

Angel Fire Public Improvement District 2007-1

3465 Mountain View Blvd., Suite 14

PO Box 1046, Angel Fire, NM 87710

575-377-3483

Board Meeting Minutes

April 12, 2018 at 2:00 pm at the PID Board Room

- A. Call to Order - Chairman Pro Tem Don Borgeson called the meeting to order at 2:03 pm.
- B. Pledge of Allegiance - Chairman Pro Tem Borgeson called for the Pledge of Allegiance.
- C. Roll Call - Present were Chairman Alan Young (by phone), Director Don Borgeson, Chairman Pro Tem, and Director Carl Abrams. Vice Chairman Rakes was absent. A quorum was present. Also present was Sally Sollars, District Administrator.
- D. Approval of Agenda – Chairman Young moved to amend the agenda to move the Executive Session to after item I. Director Abrams seconded. The motion carried with none opposed.
- E. Approval March 8, 2018 Minutes - Chairman Young moved to approve the March 8, 2018 minutes as written. Director Abrams seconded. The motion carried with none opposed.
- F. Requests and Responses from the Audience – None.
- G. Announcements and Proclamations – None.
- H. Executive Session – In the absence of the General Counsel, Chairman Young moved to move the Executive Session to after item K. Director Abrams seconded. The motion carried with none opposed.
- I. Business
 - 1. Consider and Approve Contract for Administrative Services – Chairman Young moved to reject the Contract for Administrative Services as presented. Director Abrams seconded. Chairman Young stated that the review committee recommends continuation of the existing contract. The motion carried with none opposed.
 - 2. Discuss Withdrawal of Fabian Mascarenas from Board Consideration – Director Young reported that the Board had nominated Fabian Mascarenas for the vacancy on the Board. Although Mr. Macarenas indicated that he would be willing to serve, Mayor Cottam did not approve the appointment to be considered on the Council Meeting agenda. The Board expressed concern that the Village is not willing to participate in the governance of the District, even though the PID Act states that the Village Council is the governing body and the Board is appointed by them and serves as their designees. The Board agreed that there seems to be a lack of understanding of what the District is, what it does, its financial condition, and its future. The Board also agreed that Village knowledge of the District is important because the District will continue until

the debt service is paid in 2038 and will continue to have an impact on constituents.

3. Discuss Finance Committee Fiscal Year 2019 Budget Recommendations – Chairman asked Ms. Sollars to report the overview of what was presented to the Finance Committee meeting this week. She reported that our assessment consultants, Taussig, provided the maximum amount that the Board can consider for the Fiscal Year 2019. The Budget is figured on 75% of that amount to account for delinquencies. The projected Cash Flow is figured on 70% to provide some extra assurance. Expenses are also overstated on the Cash Flow and generally have helped offset budgeted revenue shortages in the past. The Finance Committee recommends continuing to fund the reserves and keeping the assessments level for this next year. The committee anticipates lowering the assessment by 5% in Fiscal Year 2020. The proposed budget will be considered for approval at the next Board Meeting.
4. Discuss Investment Plan – Ms. Sollars went on to report that the Finance Committee is also recommending short-term and longer-term investments. Ms. Sollars has researched brokered CDs for the longer-term through RBC Capital. The CD rates are at least one point above the best the local banks could offer. The District auditor provided the statute allowing for investing in brokered CDs. The recommendation is to invest the reserve funds into 1-, 2-, and 3-year CDs. Also researched was the Local Government Investment Pool (LGIP), which is managed by the New Mexico Treasurer's Office. This option acts more like a saving account with 24-hour liquidity. Ms. Sollars saw this option used for the bulk of high balances the District checking account has for about six months of the year when assessments have been collected, but the debt service payment is not yet due. The money earns .25% at the local bank vs. the average interest on Treasuries used for the investment pool. Last month's yield was 1.4%. Before the plan can be implemented, an investment policy must be in place and account have to be set up. Once the monies start returning on investment, the Board will review the impact the revenues will make on expenses and possibly be able to adjust the assessment further downward.
- H. Executive Session – In the absence of the General Counsel, Chairman Young moved to move the Executive Session to after item K. – Chairman Pro Tem Borgeson asked for a motion to amend the agenda again to move the Executive Session to the end of the agenda. Chairman Young so moved. Director Abrams seconded. The motion carried with none opposed.
- J. Consent Agenda – Chairman Young moved to approve the Consent Agenda. Director Abrams seconded. The motion carried with none opposed.
 1. NMFA Debt Service; Debt Service Payment - \$248,110.94
 2. Village of Angel Fire; Water Fees - \$378.84
 3. Colfax County Clerk; Filing Fees - \$50.00
 4. Sally Sollars; Invoice #94 - \$6,673.88
 5. BMWS; Invoice #15-003 259 - \$380.00

6. Kit Carson Telcom; Invoice #50368 - \$108.45
7. CenturyLink; Invoice dated 3/25/18 - \$114.51
8. AT&T; Invoice dated 3/1/18 - \$18.83
9. Petty Cash Report; Balance \$116.11

K. Reports

1. Administrative Report – Ms. Sollars reported she received LGBMS, the state budget reporting system, training last week. She said that the improvements to the system are also tightening DFA's reporting expectations. There are some budget numbers, that once are entered and then need adjusting, will require calling the Budget Analyst to unlock that item. Budget adjustments that do not require DFA approval still must be entered into the system. It appears at the moment that the process is getting more difficult instead of easier.

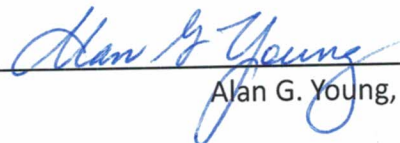
The audit contract has been finalized and submitted to the State Auditor's office. Ms. Sollars said that at the recent Audit Rule training, she learned that the independent auditors have new requirements and that the entities could expect for an increase in cost due to the addition to their workload. The audit will cost \$8,448 this year vs \$6,642 for last year. The new cost is still below the minimum \$10K quoted by other audit firms in the past.

February collections were \$27.5K, which was \$3K more than projected. It is projected that \$662K will be collected by the end of the fiscal year. Taussig has sent out the friendly letters for the 2016 delinquencies. One property owner paid about \$30K of outstanding assessments as a result of receiving the letter. There have been two prepayments received in the amount of \$33K. There are two quotes out that the owners have stated that they would be paying before the end of the fiscal year. A bond call of \$175K was made last month from the prepayment fund. The proposed Fiscal Year 2019 Interim Budget was presented to the Finance Committee.

Next Ms. Sollars said that she would be working on drafting an investment policy, researching details on setting up investment accounts, finalizing the third quarter report, and working with the LGBMS reporting system.

2. Treasurer's Report - There were no questions on the Treasurer's Report.
- L. Adjournment – Chairman Pro Tem Borgeson adjourned the meeting at 2:57 pm without calling for Executive Session.

Next Regular Board Meeting will be May 10, 2018



Alan G. Young, Chairman

ATTEST: 
Sally Sollars, District Administrator