



SPECIAL MEETING
City of Anthony Board of Trustees
820 Highway 478, Anthony NM 880215
& Conference Call
Thursday May 13, 2021
5:00 P.M
MINUTES

You can join meeting using your phone by dialing.
United States: +1 (872) 240-3311
Access Code: 474-887-397

1. **CALL TO ORDER** by Mayor Pro Tem Fernie Herrera
2. **PLEDGE OF ALLEGIANCE** led by Mayor Pro Tem Herrera
3. **ROLL CALL** *Present:*

<i>MPT Fernie Herrera</i>	YES	<i>NO</i>
<i>Trustee Gloria Gamos</i>	YES	<i>NO</i>
<i>Trustee Elva Flores</i>	YES	<i>NO</i>
<i>Trustee Javier Silva</i>	YES	<i>NO</i>
<i>Mayor Diana M. Trujillo</i>	YES	NO
<i>Quorum Established</i>	YES	<i>NO</i>

4. APPROVAL OF AGENDA ORDER

1st Motion: Trustee Gamos 2nd Motion: Trustee Flores

Roll Call:

- | | | |
|-------------------------|----------------|--|
| MPT Fernie Herrera | YES | <i>NO</i> |
| Trustee Gloria Gamos | YES | <i>NO</i> |
| Trustee Elva Flores | YES | NO 4 to 0 votes, motion passed. |
| Trustee Javier Silva | YES | <i>NO</i> |
| Mayor Diana M. Trujillo | YES | NO <i>Absent</i> |

5. PRESENTATION

- a) Presentation of city employee health insurance options for FY 21/22. **Presented by Payroll/Procurement Clerk.**
 - o **Procurement Clerk:** Health insurance has increased by 3.7%, in reality it was supposed to be 10%. New Mexico Office of Superintendent of Insurance (OSI) has announced that insurance premium would decrease in 2021. We fall under small business group of 6%. 3.7% increase is pretty good and part of American Rescue Plan.
 - The second provider quote has about \$3,000 difference.
 - Dental increase was approximately \$30 with United Concordia; Second dental quote was \$13 less, but employees would get half the coverage.
 - Vision and Life insurance had no change.
 - Recommended staying with the current carriers: United Healthcare and United Concordia. Approval will be placed on next board meeting agenda.
- b) Presentation of audit corrective action plan. **Presented City Manager**
 - o **City Manager:** Went through different findings, as well as the staff plans, or what has already been done.
 - Designed Deficiencies in Internal Control 2020-001 (2019-001):**
 - **Correction 1:** Staff is closing monthly to ensure all significant accounts are reconciled. Finance Checklist will be created.
 - Staff was making budget changes before board approval, which is not what's supposed to happen. Those adjusting journal entries were the finding in this particular case.
 - **Correction 2:** All manual adjusting journal entries are now directed/approved beforehand by the Governing Body. (From Finance P&P, Sec. 14.3: Prior to any purchases or expenditures being ordered, that may create an excess of the approved budget line item must be presented to the Governing Body by the Department Head with a written request and explanation as to the need.)
 - The third part is around policies that have been implemented for IT-related issues.
 - Correction 3:** Staff developed policies on data in two areas: Information Security (Policies on user awareness and social engineering) and Data Access Rules/Software Access Administration for board approval.
 - Journal Entries 2020-002 (2019-003)**
 - Here we have same response as the first finding, this is the same challenge which was around adjusting journal entries. These are being addressed by the monthly budget meetings that we're having with the board.

- **Correction:** All manual adjusting journal entries are directed/approved beforehand by the Governing Body.
- **Cash Reconciliation 2020-003 (2019-005)**
- **Correction:** Staff is reconciling cash accounts no less often than monthly and working with Tyler Technologies to correct issue between accounts payable and pooled cash. Finance staff will also be trained on the modules available within the ERP.
- **Legal Compliance with Budget 2020-004 (2019-008)**
- This has to do with compliance with the budget, projects not having enough restrictions on budget. This is something that was identified as a challenge well over a year ago. Project accounting is not happening within Incode.
- **Correction 1:** Staff will be implementing project tracking via Incode. Soon we will be able to track not only expenditures, but also reimbursements and make sure that we are not leaving any line items under-budgeted.
- **Correction 2:** Staff is implementing project management within the finance system (Incode). Requisitions that identify budget line items without sufficient funds will not be permitted by Incode to prevent over-expenditures, particularly in the area of capital projects. Staff will not be able to override that.
- **Per Diems 2020-005**
- This was due to one check was paid 100% of the per diem total prior to the travel dates. The total amount paid was \$30. Policy is very clear and staff will follow the policy going forward that any advances will only be up to 80%.
- **Correction:** Staff is following the finance P&P around per diems. (17.1: PER DIEM A. TRAVEL ADVANCE: An employee or official may request to be advanced up to 80 percent of mileage cost (where budget approved in department) and per diem rate for lodging or per diem rate for meals and may request to be reimbursed for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC.
- **Payroll 2020-006**
- Staff reviewed personnel files for completeness after fiscal year 19-20. This particular file was for a commissioner. Unfortunately, Staff has gone through all of the Board and commissioner files and found at least one other that looks like it's deficient. Staff is addressing the one that did not come up in the audit.
- **MPT Herrera:** Was there deficiency on the commissioner's stipend?
- **City Manager:** No, sir. It was really just about the documentation that the city needs to maintain for anyone receiving payroll. We were able to issue the stipends to the commissioner. But we didn't have the backup that is necessary for the audits.
- **Capital Assets 2020-007**
- City did not conduct a capital asset count certification during the year. One of the policy or procedures that we now have in there is that staff will conduct an annual assets inventory list.
- **Correction:** Staff will update the finance P&P and present to the board for approval by the first regular meeting in June and working with Wilson & Co. on an asset management plan.
- **Accounts Receivable 2020-008**
- This is the accounts receivable finding. When it comes to the logging of checks and the tracking of cash deposits, particularly the scanning, some of those things were not happening on a very consistent and regular basis. Soon there will be changes in the way the finance officer approves receivables. In the past, our admin assistant one would upload the deposits in packets that would then be reviewed by the finance officer and approved in that manner. That stopped. We're going back to that process. The challenge now is that the admin assistant uses Incode-9 and our finance offer uses Incode-10, which does create some compatibility issues.
 - **Trustee Gameros:** Finding 2020-001 has happened twice, Design Deficiencies in Internal Control. It says the City does not have a routine to closing and reporting process to ensure all significant accounts are reconciled timely. Are we going to place this on policy and procedures or is there something in place already?
 - **City Manager:** This will be done monthly. There are procedures in place already, which will be approved in June.
 - **Trustee Gameros:** The manual adjusting journal entries are not being reviewed consistently by someone other than the individual entering the manual. That is not on policy & procedures either.
 - **City Manager:** Staff is looking into having MVD manager be the second set of approval. City manager cannot approve since he is supervisor to finance officer. Another department had to be able to review those to have more segregation of duties.
 - **Trustee Gameros:** requested placing the manager on finance policy and procedures. We need future staff to have that understanding and it needs to be written down.
 - **Trustee Flores:** Unfortunately, all these findings that we got on this audit could have been prevented if we had been a little more cautious, and we had listened to the staff that were handling this. We went through a lot of grievances and we never paid attention and then we voted against items. I've been doing a little bit of research and I find that all these findings were brought to our attention, unfortunately, we didn't follow through. We didn't even pay attention, and we voted against it.

6. CONSIDERATION AND ACTION

a. Consideration and action to approve **Resolution 2021-020** a resolution calling for 2021 regular local election. **Presented by City Clerk**

- **City Clerk:** This election is different since the county is conducting our municipal elections. It is not required to have this resolution, but the municipal league is recommending its adoption for record purposes. We should have something to show which positions were voted for down in history.
 - By this resolution we will be designating Municipal chambers to be one of the voting sites selected by the County.
 - Secretary of State has released local election calendar and candidates guide. The two documents are now on city website. Candidate's forms have not been released yet.
- **MPT Herrera:** When can candidates apply?
- **City Clerk:** August 24, 2021. Please note that dates are subject to change (based on pending legislation).

1st Motion: Trustee Gameros 2nd Motion: Trustee Silva

Roll Call:

MPT Fernie Herrera	YES	NO
Trustee Gloria Gameros	YES	NO
Trustee Elva Flores	YES	NO 4 to 0 votes, motion passed.
Trustee Javier Silva	YES	NO
Mayor Diana M. Trujillo	YES	NO Absent

b. Consideration and Action to enter into one-year audit service contract with Beasley Mitchell & Co. **Presented by City Manager:**

- This is staff's attempt to present a one-year agreement for approval by the board. We did communicate to Beasley that the intention is to put the audit services out to bid at the end of next year. The deadline is May 15th.
- **Trustee Flores:** Edit footer of the contract: There are only 13 pages, not 16.

1st Motion: Trustee Gameros 2nd Motion: Trustee Silva

Roll Call:

MPT Fernie Herrera	YES	NO
Trustee Gloria Gameros	YES	NO
Trustee Elva Flores	YES	NO 4 to 0 votes, motion passed.
Trustee Javier Silva	YES	NO
Mayor Diana M. Trujillo	YES	NO Absent

7. ADJOURNMENT

Motion to adjourn

1st Motion: Trustee Gameros 2nd Motion: Trustee Silva

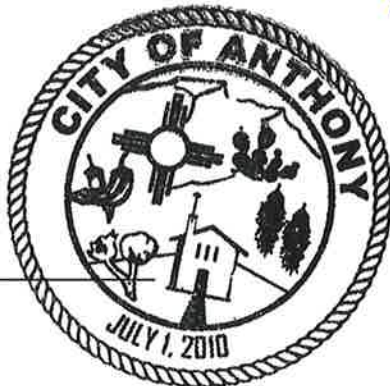
Roll Call:

MPT Fernie Herrera	YES	NO
Trustee Gloria Gameros	YES	NO
Trustee Elva Flores	YES	NO 4 to 0 votes, motion passed.
Trustee Javier Silva	YES	NO
Mayor Diana M. Trujillo	YES	NO Absent

{SEAL}
ATTEST:



Esther Motongo, City Clerk




Diana Murillo-Trujillo, Mayor