CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Friday, May 16, 2008

SPECIAL MEETING
Budget Hearing Minutes
Tape 3 & 4

TIME & PLACE: The Mayor and the City Commission of the City of Truth or Consequences in the County of Sierra and State of New Mexico, met in Special Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Friday, May 16, 2008 at 9:00 A.M. to conduct a Budget Workshop to consider the following:

Discussion/Approval – Review Preliminary Budget for FY 08/09.

PRESIDING OFFICER: The meeting was called to order by Mayor Montgomery who presided and Mary B. Penner, City Clerk acted as Secretary of the meeting.

ATTENDANCE: Upon calling the roll the following Commissioners were reported present:

Hon. Lori S. Montgomery, Mayor
Hon. Jerry D. Stagner, Mayor Pro-tem
Hon Steve Green, Commissioner
Hon. Evelyn B. Renfro, Commissioner
Hon. Freddie J. Torres, Commissioner

Also present:

Jaime R. Aguilera, City Manager
Helen Belis, Finance Officer
Mary B. Penner, City Clerk

QUORUM: There being a quorum present the Commission proceeded with the business at hand.

City Manager Aguilera stated we’re starting to get into the utilities and before they do that, he wanted to say that they are starting with a fund balance of $588,000, uncommitted money for the utilities. He stated the reason that they start with such a large amount is because as soon as they get into the new year there are bills coming due for electric power so Helen has to have enough money to make that payment. He stated that’s about the same amount that they started last year with, which is not a magic number it’s a guess about how much will be needed. He stated that if this Commission decided that we could take four thousand dollars from the five hundred and eighty eight and add it to one of these budgets then he doesn’t think that would be a big hit. He stated he certainly wouldn’t recommend taking a large chunk out.

Page 40 – Water Division Revenues – No major changes from last year.

Page 41 – Water Division Expenditure – No major changes from last year.

Page 68 – R & R Water – Mr. Aguilera stated there are several grants, two of the grants are being used to buy the Andrews
property, which will cost two hundred forty five dollars, and there is a two hundred thousand dollar grant that they don’t have full approval yet, the city has the money from the Legislature but can’t spend it. However, as soon as they have authorization that will go toward the purchase of the ultraviolet system which has already been designed and ready to bid.

He stated the belt press system is also designed and ready to bid, but they don’t have the money to bid that out yet. He stated the next time they get a grant hopefully from the Legislature that’s where that will go.

Mr. Aguilera stated also any money that they may still have they may decide to use that to buy those big valves that he was talking about instead of using utility money.

Page 43 – Solid Waste Division – No major changes from last year.

Page 46 – Environmental Gross Receipts – No major changes from last year.

Page 22 – Library – No major changes from last year.

Page 48 – Municipal Airport – No major changes from last year.

Page 36 – Joint Utility Office Revenues – No major changes from last year.

Page 37 – Utility Office Expenditures – No major changes from last year.

Discussion ensued concerning the fee for Red Tags.

It was the consensus of the Commission that the Public Utility Advisory Board look at the fees for Red Tags.

Pages 53, 54 & 55 – DWI Grant HB 108 – No major changes from last year.

Page 61 – Capital Improvement (General) – No major changes from last year.

Page 62 – Capital Improvements (Joint Utility) – No major changes from last year.

Discussion ensued on the water rights paid to Bill Buhler and his use of city water at Cuchillo. City Manager Aguilera was asked to follow up on this issue.

Page 63 – Morgan Street/DOT Grant – No major changes from last year.

Page 64 – Internal Service – No major changes from last year.

Page 65 – Emergency Funds – No major changes from last year.

Page 66 – R & R Sewer – Zero Account, discussion ensued. It was the consensus of the Commission that the City Manager and Finance look into the requirements for each of the accounts and see if there is a way of building them up.

Page 67 – R & R Airport – No major changes from last year.
Page 69 – CDBG Comprehensive Plan – This account will be closed because it is not being used.


Discussion ensued as to funding for the Veteran’s Memorial Wall and other applications that came in late for Lodger’s Tax funds.

Five-minute break.

Mayor Montgomery stated there are two quick presentations that will be heard before they continue with Lodger’s Tax.

Patty Lester from SJOA gave an update and requested that an additional $9,000 be funded to help pay for a fulltime van driver.

Mel Tepper gave an update on the tennis courts and its needs.

Commissioner Green stated he would like his fellow commissioners to consider awarding the Veteran’s Memorial Park twelve thousand four hundred dollars, which would keep the billboards up, allow a little bit of radio advertising, some newspaper ads, and some magazine ads. He stated they could figure out the percentage of what that is, of the amount suggested and then just reduce everyone’s award by that equal amount.

Mayor Montgomery asked the Commission what their desires were. Did they want to cut everybody 15% and use the eleven six eighty-five between SCC and The Wall.

Commissioner Renfro asked how much the billboards were.

Mayor Montgomery stated ten thousand dollars.

Commissioner Green stated that in the sense of fairness, since they are dealing with lateness that web posting and maintenance for SCC of three hundred dollars he is going to say that website is up already, and therefore to maintain it and to improvements might be something this commission might award them three hundred on their request so there’s continuity of the website. He stated it would be eleven three eighty-five for the Wall and three hundred dollars for SCC.

Further discussion ensued.

Mayor Montgomery stated that if you look at the really, really small request lines, the Senior Olympics which is for five hundred dollars and you cut them seventy five dollars that may be the only advertising that they do.

Commissioner Green stated Lodger’s Tax you only can use 20% of Lodger’s Tax for promotional items such as t-shirts and they stated it would be used for t-shirts is what they’re asking for the five hundred dollars. He stated that key chains and things with your name on it, just kind of give-a-ways you’re only eligible for 20% if you want to go by the law and the rules. He stated it looks like that’s all they want to do.

Further discussion ensued.
Commissioner Stagner stated they could do that same thing, give the Veteran’s Wall ten thousand dollars and then prorate everybody the same percentage down to where they have the seventy seven nine. He stated that way they at least have the billboards paid for and then they’ve spread the pain across the board.

He stated that if the Senior Olympics brings the five hundred dollars for t-shirts to Helen, she’s only going to pay 20% of that and they will have to pay the difference out of their own pocket.

Mayor Montgomery stated that the problem she has is if Commissioner Green has made a statement that it’s not correct that they can reimburse that and they go to the entity and say we’re giving you five hundred dollars to do this and nobody explains it to anybody they’re going to be out of pocket that five hundred dollars and then they’re going to come back and they’re only going to get 20%, you’re going to have some upset individuals out there.

Commissioner Stagner stated he thinks they need to send communication back to the Lodger’s Tax Board that says this is the way it works.

Further discussion ensued.

Mayor Montgomery stated so the Veteran’s Wall for ten thousand do you want to do anything for SCC or no.

Commissioner Green stated that in fairness he would suggest that they do the three hundred dollars for the maintenance and upkeep of their website, award them three hundred dollars.

Mayor Montgomery stated so they are going to award ten thousand three and then every other person above that will be adjusted accordingly to get to the seventy-seven nine.

Each Commissioner stated that was correct.

City Manager Aguilera stated to allay some of the Commission’s concerns he will ask Helen to setup a workshop with all of the recipients after July 1st and set them all down in one room and tell them what the rules are.

Page 28 – Cemetery – No major changes from last year.

Lunch Break until 1:00 P.M.

Page 47 – Golf Course – No major changes from last year.

Page 78 – Grants to Sub-Recipients – $91,250 in requests out of the General Fund, which is Page 6.

Commissioner Stagner stated he agrees with Commissioner Green that they need to fund that extra $6,900 for that extra ____ and then look at an adjustment depending on what the gross receipt numbers look like put to extend that funding to twenty-one and place it as one of our top priorities.

City Manager Aguilera stated to Helen that the SJOA people requested that all of these different funds be consolidated into one so when this page is retyped could she just put SJOA forty three thousand two hundred and fifty.
Ginni Jones representing the coordinator for the CASA Program in Sierra County stated she has a budget request also, and she didn’t understand the process and she is sorry she is late, but she is requesting fifteen hundred dollars.

Ms. Jones gave a brief presentation on the CASA Program.

City Manager Aguilera stated that on the list of sub-recipients, they are five thousand seven hundred and fifty dollars over budget, or under budget, whichever way you look at it. He stated there is five thousand seven hundred and fifty dollars more in requests than money allocated in the budget.

Commissioner Renfro stated plus if you add this fifteen.

Mayor Montgomery stated that’s just the ones that are on the list and if you add everything else you’re twenty three thousand one hundred and fifty seven dollars short, that’s adding SJOA at nine thousand, CASA at fifteen hundred, and Tourism difference at sixty nine o seven, which brings it to one o eight six fifty seven and you have a budget of eight five five, you have a difference of twenty three one fifty seven.

Discussion ensued.

City Manager Aguilera stated he believes the city will have probably somewhere between fifty thousand and a hundred thousand increase in GRT starting about the middle of the year with the Wal-Mart. He stated that’s certainly a place where they could find some of the money for these things so the recommendation would be that they not fund them now but that they rank their importance and maybe at midyear or at the first quarter they come back and look at the ranking and find out how much money has come in and say okay lets fund the first three in the ranks.

Commissioner Stagner stated they are talking about July, August because Wal-Mart doesn’t come on line until mid August so it will have to be midyear.

Mayor Montgomery suggested they look at the Sub-Recipients page without SJOA, CASA and the Tourism difference.

Discussion ensued.

Mayor Montgomery asked the Commission how they wanted to handle this, do they want to look at the actual grants to sub-recipients and cut off money there, adjust those accordingly to get down to the eighty five five, do they want to add in all the other requests and then whittle everybody down to eighty five five, do they want to fund some now, do you want to fund some midyear.

Commissioner Renfro stated she thinks that SCEDO definitely needs the thirty-one, but she knows these senior citizens programs definitely need this, the funding, she can’t see cutting them because it will really mess up all the services. She stated she thinks the Friends of Elephant Butte deserve the one thousand; they put on a good show.

Commissioner Green stated Geronimo Trails Scenic Byways six thousand and minus whatever the ultimate lodger’s tax award is going to be, there’s a Geronimo Trails Scenic Byways for seventy five hundred for advertising and marketing so this six thousand in
addition to the lodger’s tax award for the same thing or is this used for different things.

City Manager Aguilera stated it is used for different things.

Discussion ensued.

Commissioner Stagner stated he thinks they need to fund the ninety-one two fifty and put that back into the budget, adjust the budget to that put the rest on priorities at midyear, which would be in December because we just don’t have enough money.

Commissioner Renfro stated she’s okay with that because to start with the ones that are being put on hold are the ones that came in late, they weren’t submitted on time.

Mayor Montgomery asked the City Manager where they could take the money from.

City Manager Aguilera stated it could be taken out of the Unexpended Reserve, where we have eighty three thousand.

Helen Belis stated there is eighty three thousand but they have to keep at least one twelfth of the budgeted expenditures.

City Manager Aguilera stated it would reduce the Unexpended Reserve by fifty seven hundred.

It was the consensus of the Commission to fund the Grants to Sub-Recipients the full amount of $91,250 with a budget transfer of $5,750 from Unexpended Reserve.

Discussion ensued on the list to be reviewed at midyear budget in December.

Mayor Montgomery stated one thing they really hadn’t discussed would be the overall salary increases for everybody. She stated they haven’t seen the final numbers yet.

City Manager Aguilera stated he thinks what will end up happening is the budget will be approved with that 6% that is being held back, with 3% of the 6% going to a cost of living increase. So all the employees will know that they are getting that 3% cost of living increase except those that are frozen, those will not get the 3%.

He stated that leave a remainder of about ninety five thousand dollars that will be held to pay for the salary inequities.

Commissioner Renfro asked approximately how many inequities there were.

Helen Belis stated she is working on that now and she is about halfway through on the pay.

City Manager Aguilera stated he has gone through the list, there’s not a lot, and of those that are going to need to get an increase, they are probably between a hundred to two or three thousand a year. He stated that when you think about that verses ninety thousand that they’re holding at bay it should be enough to cover.
He stated that decision would probably be made into the next fiscal year, after July when they start allocating which employees get their pay raise.

Discussion ensued.

Mayor Montgomery asked if the Commission wanted to do the ranking today or wait a couple of months and see how much money they have to work with.

City Manager Aguilera stated how much money they’re getting in he doesn’t know that it is as important as how important these things are. He stated he would like to recommend that he does the ranking to at least start things off and give the Commission staff’s idea of how they should be ranked and then the Commission could go from that point.

Commissioner Renfro stated she thinks the City Manager should decide because a lot of stuff is we want, we want, we want, employees can be like kids at Christmas, we want, we want, we want. She stated she thinks the City Manager should rank them as to what he thinks they need, not want, need. She stated there’s a lot of things they might want, but there’s a lot of things they have that can be fixed.

City Manager Aguilera stated he could rank them, but he would bring it back and this Commission could make the final decision.

Commissioner Stagner stated he thought the City Manager should rank the city stuff, and as far as the other stuff, the Boys & Girls Club the Commission can decide their self as to how they want to plug that into the categories.

Commissioner Renfro stated yes the Requests from Others.

Further discussion ensued.

It was the consensus of the Commission that the City Manager do the ranking of the departments and bring the ranking back to them and they will figure out how to fund.

EXECUTIVE SESSION:

"Commissioner Stagner moved that the meeting be closed for Executive Session – Personnel 10-15-1H(2) – Assistant City Manager and other personnel issues.

Seconded by Commissioner Green
All responded Yes to a Roll Call Vote.
Motion carried unanimously.

OPEN MEETING:

"Mayor Montgomery stated that the Commission was now in Open Session."

CERTIFICATION

"Commissioner Stagner certified that only matters pertaining to Personnel 10-15-1H (2) – Assistant City Manager and other personnel issues, was discussed in Executive Session."

Seconded by Commissioner Green
Motion carried unanimously.

No action taken.
ADJOURNMENT: There being no further business to come before the Commission the meeting was adjourned.

APPROVAL: PASSED AND APPROVED this 12th day of August, 2008, on motion duly made by Commissioner [Signature], seconded by Commissioner [Signature], and carried.

LORI S. MONTGOMERY, MAYOR

ATTEST:

MARY B. PENNER, CITY CLERK