

**Minutes
Regular Meeting
March 8th, 2022**

The Village of Capitan Board of Trustees met in a Regular Meeting on Tuesday, March 8th, 2022 at the Village Hall in Capitan, New Mexico at 6:00 PM

Mayor Lowrance asked for a moment of silence and led the assembly in the Pledge of Allegiance.

Mayor Lowrance called the meeting to order at 6:00 PM.

Roll Call: Mayor Lowrance – present, Trustee Kearns – present, Trustee Shearer – present, Trustee Fraley – present, Trustee Hair – not present. Al Cavazos – Village Clerk, LeAnne Brasher – Finance Officer, J. Leinneweber – Administrative Assistant, Angela Autrey – Court Clerk/Human Resources Clerk, Steve Osborn – Water Utilities Supervisor, Randy Spear – Police Chief and Kevin Kennedy – Fire Chief/Grants Administrator were also present. A list of others in attendance is attached.

Item #1 on the Agenda: Approval of the Agenda.

Trustee Shearer made a motion to Approve the Agenda. Trustee Fraley seconded the motion.

Roll Call: All were in favor, the motion carried.

Item #2 on the Agenda: Public Input. (2 Minute Limit per Speaker).

Mary Lavin introduced herself as the incoming manager of the Smokey Bear Historical Park effective 03-19-2022. She's been living in Capitan for about a year, working for the New Mexico Forestry Division. She is also a Chaplin. She wanted to introduce herself to the community, this way they can put a face to the name.

The Executive Director of Hope Harbor spoke. She wanted to thank the community for its support and said "there is no better place in the world to have a facility than this Village and this County." She reminded the attendees that the facility houses women with their children, grade school age and younger, that are escaping abuse. They hope to open the facility in July, 2022. Their program prioritizes education in partnership with the Eastern New Mexico University (ENMU). The families can stay up to 2 years, though time of stay can be flexible depending on the situation. During this time, they support the women so they can focus on getting an education rather than working at just any job to support their families. With education they will be qualified for the types of jobs that will support their families for the long term and help to give these women a viable option, other than returning to an abusive environment, to provide the financial support needed for their families. She wanted all to know that Hope Harbor is holding a fund-raising event at ENMU in Ruidoso, Saturday, April 30th from 2PM to 4PM. There will be food, music & a silent auction. Flyers of the event, "An Afternoon of Hope", will be posted about the Village and surrounding communities and on Hope Harbor's website www.HopeHarborNM.org.

Item #3 on the Agenda: Mayor and Trustee Comments.

Trustee Shearer asked where the Audit stands? Al said he expects the Audit to begin within the next few weeks. He advised the Board that he and Angela spoke for 2 hours with Randall at the New Mexico Office of the State Auditor (NMOSA) and were able to clear the last Audit of 2019/2020. Then Al spoke with Lynette, the supervisor at NMOSA and she went over the adjustments Randall had done. Lynette said the NMOSA just needs to receive, from the Village's current Auditor, a disclaimer for the 2020/2021 Audit and then get that Audit to them ASAP. Al went on to say that he and LeAnne, the Village Finance Officer, met with Pam, the auditor the next day. Pam was able to write up the disclaimer which she and Al signed and send it to NMOSA that very day. Pam was waiting to receive items, from a list she sent the Village, prior to setting the date of the Village's Audit. LeAnne and Angela have been working weekends to ensure that the information being sent to Pam is both accurate and complete. Pam has those items now but has been busy with "tax season" so she will be contacting Al later this week to schedule the Audit. Al said he wants it scheduled within the next two weeks which Pam says should take no longer than 5 days to complete due to receiving the requested items prior to coming to the Village for the Audit and anticipates a clean Audit. Al said Pam intends to do an additional Audit in June giving the Village two (2) clean audits, bringing the Village in financial compliance with the State. The Village's regular annual Audit for 2021/2022 will be completed by the deadline of December 2022. Pam said to call her anytime for any questions or guidance.

Trustee Shearer then had some questions regarding the Budget. She said "we're coming into the last quarter" and she doesn't want to see the Village go over Budget. Trustee Shearer noticed that the Village will be opening separate accounts for its funds and thought this is financially prudent including, as it relates to federally insured funds, if a bank fails, and its protection of the Village's money.

Trustee Fraley asked if Zach Cook, the Village's attorney would be attending tonight's meeting. The Mayor responded that he doesn't believe he'll be able to attend the meeting.

Trustee Kearns had no comments at this time.

The Mayor wanted to talk about the funds the Village received from the federal government, approximately \$206,000 and the state, of \$175,000. The Village may be receiving an additional \$175,000 from the State. While the funds are to be used to aid the community experiencing financial difficulties due to loss of income during the Corona Virus epidemic, the conditions set for use include flexibility by local government on its use as long as it benefits the community. He therefore wanted the Board to consider using the funds for the Burn Building Training Facility that is to be placed in Capitan for use by the Fire Departments of the communities in the County.

Kevin Kennedy, Fire Chief for the Village of Capitan spoke and advised the board that the municipal fire departments in Lincoln County, except Ruidoso's, are volunteer. Many of the volunteer firefighters are unable to take time off to travel to other training facilities, the nearest in Socorro, nor are able to cover the costs of accommodations and training. Free training is available up state but again the time and cost for accommodations can be prohibitive. By providing additional training under realistic conditions including heat up to 800 degrees, smoke and visibility issues, firefighters will have a more authentic experience and be better prepared for fighting a fire. The community benefits from lower insurance rates for home and business. Fire Departments are rated by the Insurance Services Office (ISO) an international organization. This rating is reported to the insurance companies and is considered when setting insurance rates for a community. The better a fire department is rated by the ISO, the better the rate for all residents and businesses in that community.

Item #3 on the Agenda: Mayor and Trustee Comments. (Continued)

This type of additional training by the Village's fire fighters will result in the department receiving a better rating by ISO with home and business owners receiving better insurance rates. This actually benefits all the communities in the County since they will be sending their firefighters to train too. Trustee Shearer thought that these funds had been set aside for infrastructure, street projects. The Mayor said this is a decision for the Trustees and for them to please give some thought as to how they want to spend the federal and state funds.

Trustee Shearer asked if the funds had been added to the budget? LeAnne replied she can not confirm that at this time.

Kevin said the total cost of the Burn Building will be about \$550,000 and would like \$350,000 of the federal and state funds to go towards the building if the Trustees can confirm that the project conforms to the guidelines attached to the federal and state funds. A match of the funds would come from the County which received "a couple of million" from the American Rescue Plan, then there would be enough money to finish the project.

Kevin advised the Board that the Village of Capitan and as many as 4 other Fire Departments in Southeastern New Mexico had applied for Capital Outlay funds from the State and none received any Capital Outlay funding due to the fact that the State has its own training facility and wants the Departments to use it. But this doesn't change the challenges a volunteer firefighter faces in order to train at the State's facility and that is why a training facility here is important, not only to Capitan but to the whole County and the money has to be found for it somewhere.

Kevin introduced Joe Kenmore, Office of Emergency Services (OES) Director for Lincoln County. Joe said that his department wants to support Kevin in this project and in his opinion a facility here in Capitan would absolve a lot of the training problems with time and distance inherent with a Volunteer Fire Department. Capitan is a central and accessible location for most of Lincoln County.

He went on to say that these individuals deserve this training to further insure they are prepared and come home safe after **volunteering** to attending to a fire, many times leaving in the very early hours to save lives and property.

Trustee Kearns asked if the other communities could contribute to the cost. Kevin replied they hadn't got that far in the process yet. They are looking at other Grants, but most do not grant funds for structures or other components of this project. They will continue to look for other funding sources including from the other municipalities that would be using the facility so that maybe the contribution of both the County and Capitan could be less.

Trustee Shearer asked what the deadline is to use the American Rescue Funds. 24 months was the answer. She is very supportive of the project and was supportive of placing it on the Infrastructure Capital Improvements Projects (ICIP) List and applying for Capital Outlay but, until she can confirm where the Village is in relation to its budget she "is reluctant to jump into a half million-dollar project." The Mayor said he just wants the Board to consider this project when they are deciding on the use of the American Rescue Funds.

Item #4 on the Agenda: Approval of the Minutes: Rescheduled Regular Meeting – February 16th, 2022.

Trustee Fraley made a motion to approve the Minutes Rescheduled Regular Meeting – February 16th, 2022. Trustee Kearns seconded the motion.

Roll Call: Two (2) yes and one (1) abstained, motion carried.

Item #5 on the Agenda: Discussion – A Presentation on School Bullying and Advice on How to Respond.

The Mayor introduced Ms. Huey-Fuller and thanked her for coming and addressing the Board. Ms. Huey-Fuller introduced herself as the Middle School Principal at the Capitan Schools. She informed the attendees that the school is bringing in “Rachel’s Challenge” to the school next Wednesday. She explained that Rachel’s Challenge came about in response to a 1999 school shooting in Columbine, Co. Rachel’s parents had found an essay written by Rachel a month before the shooting occurred. The essay contained Rachel’s code of ethics which included this, “one of the most profound pieces of her essay” “Compassion is the greatest form of love humans have to offer.” Rachel’s Challenge is a program based on Rachel’s own code of ethics, which has been taken across the US. She said they “have found a need to bring this program to our school.” The program is based on 5 Principles, 1. Understand and Manage Emotions, 2. Feel and Show Empathy for Others, 3. Make Responsible Decisions, 4. Establish and Maintain Positive Relationships, 5. Achieve Positive Goals. The school thinks “our kids need all these things.” The program is also based on 5 Pillars for it to work. The Community is one of the pillars and all attending the Trustee Meeting are part of the Community Pillar and she asked for their help. On Wednesday, March 16th, 2022 the school will be presenting Rachel’s Challenge to the high school & middle school first, together. Then the school will present Rachel’s Challenge to the elementary kids, which is a completely different presentation from the higher grades. The Mayor will be one of 10 adults to help supervise the 10 groups of 10 students taking part in the presentation. These adults are known as “Ambassadors” and the school has chosen the adults from throughout different segments of the Community and are to act as role models. Then, in the evening of the 16th at 5:30 there will be a presentation of the program to the community and all are invited. She said “Part of Rachel’s essay was to give permission to be kind, to start a chain reaction of kindness.”, so the intent is for the Community to “start a chain reaction of kindness.” The program works best if the Community is involved and understands what the school is trying to do with the program. The school would really appreciate it if the Community would come to the presentation and be a part of the Rachel’s Challenge program. This way when anyone sees the kids acting on the program with acts of kindness the Community will understand what is happening and support kids embracing the program. There have been over 19 suicides in the community. The presentation is very emotional and after the presentation some kids have come forward and said “You saved my life.” She said its suicide prevention. The program also prevents violence, giving the kids tools and permission that its ok to say something if they suspect an act of violence could occur. She asked that those present at this meeting tell others to attend the presentation on the 16th so the Community will be able to support the kids and the program.

Item #6 on the Agenda: Discussion/Action – Approval of Bills Paid for February 2022.

Trustee Shearer made a motion to Approve the Bills paid for February 2022. Trustee Fraley seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #7 on the Agenda: Discussion/Action – Approve the Opening of Separate Bank Accounts for the Village’s Departmental Funds at Washington Federal Bank.

Trustee Shearer made a motion to Approve the Opening of Separate Bank Accounts for the Village’s Departmental Funds at Washington Federal Bank. Trustee Fraley seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item # 8 on the Agenda: Discussion/Action – Approve Bookkeeping and Consulting Agreement with ProBooksUSA Dated September 20, 2021.

Trustee Shearer asked why this was backed dated and said this is a procurement violation. The Mayor explained that the previous accountant hired never showed up. Suzanne of ProbooksUSA was already working on the FundView/Quickbooks conversion and advised the Village that she is a CPA and could do the bank recons for the Village, so the Village accepted her offer and entered into the Agreement in September without prior approval from the Trustees. Trustee Kearns reminded the Board that Suzanne was recommended by Bobby Johnson. Trustee Shearer said that “this will get us an audit finding.” Trustee Kearns made a motion to Approve Bookkeeping and Consulting Agreement with ProBooksUSA Dated September 20, 2021. Trustee Fraley seconded the motion.

Discussion: Trustee Shearer informed the Board she “will be voting no, just so we have some cover on the audit finding, its two to one.”

Roll Call: Trustee Kearns – yes, Trustee Shearer – no, Trustee Fraley – yes

Item #9 on the Agenda: Discussion/Action – Approve Bookkeeping and Consulting Agreement with ProBooks, Inc. Dated January 15, 2022, Replacing Agreement Dated September 20,2021.

Trustee Shearer said this item has the same issue as Item #8 but she will make the motion to approve because “we have to keep her on board but, we’ve got to start doing our procurement properly.”

Trustee Shearer made a motion to Approve Bookkeeping and Consulting Agreement with ProBooks, Inc. Dated January 15, 2022, Replacing Agreement Dated September 20,2021. Trustee Fraley seconded the motion.

Discussion: There was no further discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #10 on the Agenda: Discussion/Action – Approve Payment in the Amount of \$6,290.19 to ProBooksUSA.

Trustee Shearer said “this is our third procurement violation.” Trustee Shearer made a motion Approve Payment in the Amount of \$6,290.19 to ProBooksUSA. Trustee Kearns seconded the motion.

Discussion: The Mayor informed the Board that the bill was received last week. Trustee Kearns confirmed that the Board has just approved the agreement and this is the bill for the work completed since then.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item # 11 on the Agenda: Discussion/Action – Approve the Hiring of Donna Weekley as the Village of Capitan Clerks’ Assistant, a Part-Time Position at an Hourly Rate of \$11.50.

Trustee Fraley made a motion to Approve the Hiring of Donna Weekley as the Village of Capitan Clerks’ Assistant, a Part-Time Position at an Hourly Rate of \$11.50. Trustee Kearns seconded the motion.

Discussion: Trustee Kearns asked for a job description for this person. The Mayor explained that when LeAnne accepted the position of Finance Officer for the Village of Capitan it created a vacancy for the Clerks’ Assistant position and that Donna will be filling that position at a lower hourly rate than LeAnne was receiving. Trustee Shearer confirmed with the Mayor that this is not a newly created position and that the position was advertised. Trustee Kearns asked what Kevin Kennedy’s recently approved position was for? The Mayor responded that Kevin’s position was to administer the projects and grants. Trustee Shearer confirmed that Kevin’s position did not include Deputy Clerk, that she thought she had seen that on one of the previous Agendas. The Mayor replied “no, not yet”. He is waiting for Kevin to complete his probation period on his current position to make a final decision. The Mayor guided the Board back to discussing the hiring of Donna Weekley. Trustee Shearer said she is ok with it as long as she is filling a vacancy of a current position at the Village and doesn’t increase the budget.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #12 on the Agenda: Discussion/Action – Approve Application for Portable Building at 424 Smokey Bear Blvd – Roberta Bullard with the Provision of Submission to the Village of Capitan of a Recorded Warranty Deed and Proof that Property Taxes are Current.

The Trustees confirmed that this was the property with the business known as Bo Jangles.

Trustee Shearer made a motion for Discussion to Approve Application for Portable Building at 424 Smokey Bear Blvd – Roberta Bullard with the Provision of Submission to the Village of Capitan of a Recorded Warranty Deed and Proof that Property Taxes are Current.

Discussion: Trustee Shearer said she noticed that this is a purchase on a real estate contract so there would not be a recorded Warranty Deed with the County at this time. Trustee Kearns confirmed this and that only a Notice of the Contract would be recorded at this time. Trustee Kearns said the wording of the motion is “bad in this particular case.” J. explained that this is how the Planning Board had “provisionally” approved the recommendation for approval of the Building Permit so that’s how she worded it on the Agenda. Also, the Board was advised that nowhere in the ordinances does it say that property taxes must be current prior to approving a Building Permit so this provision will be removed from the motion. There was some discussion as to the condition of the property and its non-compliance with the Village’s Ordinances. Trustee Kearns said that without the storage shed, it would be difficult to bring the property into compliance. Randy Spear, the Chief of Police said a storage shed at Ms. Bullard’s last place of residence didn’t make a difference in the condition of that property.

Trustee Shearer made a motion to Approve Application for Portable Building at 424 Smokey Bear Blvd – Roberta Bullard with the Provision of Submission to the Village of Capitan of a Notice of Contract between the property owner and Roberta Bullard that has been recorded by the County of Lincoln. Trustee Kearns seconded the motion.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #13 on the Agenda: Discussion/Action – Approve Application for Portable Buildings at 109 W. Last Road – Daniel (Billy) Garcia Jr.

Trustee Shearer made a motion to Approve Application for Portable Buildings at 109 W. Last Road – Daniel (Billy) Garcia Jr. Trustee Kearns seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #14 on the Agenda: Discussion/Action – Approve Application for Mobile/Manufactured Home at 8406 W. US Hwy 380 – William Russel and/or Pamela Gray with the Provision of Submission of a Professionally Prepared Site Plan that has been Reviewed and Approved by the Members of the Planning Board of the Village of Capitan.

The Mayor explained that these property owners are in the process of obtaining a professionally prepared site plan but that all the surveyors have been busy and the property owners have been unable to schedule an appointment. They have contacted Dennis Rich to complete the site plan and expect to turn it into the Village soon. J. explained to the Board that the Planning Board provisionally approved the recommendation so the property owners would not have to wait another month to move in their Mobil/Manufactured home should they turn in their site plan prior to the next meeting of the Trustees. Trustee Shearer made a motion to Approve Application for Mobile/Manufactured Home at 8406 W. US Hwy 380 – William Russel and/or Pamela Gray with the Provision of Submission of a Professionally Prepared Site Plan that has been Reviewed and Approved by the Members of the Planning Board of the Village of Capitan. Trustee Kearns seconded the motion.

Discussion: There was no further discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item # 15 on the Agenda: Discussion/Action – Approve Extra-Territorial Water Service for 257 Pine Lodge Rd – Zebulun Clary.

Trustee Shearer made a motion to Approve Extra-Territorial Water Service for 257 Pine Lodge Rd – Zebulun Clary. Trustee Fraley seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item # 16 on the Agenda: Discussion/Action – Approve Revised Bylaws of the Village of Capitan Volunteer Fire Department.

Trustee Shearer said she will move for approval if these are the Bylaws adopted by the Volunteers for the Fire Department. She doesn't feel the Trustees should get involved. Trustee Kearns agreed. Trustee Shearer made a motion to Approve Revised Bylaws of the Village of Capitan Volunteer Fire Department. Trustee Fraley seconded the motion.

Discussion: Trustee Kearns said he would like to know what revisions were made to the Bylaws. Kevin Kennedy, Village Fire Chief said the last time the Bylaws were revised was in 2004. He informed the Board that he would like to "periodically" come before the Board and "get things approved." Kevin went on to say that "the only change was on page 12, changing the Officers from one year of service to two years of service to maintain continuity."

Item # 16 on the Agenda: Discussion/Action – Approve Revised Bylaws of the Village of Capitán Volunteer Fire Department. (Continued)

He said that the Bylaws is an internal document that only needs to be signed by the Mayor but that he wanted to apprise the Board of what the department is doing. Trustee Shearer said she doesn't want to interfere with the Fire Departments internal organization.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item # 17 on the Agenda: Discussion/Action – Approve a Volunteer Fire Fighters Assistance Grant (VFFAG) from the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD) in the Amount of \$19,798.66.

Trustee Shearer made a motion to Approve a Volunteer Fire Fighters Assistance Grant (VFFAG) from the New Mexico Energy, Minerals and Natural Resources Department (NMEMNRD) in the Amount of \$19,798.66. Trustee Kearns seconded the motion.

Discussion: Kevin advised the Board that the Village has to match the amount by 10%, \$1,979.87, of the total amount. This Grant requires that the Village pay upfront then requests reimbursement up to the amount of \$17,809.79. These funds will be used for wildland gear, tools and radios.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #18 on the Agenda: Discussion/Action – Adopt Resolution 2022-03 Authorizing Submittal of Application to the New Mexico Department of Transportation (NMDOT) for The Local Government Road Fund Program (LGRFP) Co-op Funds for Anna Drive.

Trustee Shearer made a motion to Adopt Resolution 2022-03 Authorizing Submittal of Application to the New Mexico Department of Transportation (NMDOT) for The Local Government Road Fund Program (LGRFP) Co-op Funds for Anna Drive. Trustee Fraley seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #19 on the Agenda: Discussion/Action – Adopt Resolution 2022-04 Authorizing Submittal of Application to the New Mexico Department of Transportation (NMDOT) for Municipal Arterial Program (MAP) Funds for Long Road.

Trustee Shearer made a motion to Adopt Resolution 2022-04 Authorizing Submittal of Application to the New Mexico Department of Transportation (NMDOT) for Municipal Arterial Program (MAP) Funds for Long Road. Trustee Fraley seconded the motion.

Discussion: There was no discussion of this Item.

Roll Call: Trustee Kearns – yes, Trustee Shearer – yes, Trustee Fraley – yes

Item #20 on the Agenda: Discussion – Forming a Finance Committee.

Discussion: The Mayor asked Al Cavazos to address the Board. Al reminded the Board that “several meetings ago” the forming of a Finance Committee was brought up to the Board with the responsibility of having one of the Trustees attend the meetings of the Committee along with LeAnne and Al. They would review the financials. He said any adjustments that need to be made prior to the regular meeting of the Board would be identified at that time, so the Board would have “real numbers” to review at their regular meeting. The Committee would meet two weeks prior to the regular meeting of the Trustees.

Item #20 on the Agenda: Discussion – Forming a Finance Committee. (Continued)

Al said the Trustees could set up a revolving schedule of which Trustee will be attending the Committee meeting with the expectation that the Trustee sign off on the financials to be presented to the Board at their meeting, that the trustee has reviewed and accepted them. This will also satisfy a State Regulation that at least one Trustee has to open the bank statements at least once a month. The bank statement will be made available to the designated Trustee at each meeting. This is something that has been picked up on previous audits of the Village. This is one of three requirements that the Village is implementing. The other two being that someone other than the Financial Officer does the bank reconciliation with someone other than the Finance Officer checking the bank reconciliation and that the Village retains copies of all paid checks that were included in the statement. Al explained that now that the Village will have separate bank accounts for each department fund, each department will be responsible for tracking its purchase orders to its budget and available balances in the bank account. Each department will have its own purchase order book to facilitate the tracking of its expenditures. To ensure that there are no errors with the paying of bills/expenditures from the wrong account, each department will have its own identifying check color for its account, for the Finance Office to use. Al believes that not only will this eliminate future findings in the audit but will be more productive as well. The Village is trying to be more pro-active so that “everyone can see that what we’re doing is going to eliminate wasted time” and so that the problems of the past will not take place in the future.

Trustee Kearns said he didn’t like the idea that only one of the Trustees would understand the finances and that’s it. He was concerned that the other Trustees and the community would be left out of the process of understanding the finances. Trustee Kearns feels that in the past two and a half years with regards to the financials, there hasn’t been someone with “teaching skills” to make a presentation “to the Board and the community to unravel some the things that are more difficult for people like me.” For this reason, he doesn’t like the idea of having only one of the Trustees provided with the training and information.

Trustee Shearer made the observation that a “single Trustee really doesn’t have the authority to approve anything.”

Al advised the Board that they have “misunderstood where I am coming from.” He explained the Trustee attending the Finance Committee Meeting wouldn’t have the authority to approve anything. What that Trustee will be doing is reviewing the information and signing off on what is intended to be presented to the Trustees at its Regular Meeting for approval by the entire Board. If that Trustee recommends changes, so the Board will better understand the information, or if they see information missing, they can advise the Committee so that Finance will have time to make the recommended changes prior to the Board of Trustee Meeting, saving time and eliminating the need for some of the Special Meetings that have had to be held in the recent past regarding Finance. He reminded the Board that they can rotate the Trustee attending the Committee Meeting on an annual, quarterly or monthly basis, its up to the Trustees and the responsibility shouldn’t fall on just one Trustee.

Trustee Kearns said in the past the reports used by Finance to provide financial information to the Board were inaccurate and cumbersome and he would have liked an explanation of what he and the community were supposed to make of it. Al said that will no longer be the case and that this Committee will alleviate the confusion. Up until now that has been the case with no oversight, all funds being “dumped into one account” and the difficulty to untangle this for the Village and Board. Now with individualizing each departments financials there is accountability.

Item #20 on the Agenda: Discussion – Forming a Finance Committee. (Continued)

Al advised the Board that he can go over as much information with each Trustee as they feel they need, to understand the finances, but he cannot teach everybody the accounting principles of what the Village does. He also advised the Board that LeAnne has been working with QuickBooks to ensure that the line items are being set up correctly. Al said the Village is receiving letters saying its “at risk.” Al says yes but we are now doing everything we can to rectify this, to ensure the Village has no future audit findings and that its Financials and its Budget correctly reflect the Village’s position financially. Also, this will present a clearer more understandable picture for the Trustees so they can give informative answers to the community that what the Village is doing is in the best interests of the community.

Al said that in his discussion with the supervisor at the Office of the State Auditor (OSA) it became clear they are willing to do whatever it takes to help the Village with this and if anyone sites the Village’s Audits as a problem, for example with obtaining funding, to have them call her and she will confirm that the OSA is ok with the Village of Capitan. In order to do what the Village needs to do to get the Budgets in order, to have the Trustees understand and be comfortable with the financial information they are receiving, to get the funding needed for the Village’s projects and infrastructure, changes had to be made and more participation by the Trustees is one of them.

Al wants to start with the Finance Committee Meetings immediately with the first meeting to be scheduled two weeks prior to the next Regular Meeting of the Trustees.

Item # 21 on the Agenda: Discussion/Possible Action – Incorrect Application of Water Rates and a Change to the Village of Capitan’s Water Leak Credit Policy.

The Mayor invited Steve Osborn, Village Water Utilities Supervisor, to address the Board. Steve said basically the rates for commercial water use are less expensive than residential rates. He thinks this should be addressed, leading to an increase in revenue which includes an increase in commercial water use due to the increase in business licenses by the cannabis industry in the community.

Trustee Shearer asked about the status of the Rate Study? Steve replied the Rate Study is waiting on accurate Budget numbers to complete it. He knew that Stephanie was working on it with Carl but he’s not sure where that stands. Al will check on this and get Carl whatever he is needing to complete the Study. Steve said maybe he is being premature in bringing this to the Board’s attention now and should have waited for the Rate Study but this way the Board can be made aware and act, if they choose, when they think the time is right. Steve feels with the added use by the cannabis industry changes to the commercial rate should be made ASAP, by Ordinance.

Steve went on to explain that the current use of the Tiered Rates was implemented to encourage water conservation but that really hasn’t been an issue. He recommends using a percentage increase based on actual usage instead. The result being that increases will be calculated on the use of that particular individual or business’ use of water.

Steve said the second part of his presentation has to do with the Village’s Water Leak Credit Policy. The calculation is so complicated that in his opinion it should be scratched and instead, when a leak is discovered, on the first invoice the leak is charged for, take the average usage of the three years prior for that same month and charge the customer the averaged amount. Steve said to “keep it as simple as you can” but if a customer doesn’t try to have the leak repaired immediately and keep the Village apprised of the situation then, that customer could become liable for all or part of future invoices that include the water usage due to the leak.

Item # 21 on the Agenda: Discussion/Possible Action – Incorrect Application of Water Rates and a Change to the Village of Capitan’s Water Leak Credit Policy. (Continued)

Steve thought it would be a good idea for the Board to review situations/invoices that have a higher usage due to leaks when it might be the second time in a year for that property or it’s taking time to have the leak fixed, maybe consider if it’s a “hardship” situation, to determine how it should be handled by the Village. This change in the calculation of water leak adjustments and the Village’s policy on water leaks will need to be made by Ordinance.

Trustee Shearer said it would be nice to just do all the Water Ordinance changes at the same time but wasn’t sure the Budget numbers for water, that are necessary to make the changes, would be ready. She asked Steve to bring in the proposed new leak calculation sheet to the April 12th Trustee Meeting and that it be added to the Agenda for further discussion/possible action.

Item #22 on the Agenda: Discussion/Action – Cannabis Ordinance for the Village of Capitan, to Proceed with the Ordinance Reviewed and Submitted by Zach Cook, Attorney for the Village of Capitan.

Al advised the Board that Zach has not finished with his review of the proposed Cannabis Ordinance yet. He went on to say that what Zach is reviewing is the Ordinance that was edited by Trustees Hair and Fraley with a few additional edits by the Police Chief. Therefore, this item is Discussion Only. Al said “as soon as we get a response” from Zach, the Ordinance will be sent to the Trustees for their review and a public hearing will be scheduled.

Trustee Kearns thought some of the fees are “exorbitant” and wanted to be sure the proposed fees will be alright with the State. Randy advised the Board that the State had left it to the discretion of the municipalities on how much to charge for their fees.

Trustee Kearns had questions on the required distance from schools and churches a cannabis facility can be. Randy said the State followed the same regulations as its current Alcohol regulations and the Village must follow the same as the State.

The Mayor said the fee on the Village’s proposed Ordinance was reduced from \$3,000 to \$1,500 and that the use of water from the Village’s water system will be allowed.

The Mayor said as soon as Zach’s review of the Ordinance, for compliance with the State Statute, is complete, it will be sent to the Trustees so action can be taken on it as soon as possible.

Trustee Shearer said there are “a number of lawyers that are just geared up to sue municipalities”. She said that small micro-businesses, for whom the Cannabis Bill was supposed to be geared to, many have found that it is not viable for them to succeed and that it is the larger companies, companies that have been in the cannabis business for a while, including big tobacco, that are getting the state licenses. The Ordinance “has to be tight, otherwise we will get sued.”

A member of the public was concerned with the number of plants being squeezed onto a property and the environmental consequences of this. He suggested to get the Upper Hondo Soil & Water Conservation District involved and have something included in the Village’s plan. Trustee Kearns acknowledged the point and thinks this is important.

The same member of the public was also concerned with the proposed shops and the possibility of kids obtaining cannabis products.

The Mayor advised the Board that Zach informed him its \$60,000 if the Village gets sued, that’s the cost of legal fees, then if it goes to the applet court its an additional \$150,000. He doesn’t “want to spend that.” Trustee Shearer pointed out that “there is no risk management coverage” for these costs.

Item #22 on the Agenda: Discussion/Action – Cannabis Ordinance for the Village of Capitan, to Proceed with the Ordinance Reviewed and Submitted by Zach Cook, Attorney for the Village of Capitan. (Continued)

The Trustees recognize that they could “look at Zoning” in the Village to get more control but this has been very unpopular with the residents of Capitan in the past.

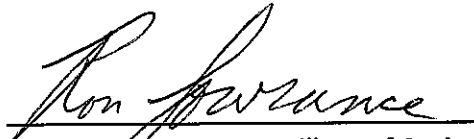
CORRESPONDENCE:

ADJOURNMENT:

Trustee Fraley made a motion to adjourn. Trustee Shearer seconded the motion.

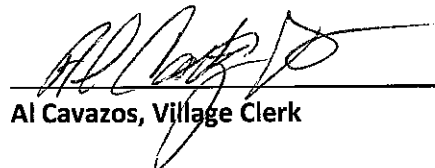
Roll Call: All were in favor, the motion carried.

Mayor Lowrance Adjourned the meeting at 7:51PM.



Ron Lowrance, Mayor, Village of Capitan

Attest:



Al Cavazos, Village Clerk

6:00 PM

[illegible]