks ago when this all happened, but it is too late now. Commissioner Wier stated they should have been notified after the first presentation because in the first presentation numbers were being hidden in his opinion. Manager Gore asked if he could comment on Commissioner Wier's comment. Chairman Trujillo asked if it was during Ms. Pettigrew or during the prior Financial Specialist. Commissioner Wier stated it was during the prior Financial Specialist, stating that she basically she hid the condition that the County is in financially with \$3 million of Tiger Funds that there is little to no practicality that the county is going to receive the funds. Chairman Trujillo stated that it is not reoccurring, but he agreed with Commissioner Wier. Commissioner Kern stated she disagreed that it was hidden, and it was discussed by the Commission and the budget could not be based on that as it is not a reoccurring fund. Commissioner Wier stated it was only discussed because he asked what \$3 million was being spent on and he wanted to see details. Commissioner Wier stated that was never answered, and the reason it was never answered is because there was a declining cash balance and the \$3 million was need to make it look like there was not a declining cash balance. Commissioner Wier stated that is what should have been said to the Commission by the Financial Specialist. County Manager Gore stated he has had the opportunity to work with Ms. Pettigrew over the course of several days and he thinks the question everyone has is how did we get here and why wasn't this even identified in the audit. Manager Gore stated he thought those were very

important questions how did the county get here and why was it not identified in the audit. Manager Gore stated that Commissioner Wier is absolutely correct and a lot of this does center around the Tiger Grant and the issues were identified by the Auditors in the 2023 Audit and he read the audit finding and it was presented in June 2023. It read Colfax County agreed to be the Fiscal Agent for a collaborative project involving several state and federal agencies within New Mexico, Colorado and Kansas along with private corporations including BNSF Amtrak and Colfax county did not have the staffing or the cash flow necessary to facilitate such a large project and the then County Manager and Financial Specialist were not trained in railroad project management and changes in staff within the County Manager's Office or private corporations as well as reporting ultimately resulting in disruption of reimbursements to the county. Manager Gore stated that Colfax County has worked with NMDOT and the Federal Railroad Administration to collect project status information and to submit outstanding progress reports to date. Manager Gore stated this was reported since last June in the Audit Report. Manager Gore stated the County has been successful in maintaining open communication and receiving support from NMDOT and FRA and all reporting requirements are current and reimbursement has been issued to the county. Manager Gore stated in looking at this and working with the CPA, he stated that they see this is a chronic issue that was acknowledged for this project, and it was too big for the County to take on although the benefit to the community has been significant. Manager Gore stated Colfax County addressed these issues in the audit report and had identified solutions until recently, it was believed the solution had been fully implemented. In addition the impact of the Tiger Grant an issue newly identified is that cash reconciliations were not being done and without reconciliations financial status is at best an estimate rather than real numbers. Manager Gore stated he agreed with Commissioner Wier that no alerts or notifications were made during budget meetings or financial discussions delaying the urgency from being recognized in fact representation was one of relative status quo. Manager Gore stated the Commission made a good decision and he commended the Commission at the last budget meeting not to include the \$3 million reimbursement from the Tiger Grant as part of the budget and this would have been disastrous as the county would be spending money the County does not have and would have hastened and worsened the current situation. Manager Gore stated the insertion of these funds into the preliminary budget without discussion with the Commission or County Manager was unusual and was seen as a red flag. Manager Gore stated the Manager's Office requested outside professional assistance not only to assist with the budget but to perform an overall review of the budget and the process bought to light lapses on the reporting and reimbursements specific to the Tiger Grant as well as a lack of cash reconciliation in general analysis has shown that starting the budget process late created urgency to get things done without allowing time for proper review. Manager Gore recommended that Colfax County start the budget process in March next round, collecting department input and gathering data earlier. Manager Gore stated he wants the Commission to know in his experience it is common that when individuals in top financial positions leave that is usually when financial issues become exposed. Manager Gore thanked the County Treasurer for the assistance she provided. Manager Gore stated he would work with the County Attorney to expedite final reimbursements of the Tiger Grant which he hopes will provide some breathing room and relieve some of the restrictions. Manager Gore stated he hoped the questions he asked at the beginning were answered. Manager Gore stated he will continue to work with the CPA to identify additional concerns and issues as the County moves forward.

County Clerk Trujillo advised Chairman Trujillo the Assessor was back in the meeting. Assessor Graham stated she had gone to get her statute book and the reason she is stopping or holding the budget is due to her 1% fund to make sure it is funded correctly.

Commissioner Wier questioned the ability of the Assessor to stop the budget but understood that she could protest the budget and did not know what the mechanics were of stopping the budget. Chairman Trujillo stated he understood from the County Attorney that the Assessor could protest the budget, but the Commission has a statutory obligation to present the budget. Chairman Trujillo stated the motion passed and the preliminary budget will be submitted. Commissioner Kern stated she believes DFA will review the budget on whether or not sufficient funds are in her 1% fund. Assessor Graham stated she would get Tax and Revenue involved also. Commissioner Wier questioned how much the 1% fund was off and Assessor Graham stated she had been out of town and was not sure, but she was still going to hold, stop or protest the budget. Commissioner Wier asked the Assessor what number do you need in the 1% fund. Assessor Graham stated \$300 some thousand. Assessor Graham stated the fund was used for trainings and salaries. Commissioner Wier asked Tai what the balance was, and the Assessor stated it needs to be 5% of the general fund she thinks or 3%. Commissioner Wier asked the Assessor if the percentage was statutorily defined, and the assessor confirmed that it is in statue. Chairman Trujillo asked the Assessor if she knew what the percentage was, and she stated she could not remember. Chairman Trujillo asked the Assessor you do not know the dollar amount that needs to be in there currently just roughly \$300,000. Assessor commented yes. Commissioner Wier asked the Assessor if she thinks the percentage is 1% since it is called the 1%. The Assessor stated no that she does not think it is 1% that it is another percent, she was not sure, maybe it is 1% percent. Chairman Trujillo asked the County Attonery if he knew because it was clear the Assessor does

not know. The County Attorney did not know the percentage. Chairman Trujillo stated he has no problem providing the Assessor what she statutory needs to have as this was the preliminary budget. After further discussion, Clerk Trujillo advised the Commissioners Joana Apodaca was on the phone and would like to speak. Chairman Trujillo referred to Attorney Jun Roh. Attorney Roh advised the Commission this discussion was about the workshop brainstorming about internal budget issues and normally in other municipalities and Counties they do not allow public input. Joan Apodaca stated since she was the topic of discussion, and she would like argue the accusations made against her. Per Attorney Roh she was denied.

4. Adjourn

Chairman Trujillo made a motion to adjourn. Commissioner Wier seconded the motion. Chairman Trujillo asked for a roll call vote, the Clerk polled the Commissioners: Commissioner Kern – nay, Commissioner Wier – aye, and Chairman Trujillo – aye. The motion passed. The meeting adjourned at 2:09 p.m.

COLFAX COUNTY BOARD OF COMMISSIONERS

Si Trujillo – Via Electronic Device

Chairman

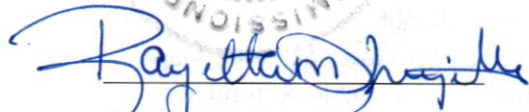


Vice-Chairman

Bret E. Wier – via Electronic Device

Member

ATTEST:


Clerk of the Board