



MICHAEL NEALEIGH
Mayor

ROBERT WILSON
Mayor Pro Tem

VILLAGE OF JEMEZ SPRINGS Municipal Office

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JUDY BOYD
Trustee
JAMES MCCUE
Trustee
MANOLITO SANCHEZ
Trustee

Jemez Springs Village Council Meeting Minutes Tuesday August 19, 2025, 6:00 PM Governing Body Conference Room

1. Call to Order - Mayor Nealeigh called the meeting to order at 6:00 p.m.

Council Members Present: Mayor Michael Nealeigh, Trustees: Judy Boyd, James McCue, and Manolito Sanchez.

Council Members Absent: Robert Wilson

Also in Attendance: Interim Clerk Heather Gutierrez, Finance Director Consultant Jim Cox, Police Chief Joe Moreno, Library Director Andrew Adaryukov, Wastewater Operations Manager Rose Fenton, IT Consultant Fred Simmank, and community members Olympia Holliday, Susanna Cooper, Peg Froelich, Monique Alton and guest Chris Garner with the auditing firm Pattillo, Brown and Hill, LLP.

2. Pledge of Allegiance was led by Mayor Nealeigh

3. Certification of Agenda - Mayor Nealeigh certified that the agenda was published at least 72 hours prior to the meeting. He noted a correction to item 10A, explaining that "Adoption of Police" was a placeholder for an item that was subsequently moved to New Business and renamed.

4. Approval of Minutes - Regular Council Meeting on 7-15-2025

Mayor Nealeigh called for corrections to the minutes of the July 15, 2025, regular Council meeting. Trustee Boyd noted a gender reference error. There being no further corrections, Trustee Boyd moved to approve the minutes as corrected, seconded by Trustee McCue. The motion passed by unanimous voice vote.

5. Public Input

Mayor Nealeigh opened the floor for public input on items not on the agenda. No members of the public came forward to speak.

6. Court Report

Mayor Nealeigh noted that the court report had been provided to the Council for informational purposes. He reminded those present that the Village does not have jurisdiction over the court.

7. Mayor's Report

a. Code Enforcement

Mayor Nealeigh reported that there were no code enforcement actions to report, other than matters related to Lodgers Tax non-compliance, which would be addressed during the Finance Board Meeting.

b. Administration

i. General

1. OMA Claim and IPRA Claims

Mayor Nealeigh stated there was no activity to report regarding Open Meetings Act or Inspection of Public Records Act claims.

2. Audit Report – Chris Garner, Partner with Pattillo, Brown and Hill, LLP

Finance Director Consultant Cox introduced Chris Garner, a partner with Pattillo, Brown and Hill, LLP, to present the results of the fiscal year 2022 audit. Mr. Cox noted the audit was complete, submitted to the State Auditor, and established as a public record, and that Council acceptance by resolution is a procedural requirement.

Chris Garner explained that the audit was conducted under both standard auditing practices and government "Yellow Book" standards, as required by the New Mexico State Auditor. He stated that his firm's role is to provide an opinion on whether the Village's financial statements adhere to Generally Accepted Accounting Principles (GAAP). He noted that auditors provide "reasonable assurance," not an absolute guarantee, that statements are free of material misstatement. The state audit rule also requires testing of internal controls and specific transactions related to state law.

Mr. Garner reported that the Village received a partial opinion for fiscal year 2022. The balance sheet was audited and found acceptable, but an opinion on the income statement could not be rendered because the beginning balance sheet figures from the two preceding years were unaudited due to a "disclaimer" status. He described this as a necessary step toward achieving a clean audit opinion, which he hopes will occur in fiscal year 2023. Mr. Garner noted that initial challenges included obtaining a coherent trial balance, but after Mr. Cox joined the Village management team, an accurate trial balance was provided that required no adjustments.

Mr. Garner detailed the audit findings, which included: issues with controls over payroll, such as unapproved pay rates and time sheets; a repeat finding for mismanagement of pooled funds due to improper cash recording and a failure to perform bank reconciliations; the initial submission of inaccurate trial balances; a material weakness finding automatically triggered by a necessary prior period adjustment; missing support documentation for one of 25 cash disbursements tested; a lack of records for cash receipts and journal entry testing; late submission of the audit report; and missing support, receipts, or approval for multiple credit card and travel expense transactions. Further, the Village failed to provide any supporting documentation for the four procurement items selected for testing and exceeded its budget in eight funds, both violations of state law.

Mr. Garner stated that while progress has been made, some findings will recur as they cannot be retroactively fixed. His firm is contracted for the fiscal year 2023, 2024, and 2025 audits and aims to get the Village current by pre-selecting samples for all three years to expedite the process. He expressed confidence that the Village would achieve a clean opinion for fiscal year 2023.

In response to a question from Mayor Nealeigh, Chris Garner defined "material weaknesses" as the most serious findings, "significant deficiencies" as less severe but still presenting a risk, and

"other matters" as issues of non-compliance with state law, such as the findings related to procurement and the budget. Mr. Cox added that a new House Bill gives the Department of Finance and Administration (DFA) increased oversight of entities with such findings but noted that numerous internal control improvements have already been implemented.

- Resolution 2025-012 Accepting and Approving the Fiscal Year 2022 Audit

Mr. Cox noted a typographical error in the resolution, which should reference fiscal year 2022. Mayor Nealeigh read Resolution 2025-012, Accepting and Approving the Fiscal Year 2022 Audit. Trustee McCue moved to approve the resolution, seconded by Trustee Sanchez. A roll call vote was taken -- Trustee Boyd, aye; Trustee McCue, aye; Trustee Sanchez, aye. The resolution passed. Mayor Nealeigh stated the corrected document would be provided for signatures.

3. Plumbing issues: Brewhouse and Library

Mayor Nealeigh updated the Council on recent plumbing issues. At the Brewhouse, a drain issue in a 50-year-old line was addressed by installing a clean-out, and a clog in the building's internal line was removed. He clarified that the lack of a clean-out is a landlord responsibility, while the internal clog is a tenant responsibility. At the library, two leaking external spigots were temporarily fixed, and a permanent solution is being designed.

ii. Project Updates

1. Office Building at Community Park - Report on 8-19 Workshop meeting

Mayor Nealeigh reported on a well-attended, two-hour workshop meeting regarding the office building at the Community Park and stated that no action could be taken on the matter until the September Council meeting.

2. Mooney Blvd Bridge Projects—waiver requirements

Mayor Nealeigh reported that two additional resolutions and letters would be required for the Mooney Bridge projects to request a waiver for the Village's 5% match, totaling **\$50,000**.

iii. November Elections Schedule

Mayor Nealeigh announced the upcoming election schedule: August 26 is the candidate declaration date, September 5 is the deadline to withdraw or file as a write-in, and November 4 is election day.

iv. Events Planning Committee promotion

Mayor Nealeigh announced he is seeking new members for the Events Planning Committee. He listed upcoming events including a potential fall celebration, the Jemez Trail Sale on October 18-19, and the Jemez Holiday Festival on the Saturday after Thanksgiving.

d. Community Relations

i. National Park Service – July 30 re: General Management Plan

Mayor Nealeigh reported meeting with National Park Service representatives on July 30 concerning their general management plan. In addition, he noted that they intend to remodel structures at the Jemez Springs location for temporary and seasonal housing.

ii. NMDOT - July 28 re: Dark Sky lighting

Mayor Nealeigh reported communications with the New Mexico Department of Transportation regarding the Dark Sky lighting project, confirming the installation of 31 lights.

- Highway 4 paving schedule

He also spoke with Troy Witt from NMDOT who confirmed that paving on Highway 4 through the Village is scheduled for this summer, though a specific date has not been set.

iii. Sandoval County Tourism Alliance (SCTA) – August 12

Mayor Nealeigh reported attending a Sandoval County Tourism Alliance meeting on August 12. He noted that the Alliance invited the Village to become a member and that approval is being sought for Lodgers Tax funds to pay the membership fee.

e. Boards & Commissions

i. Library Board

The Council was in receipt of the Library Board report from its June 10 meeting.

ii. Planning & Zoning Commission

The Council was in receipt of the draft minutes from the Planning and Zoning Commission's July 22 regular meeting and a special meeting. In response to an inquiry from Trustee McCue, Mayor Nealeigh clarified that the commission will not act on the Paraclete Chapel demolition permit until the property owners satisfy requirements from the State Historic Preservation Office and other state agencies. He added that the owner's plan is to demolish the building, retain the foundation for a gravel parking area, and sell the property to the National Park Service.

f. Department Reports

i. Bath House

The Council was in receipt of the bathhouse report.

ii. Fire Department

The fire department report was received. Mayor Nealeigh asked for questions, and none were raised.

iii. Information Technology

The IT report was received. Mayor Nealeigh noted that 100,000 text messages were purchased. At the request of Trustee Sanchez, IT Consultant Simmank agreed to inspect a computer at the fire station to address login and printer issues.

iv. Library

The librarian's report was received.

v. Police Department

The police department report was received. Police Chief Moreno provided an update on a two-year initiative to improve radio communications with Sandoval County Dispatch. He reported that a vendor using a Starlink satellite system has been identified to overcome line-of-sight issues. He and Fire Chief Sanchez have agreed to fund a trial of the equipment. Chief Moreno stated that if the trial is successful, Jemez Pueblo and La Cueva are expected to adopt the system as well. Mayor Nealeigh commended Police Chief Moreno for his leadership on the project.

vi. Public Works

The public works report was received.

vii. Streets

Mayor Nealeigh reported that materials have been purchased for new one-way street signs, with installation expected to be completed soon. He added that an Adopt-A-Sidewalk event was held, during which volunteers cleaned a section of the walkway.

viii. Wastewater

The wastewater report was received.

8. Trustee's Reports

a. Trustee Boyd - Trustee Boyd had nothing to report.

b. Trustee McCue - Trustee McCue had nothing to report.

c. Trustee Sanchez - Trustee Sanchez had nothing to report.

d. Trustee Wilson – Trustee Wilson was absent.

9. Finance Board

Trustee McCue moved to convene the Finance Board, seconded by Trustee Boyd. The motion passed by voice vote.

a. Interim Clerk Report

The Interim Clerk's report was received. No questions were raised.

b. Lodgers' Tax Board Report

The Council was in receipt of the minutes from the Lodgers Tax Board meetings of April 15 and August 15.

i. Recommended Expenditures

Trustee McCue, the board chair, reported that the board recommended two expenditures: **\$1,000** for the Sandoval County Tourism Alliance membership fee, and **\$715.60** for police services during the Labor Day weekend music festival. Trustee Boyd moved to approve the recommended expenditures, seconded by Trustee Sanchez. The motion passed by unanimous voice vote.

ii. Lodger's Tax Audit status report

Mayor Nealeigh reported on a lodger compliance audit, stating that of 17 registered lodgers, seven were found to be non-compliant. Five have since become compliant or are in the process of doing so. He has notified one of the two remaining lodgers that the board may request the Planning and Zoning Commission revoke their permit if compliance is not achieved.

Monique Alton, a member of the public, raised concerns about the Bodhi Zen Center, stating that it operates as a hotel with rooms rented at **\$200** per night but does not pay Lodgers Tax and receives a reduced wastewater rate intended for churches. She argued this was unfair to other businesses. Mayor Nealeigh clarified that a previous Council action reclassified churches to a residential wastewater rate but acknowledged the Bodhi Center's full-time operations differ from local churches. Mr. Cox read from the state statute exempting accommodations at religious institutions from occupancy tax. Mayor Nealeigh stated he would investigate the issues concerning the Bodhi Center, noting the sewer rate would need to be addressed separately.

c. Finance Director Report

Finance Director Consultant Cox reported that work on the fiscal year 2023, 2024, and 2025 audits is proceeding with the goal of being current by the December 15 deadline. He explained the audits will be finalized sequentially.

He reported that the fiscal year 2025 fourth quarter report has been submitted to the Department of Finance and Administration (DFA). Two carry-forward requests for LAPF and fire funds are pending. After discussion, the Council concurred with his recommendation to submit the required letter for the fire funds to the DFA as a precaution.

Finance Director Consultant Cox noted a current delay in the July bank reconciliations but affirmed their importance. He described his process of performing reconciliations and then generating budget-to-actual reports, assuring the Council there would be no budget finding for fiscal year 2025.

Regarding Gross Receipts Tax (GRT), he reported that July net collections were approximately **\$5,000** higher than July of the previous year but about **\$1,100** under budget for the month. He stated he will continue to monitor GRT collections closely.

Trustee Boyd moved to adjourn the Finance Board, seconded by Trustee McCue. The motion passed by unanimous voice vote.

Following the adjournment of the Finance Board, Peg Froelich thanked the Council for naming her Volunteer of the Year and expressed her appreciation for their support.

10. Old Business – There was no old business before the Council.

11. New Business

a. Approval of section 202, 203, and 303 of Police Department Standard Operating Procedures

Trustee McCue moved to approve Sections 202, 203, and 303 of the Police Department's Standard Operating Procedures, seconded by Trustee Sanchez. Police Chief Moreno explained that the procedures are based on federal and state directives but were adapted for the Village's small department by removing references to training committees and review groups. The motion passed by unanimous voice vote.

b. Resolution 2025-013 Approving Request for a Match Waiver for the South Mooney Bridge Transportation Project Fund Application

Mayor Nealeigh explained that Resolution 2025-013 is a required part of the transportation project funding application to waive the Village's 5% match of **\$50,000** for the **\$1 million** South Mooney Bridge project. He noted the Village would be responsible for any costs exceeding the **\$1 million** project total. Trustee McCue moved to accept the resolution, seconded by Trustee Boyd. A roll call vote was taken Trustee Boyd, aye; Trustee McCue, aye; Trustee Sanchez, aye. The motion passed.

c. Resolution 2025-014 Approving Request for a Match Waiver for the North Mooney Bridge Transportation Project Fund Application

Mayor Nealeigh presented Resolution 2025-014, an identical request for the North Mooney Bridge project. Trustee Boyd moved to approve the resolution, seconded by Trustee McCue. A roll call vote was taken Trustee Boyd, aye; Trustee McCue, aye; Trustee Sanchez, aye. The motion passed.

12. Adjourn

There being no further business before the Council Mayor Nealeigh adjourned the meeting at 7:34 pm.