



**Albuquerque Metropolitan  
Arroyo Flood Control Authority  
Special Meeting Minutes  
February 4, 2010**

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**1. Call to Order and Roll Call**

Chairman Saiers called the Special Board Meeting to order at 8:09 a.m. Thursday, February 4, 2010. Roll was noted as follows:

Directors present:	Chair Janet Saiers Director Danny Hernandez Director Ronald D. Brown Director Tim Eichenberg Director Daniel Lyon
Directors excused:	None
Others present:	John Kelly, Executive Engineer Marcus Rael, Jr., Attorney Irene Jeffries, Business Manager Pamela Woodruff, Executive Secretary

A quorum was present.

**2. Approval of Agenda**

There were no changes to the agenda. Director Hernandez made a motion to approve the agenda. Director Brown seconded the motion, which passed unanimously (5-0).

**3. Meetings Scheduled**

- a. Thursday, February 25, 2010, 10:00 a.m. – Regular Meeting**
- b. Thursday, March 25, 2010, 10:00 a.m. – Regular Meeting**
- c. Thursday, April 22, 2010, 10:00 a.m. – Regular Meeting**
- d. Thursday, May 27, 2010, 10:00 a.m. – Regular Meeting**

There were no changes to the proposed meeting schedule. Director Eichenberg stated he would be unable to attend the February 25, 2010 meeting. Director Hernandez stated that he may be unavailable for that meeting as well.

**4. Items from the Floor / Public Comment**

None.



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**5. IRS Audit – Discussion and Action Regarding Results of Audit**

Mr. Kelly, with the assistance of Mr. Rael, briefed the Board on the results of the recent IRS audit. The first two findings dealt with insurance on one vehicle and commuting costs on two take-home vehicles, which Carl Chavez, FSLG Specialist with the IRS, contended should be considered taxable income. This was reviewed by counsel with the assistance of Bruce Malott of Meyners & Company, a local C.P.A. They agree with the IRS finding.

He stated the third finding dealt with three vendors for which AMAFCA did not have 1099s on file. One was for a company which we have not used since. One was a vendor who had gone out of business but is now reinstated. The third was a consultant with whom we continue to do business.

Mr. Kelly noted the fourth finding centered on the question of whether or not the Directors are employees of AMAFCA, rather than independent contractors, for tax purposes. This finding has the potential to affect members of elected Boards all throughout the state.

Mr. Kelly stated that the Middle Rio Grande Conservancy District (MRGCD) faces a similar finding regarding the status of their Board of Directors after their IRS audit. The MRGCD Board has requested a Manager's Conference, which is the next step in resolving the finding.

Discussion followed. Director Eichenberg made a motion that the Board agree to accept the first three findings, and further consider the fourth finding. Director Hernandez seconded the motion, which passed unanimously (5-0).

Mr. Rael reviewed the report of Bruce Malott of Meyners & Company, an Albuquerque accounting firm. Mr. Malott's analysis concluded that the Directors are not employees of AMAFCA, and that this is a defensible position.

Extensive discussion followed. Mr. Rael, Mr. Kelly, and Ms. Jeffries answered several questions from the Board. Consensus of the Board was that it would be best to consider all four findings at once, rather than splitting them up, and to request a Manager's Conference with Mr. Chavez's supervisor to get more information on the findings.

Director Eichenberg made a motion to reconsider the earlier vote. Director Brown seconded the motion, which passed unanimously (5-0).

Director Brown made a motion that the Board agree to accept the first three findings, and further consider the fourth finding. Director Hernandez seconded the motion, which failed unanimously on a 0-5 vote.



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Final consensus of the Board was to direct Mr. Kelly and Mr. Rael to request a Manager's Conference to gain further information on the findings, and to not necessarily follow the lead of the MRGCD as to further action(s) to take.

**6. Unfinished Business**

None.

**7. New Business**

None.

**8. Adjourn**

There being no further business to come before the Board, Chairman Saiers adjourned the meeting at 9:02 a.m.

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Ronald D. Brown, Secretary-Treasurer 2/25/10

Recorded by Pam Woodruff, Secretary to the Executive Engineer