

CITY COMMISSION WORKSHOP MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
WEDNESDAY, MAY 4, 2016
Commission Chambers, 405 W. Third St.
9:00 a.m.

A. CALL TO ORDER

The meeting was called to order by Mayor Steve Green at 9:02 a.m. He stated this is a workshop to educate the Commission on the workings of the departments and their wants and needs and staffing capabilities, and all things that will go into the ultimate budget. At this particular venue there will be no questions taken by anyone in attendance.

Commissioner Clark formally thanked Finance Director Montgomery and City Manager Fuentes and she knows this is an incredible process to even put a budget together. She has done this before and appreciates the process. She asked that it be informal so they can ask questions as we go through it today.

B. INTRODUCTION

1. ROLL CALL

Upon calling the roll, the following Commissioners were reported present.

Hon. Steve Green, Mayor
Hon. Kathy Clark, Commissioner
Hon. Rolf Hechler, Commissioner
Hon. Joshua Frankel, Commissioner

Absent: Hon. Sandra Whitehead

Also Present: Juan Fuentes, City Manager
Bradley Springer, City Attorney
Renee Cantin, City Clerk-Treasurer

There being a quorum present, the Commission proceeded with the business at hand. Mayor Pro-Tem Whitehead had a prior commitment she could not break and she will try to be here later this afternoon.

A. DEPARTMENT HEAD PRESENTATIONS & FY 16/17 BUDGETS

1. Overview of the day's events/format – Juan Fuentes, Lori Montgomery

Finance Director Montgomery gave an overview of the budget process. She went over the budget process including looking at the revenues and expenditure levels to develop

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the budget. The approval will be brought you to later this month. These numbers are very preliminary. Some will be changing for the final numbers in May.

Commissioner Clark had questions about the process for transfers from one department to another and whether we need DFA approval before we do those. Finance Director Montgomery explained a transfer within a department can just be done, but from one department to another requires Commission approval by Resolution and DFA approval before it can be done.

Process involves the departments, they go through all of their line items and salaries and benefits. You will see basically flat budgets with minimal changes. Some will go up and some will go down. Insurance and workers compensation levels go either up or down. Safety training will help bring workers compensation reductions.

Commissioner Hechler asked if a large difference is justified by the department. City Manager Fuentes responded they monitor it on a monthly basis to make sure they stay within budgets or request adjustments. The monitoring helps stay within the budget or allows for time to make adjustments as needed.

Finance Director Montgomery continued with her presentation adding the DFA does not allow a negative budget. Commissioner Clark asked about the transfers, Finance Director Montgomery indicated that is part of showing a balanced budget by including the necessary transfers.

Commissioner Clark asked when we got approval from the Electric Dept. to the General Fund. City Manager Fuentes said it's been done this way since he's been here, he thinks over 15 years. Commissioner Clark asked if DFA ever said we can't operate on that transfer. City Manager Juan Fuentes responded they have not had any issues with that. He added other municipalities have Water, Wastewater, and Solid Waste but those aren't as healthy as our Electric Department.

Finance Director Montgomery continued once we have an agreement on the budget we will submit it to DFA by June 1st and the Final Budget needs to be submitted by July 1st. She presented a list of the funds that are in the city budget.

2. City Clerk's Office – Renee Cantin

City Clerk Cantin gave an overview which is part of the meeting packet. In this budget the main difference was a decrease in Election Services to \$3,000 to purchase better signage for the next election. This would help to get the word out for the elections, it was one of the complaints from the last election, and the County Clerk's Office agreed to go in with us so we could combine funds to purchase better signs. They also moved the Capital Outlay amount to the Non-Capital Equipment & Machinery for a new Scanning Station and computer for the Clerk's Office and some new Records Storage Shelving which is needed for the storage of our city records.

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Mayor Green asked what the total budget is. Finance Director Montgomery answered as to the difference. The salaries were different than what the Departments received. City Manager Juan Fuentes let them know the current salaries were included in the binder the Commission received. City Clerk Cantin added with the changes she was about \$4,400 over last year's budget.

Mayor Green inquired about issuing dog and cat licenses. He asked if we do anything on follow up. City Clerk Cantin confirmed that we do not send out renewals, it's done on a case by case basis and Animal Control is informed of every renewal. Mayor Green thinks we are leaving a fair amount of money on the table. He thinks it should be due on January 1, and everyone should be billed. We are scrambling for dollars and this is a requirement that we should come up with a mechanism to capture if we can.

Commissioner Clark agreed and added Business Registrations are due January 1 and reminder notices are sent for that. She also doesn't understand why we don't charge for notary services. City Clerk Cantin said there is a minimum amount we are allowed to charge but we don't do that many. Commissioner Clark asked if we have a Liquor License that we could picnic. She feels that would be revenue we could have if the city could use a picnic license. City Clerk Cantin responded all we have is the Governmental License at the Golf Course and you cannot use that license at other venues.

Commissioner Clark then asked about the money for the Civic Center and if that money is going to be put into the Civic Center or are we going to hire someone to book the Civic Center. City Manager Juan Fuentes said that money is in the Special Revenue Funds in another budget. Commissioner Clark is curious because there is that money sitting on the table for not having someone book the Civic Center.

Commissioner Clark added under the \$10,815 spent this year for the Election, she understood it would be about \$8,000 per Election. City Clerk Cantin responded both the Special Election and the Regular Election were completed this year with some help in lowering costs within the \$10,815. She added if there was to be a Special Election during the next Fiscal Year, additional money will be needed.

Commissioner Frankel asked about telephone usage and if it includes land lines and cell phone lines. City Clerk Cantin said the Clerk's budget only includes land lines. Commissioner Frankel also asked if we use only one carrier for land lines and one for cell phone. City Manager Juan Fuentes responded typically Windstream is used for our land lines, and Verizon is used for cell phones because we are able to group the usage. We are able to share the usage together. On the land lines, a year ago Mr. Hupp was able to work with them to reduce our costs.

Commissioner Frankel's second question was about the amount for safety. Finance Director Montgomery said under safety equipment in Administration it is used for drug testing. City Manager Juan Fuentes said the safety is purchased through other

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departments for fire extinguisher and first aid kits. The Clerk's Office would not go out and buy steel toe boots.

Mayor Green had a suggestion to contact the county to see if they can possibly help us retain a place for the senior's to use when we need to cancel their festivities. This way we don't have to displace them and give them another facility to use.

3. Library – Pat O'Hanlon

Pat O'Hanlon gave an overview which is part of the meeting packet. Her overview included the number of Patrons and use of the Library. Every year they request funding from the other Local Governments and they have not received anything. Elephant Butte gave some funding about two years ago.

Mayor Green asked what we could do with the money if we received it. Ms. O'Hanlon responded they could buy books, do children's programs. The only things she is asking for is one Part-Time Employee. When someone is sick they may need to close the Library if there are not enough people to work. Commissioner Clark said she doesn't see it in the budget. Ms. O'Hanlon said it is not at this point, she is asking for a new position. Mayor Green said that would still put her under last year's budget. They discussed some options for requesting funds from other entities. Commissioner Hechler asked if they have Overtime in their budget. Ms. O'Hanlon indicated she didn't feel her staff was willing to work more hours.

There were some line items that were on the wrong line so they corrected them.

Mayor Green asked if there are programs for children to do Storytelling for the young kids. Ms. O'Hanlon said the children's programs are not required but they are certainly nice to have. Mayor Green asked for the name of the gentleman who use to read to the children. Ms. O'Hanlon said his name is Anton Cesar.

Commissioner Clark asked if the Office Supplies actually hit \$5,000 because the previous year \$1,526. If we don't need \$5,000 maybe some of that could be used for the Part-Time person. Ms. O'Hanlon responded that was there because of the possibility to move to the Chamber Building. She stopped buying because she knew if they did move they would need it. She does need it for printer and toner and other supplies. She uses state money anytime she possibly can. Ms. O'Hanlon added they are not maintaining their collection the way they should.

Commissioner Clark asked if her 10% reduction was because of the Small Cities Assistance. City Manager Juan Fuentes responded this budget does not have any additional personnel added. It is only the actual people who is working at the moment. Ms. O'Hanlon explained how they have had positions that were not filled. We do have one part-time employee working and she would like to continue paying her. The other \$10,000 for the Part-Time employee should still be there.

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They clarified the modification to put the \$10,587 for the additional part-time employee.

City Manager Juan Fuentes suggested we make note of some of these items and come back to them to see what we need to adjust to accommodate. It's very vital that you hear at the end where we are and the reality of the budget.

Finance Director Montgomery added we have asked the Department Heads to come back later this afternoon to review and be here for any final questions.

Commissioner Hechler asked about any active recruitment for volunteers. Ms. O'Hanlon said the Friends of the Library Board isn't active at this time. And it's hard to keep volunteers.

Commissioner Hechler asked about the instructions to the Department Heads about making cuts. City Manager Juan Fuentes responded not at this time, we still have to put all of it together to see where we are and we haven't even touched on the transfers. The Department Heads were very conservative. Right now, we don't know whether we have funding available for Cost of Living or the final numbers. We are just giving the Department Presentations and will bring it all back when it's put together. Commissioner Hechler is pleased with the conservative nature of the budget. City Manager Juan Fuentes said staff is conscious and aware of the challenges we have.

4. Municipal Court, Beatrice Sanders/Margaret Clanton

Mayor Green received a call and Judge Sanders and Margaret Clanton are at training this week. City Manager Fuentes gave an overview of their budget. They did request some reasonable increases in some of their line items. Some of the Dues & Subscriptions will be reimbursed by the Court Automation and the Administrative Office of the Courts. Overall, it wasn't a drastic change. Once they are back we will have an opportunity to go over the budget again.

5. Public Works, Don Armijo

Public Works Director Armijo gave an overview of Parks, Streets, and Facility Maintenance. He let them know about the current employees. Parks have three Full Time Employees and two Part-Time Employees. They handle the Evelyn Renfro Park, the Plaza, Blue Star Park, the Park at the Y, a couple on Third St., Ralph Edwards Park, and the Cemeteries.

Commissioner Clark was concerned about the Claims on Worker's Comp., it's gone from 8% to 13% in the last two years. Finance Director Montgomery thinks it's across the board and it was raised in each department. Public Works Director Armijo said it depends on the nature of the incident and it doesn't usually show up until the next year for a couple of years. The remainder of the parks budget doesn't ask for any increases, it was kept the same.

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Streets, one is from the General Fund and the other is the tax fund to pave streets. This one is basically salaries and a few things like office supplies, and a new computer for the new Tyler System.

Mayor Green asked why fuel and other items are not in this fund. City Manager Fuentes said most of the operating expenses are in the Road Fund Budget as a Special Revenue Fund. The General Fund just covers personnel. Public Works Director Armijo said there are eight people in the Streets Department, nine including him and all positions are filled. They do everything from cut weeds, trim trees, sidewalks, and other duties.

Public Works Director Armijo let them know they are down four employees at Facilities. All together there are nine people. There is one at the Civic Center, one Janitor, Jimmy Schraner's position and one more. Mayor Green asked if he feels that Department needs nine people. Public Works Director Armijo responded yes, the Civic Center needs additional people, even with flex hours Abel is earning a lot of Overtime because he has to be there to open and close the doors for all of the events including the weekends.

He added right now Parks does everything in the parks. One of the things we are looking at is restructuring with the vacant positions. City Manager Fuentes said back in 2012 we had a lot of money in buildings but not now and we need them. They are looking at Parks doing the grounds and Facilities taking care of facilities.

Mayor Green asked if we have advertised for any of the four positions. Right now just one is being posted. Public Works Director Armijo is going over the job descriptions right now to make sure everything is up to date and more current. Mayor Green understands the SJOA is there all day long, and wondered if he may be in a position to help with locking up the facility. He also asked about someone else opening the facility sometimes to help with the horrific overtime. City Manager Fuentes said one of the things we talked about with Joe McClintock is to have them take over some of that for oversight but we don't have a contract in place at this time and we don't know how that would be structured.

Commissioner Clark said if she looks at Street Dept. and the workers compensation. She wondered if we might want to look at putting money aside to pay for the deductibles for the employees and they have been able to negotiate a lower health insurance rate. So we are not taking anything away from staff, we would pay lower insurance premiums. She said she would look into that.

Commissioner Frankel asked about the Seasonal Decorations in the Facilities Management. Public Works Director Armijo responded this amount was used to upgrade the electrical at the Evelyn Renfro Park and buy decorations for the Christmas Lighting. We will take a percentage of that to buy new decorations and banners for the Electric Poles in town. From Ninth to Walmart the Electric is underground so it's hard to put banners there.

Public Works Director Armijo said some of the requests are in the Capital Purchases and will be presented later.

6. Electric Department, Bo Easley

Electric Department Director Easley gave an overview which is included in the meeting packet. Staff consists of nine Full Time Employees, he is fully staffed. His projected revenues are the same other than an increase in Utility Services Revenue. Projected expenses has an increase for Mileage and Training, he has four new employees who will need training. His telephone budget is down a little.

Commissioner Frankel asked about building that recently got damages and the repairs. Electric Department Director Easley let him know that was in Facilities. Commissioner Frankel asked with the reduction of \$500 in telephone fees, how many cell phones are in their department now. Electric Department Director Easley responded none. The \$3,000 just represents landline and internet.

Mayor Green asked about Standby wages. Electric Department Director Easley responded there has to be two people on standby at a time, because if there is one in the bucket you need one on the ground. Saturday and Sunday, they each get four hours of work for standby and this is done on a rotating schedule.

Commissioner Frankel also asked about other contractual services which has an increase this year. Electric Department Director Easley let them know we have one for an Engineer and the other is the Testing for the Substation relays.

Commissioner Clark was concerned with the Electric Dept. and the Streets Dept. have a similar amount in salaries but the Electric Department brings in money and the Streets Department doesn't. Electric Department Director Easley added they are reconstructing the Electric Department where everyone is starting at lower wages and working their way up. We had some employees that have been here for a long time. City Manager Fuentes explained Electric Department is an enterprise fund, the General Fund has all of the other Departments that are needed to run the city.

Commissioner Frankel asked him about uniforms. Electric Department Director Easley said they are not allowed until after six months, then we allow them to buy shirts and pants. They have to be flame retardant for safety.

Finance Director Montgomery said for the wholesale costs we are still looking at that and the same on the revenues. They did include a 2% increase.

Commissioner Clark asked about the Solar Array costs and if our purchase price from Sierra Electric would drop, we would have a purchase price for that. Finance Director Montgomery doesn't feel we will see a difference in this year until 2017.

7. Water & Wastewater, Jesus Salayandia

Isaac Fuentes gave an overview of the Water Department which is in the meeting packet. They have six employees and two vacancies. He gave an overview of their certifications in their department.

Water & WW Department Head Salayandia announced they were hoping to advertise for the three Water and three Wastewater can oversee both Water & Wastewater. Trying to recruit people with these certifications has been very difficult.

City Manager Fuentes said one of the challenges is trying to recruit people who have their certifications. Water & WW Department Head Salayandia said they are trying to add home grown people because we can't keep people here. Once they get certified, they go to other places that pays more. Water Supervisor Isaac Fuentes said he only has one person who can drive the dump truck and it's the only one he has.

Commissioner Clark suggested doing a wage study to determine the average wages. In her experience it is better to pay someone more and keep them. Rather than spending so much on training. It seems we train them and they get exported. If we pay more we would have someone already trained and they may stay longer. That might be a way of keeping quality people on staff and lowering our expense. City Manager Juan Fuentes said staff has been looking at other municipalities and making adjustments to the salaries. We have even looked at not putting a salary so we could negotiate what we could pay them. He said it will be something we will be looking at.

Commissioner Frankel brought up the amount under 38-03-775 telephone should have been 1300 instead of 130,000. Finance Director Montgomery added all of the numbers should have been moved down one, they were logged on the wrong line. That was the difference they are seeing. City Manager Juan Fuentes added you will see in the Enterprise Fund, they are operating in the net. This is why the Salary changes are hard to keep.

Finance Director Montgomery said there has got to be an industry standard on the cost of the turnover rate. There is a standard in the Health Care Industry. Commissioner Frankel added retention is cheaper than retraining. Commissioner Clark added she would rather have people who are more qualified than to have to go through more training.

Commissioner Clark went from Water to WW and spoke about the rate increase that we were required to do for the USDA grant. It doesn't look like it's working out. City Manager Juan Fuentes said some of these are preliminary figures that may change in the next round of review of the budget. Finance Director Montgomery said she still needs to do all of the Revenues for Water, WW, and Electric.

Mayor Green asked about 40-05-780 Utilities expenses it's \$35,000 less. City Manager Juan Fuentes said right now it's at \$95,000. Finance Director Montgomery based the

number on actuals unless she heard different from Department Heads. City Manager Juan Fuentes added some of them have to be revisited by Department Heads. Water & WW Director Salayandia said it may be one of the rotors that has been shut off, right now we are running two of them. That may be the reason for the decrease in cost. The construction should start by the end of May. With some of the improvements the motors will run less. They discussed other changes with the improvements.

Commissioner Hechler said in the area we have two major facilities. Is there any opportunity to work with the other communities to benefit us? Water Supervisor Fuentes said we usually do work together with them. Water & WW Director Salayandia said the treatments are a little bit different. Commissioner Hechler said in the future we should consider working with the city of Elephant Butte. Maybe somehow we can share some resources and the expenses. For instance, Water & WW Director Salayandia has a Level 4 certification.

Mayor Green asked how our salaries compare to theirs. Water & WW Director Salayandia thought their 3 x 3 had a Level 3 Certification and they were about \$20 per hour.

8. Sanitation & Recycling, Andy Alvarez

Solid Waste Director Alvarez gave an overview which is included in the meeting packet. He has three Trash Truck Drivers; two Scale House Attendant/Administrative Aides; one Backhoe Driver for Tipping Floor; one Recycling Coordinator; four Employees that rotate to various areas at the center and in the field for daily activities. He explained where they are with the polycarts. He also showed some of the pictures of his equipment, all of his trucks have over 100,000 miles on them. His requests for equipment included: 1) \$18,000 for a new truck; 2) a backup backhoe; Security Cameras for around the facility to help with illegal dumping; a GPS Unit to keep track of his vehicles and where they are located; and possibly a Scale for the Backhoe Bucket; he would like to put a scale inside where the trailer sits; a Polycart Tipper for the back of the truck which attaches to the rear end of the truck. He is hoping with the RAID Grant he will get a second Forklift.

He went into Projected Revenues with the customer based at the collection facility. Now that we are going to Poly Carts, they can't just throw it in the street and they have to bring it in, so it has increased our revenue. The annual increase in trash service goes up 5% in July every year.

Mayor Green asked under Full-Time help and Part-Time employees, should that be moved down to part time wages. City Manager Juan Fuentes responded those are just emergency hires for three months and it's not considered a Part-Time position. Once those are filled all of them will be put into the budget. Mayor Green then asked about cost for fuel, all of those items need to be dropped down on the form.

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Commissioner Clark brought up a conversation they had about separating the cardboard, plastic, and aluminum cans. Even though the money comes from recycling aluminum, it takes all day sometimes to sort them out because some cans have tin bottoms and cannot be recycled.

Commissioner Clark asked about commercial dumpster pickups and if we will need a new truck, Solid Waste Director Alvarez let them know they can do that. He said down the road, we will look at curbside recycling for those who want it. We might be looking at needing another truck. They need one for recyclable.

Commissioner Frankel is excited about getting the composting done and making it green, he asked about glass and accepting it. Solid Waste Director Alvarez said SCSWA can take our glass but there would be a charge for it. Mayor Green said he should look into it, to see if it's to our benefit. City Manager Juan Fuentes added we would have to factor in how we transport that glass. But we can look into the price difference and if we can do it cheaper.

Commissioner Hechler asked what percentage of construction and demolition refuse they get in that facility. Solid Waste Director Alvarez responded he will get that information and get it back to them this afternoon. Commissioner Hechler said we need to get on board with the county in their efforts so we can benefit from it and reduce the amount of refuse we have in ours.

9. Service Center, Joe McDonald

Fleet Maintenance Director McDonald presented his department information. He has two people in his department besides him. They maintain the vehicles and keep them as up to date as they can. They buy filters and fluids for services in bulk and minor repair items. They are reimbursed by Departments for the maintenance. The only Capital Request they have is for one 4 Post Lift. The one we have has been here longer than 23 years. It has to be certified every year for safety purposes. It would cost \$8,000 - \$10,000 to replace with jacks.

Commissioner Clark asked about adding the costs for that. City Manager Juan Fuentes said we will be looking at the Internal Services Fund where there is some ending cash available. Commissioner Clark also said the operating expenses need to drop a line. She also mentioned the Dues & Subscriptions went up, and Mr. McDonald responded that was for the Tyler System.

Joe said he has two mechanics and one vacancy. Finding a mechanic is very difficult. Rather than fill the position, he would rather pay his guys more money and save the city money. Mayor Green asked if the production of work will suffer. Mr. McDonald said if he brings someone new in, he would have to train them and training takes time. Someone fresh out of class won't come here for \$8-\$9.00 an hour. When other places pay \$15-20.

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Commissioner Hechler asked if he performs all of the mechanical duties or is some contracted out. Mr. McDonald said sometimes the technical stuff with computers has to go out because they don't have the equipment. Mayor Green asked if we had those pieces of equipment, how much would stay in house. City Manager Juan Fuentes said it's not just equipment, its Personnel. Mr. McDonald said even if we could get the equipment we would spend a lot of money in training to use that equipment. He added some of the diagnostics need to go to Albuquerque or Las Cruces.

Mayor called for a recess at 12:00 p.m. and we will reconvene at 1:00 p.m.

Mayor Green reconvened the meeting at 1:02 p.m. and noted for the record Mayor Pro-Tem Whitehead has joined the meeting. We will start with the Fire Department then go to the Police Dept.

10. Fire Department, Paul Tooley

Fire Chief Tooley presented a picture of a new fire truck and the new Fire Building. He went on to present his budget and information at the Fire Department. The number of calls have been from 160 to 180 calls per year. He would like to increase the line item for calls to \$4,500. Some of the Walmart donation has been used to paint the Fire Hydrants in town. He is anticipating a roll over of funds in the amount of \$188,000. He is asking to put 100,000 in a fund for future apparatus to replace it in the next five years. We cannot accumulate Fire Protection Funds unless we justify what we are going to be doing with that money, so if we start putting money in that fund now, once we pay off the current truck payment, he would like to use part of this money with a new loan for a new truck.

Mayor Green asked about the Fire House at the Airport. Fire Chief Tooley responded that Fire House has an older vehicle as well as one of the trailers for Fire Safety. If we do have a fire out there, we have two other trucks that we roll out that way. It's a city building that was paid for by an FAA Grant to use as a Fire Station. He added the truck out there isn't specific for that, we have other trucks that will be used for fire purposes. He said they probably get called out there just a couple of times a year. Fire Chief Tooley said they had a truck out there and the heater went out and they had to spend \$7,000 to fix it. At this time there is not enough activity to put big pieces of equipment out there. There is a pumper they are getting serviced from the Williamsburg acquisition that they intend to move out there.

Commissioner Hechler said he thinks the goal is to bring more business to the airport and first thing they ask is what our capabilities are. Fire Chief Tooley said the department is all volunteer, we don't have the staff to man the station at the airport. He eluded to possible training of the airport staff to be trained to at least mobilize and get set up and ready until the others arrive.

Commissioner Clark said we are off by \$30,000. Fire Chief Tooley said the 200,000 of Capital Outlay and she sees \$175,000. Finance Director Montgomery said it was after

the fact. Fire Chief Tooley said the \$200,000 was what they put last year, but it will be changed once we have the final number for roll over. Finance Director Montgomery will need to adjust those numbers.

11. Police Department, Lee Alirez

Police Chief Alirez gave an overview of the Police Department and Animal Control which will be included in the meeting packet. They are currently budgeted for 14 Certified Officer's, two Administrators, and two Animal Control Officer's. They currently have two vacancies and expect to have these filled by June 30th. One is an Administrative position and one is a Certified Officer. They have handled 14,783 Calls for Service, 13,293 were in the City of Truth or Consequences, and 1,490 were in the Village of Williamsburg. He gave an overview of his duties and the different boards he serves on. Overall operating costs have been reduced by \$53,950 from this Fiscal Year. A great contributor to this was the GRT Revenue from SCRТА. He has a capital outlay request from our GRT. He said we have \$ 268,695.87 as of April of this year. On their capital outlay request is \$90,000, they are requesting two new police vehicles and to start the procedure of implementing MDT's in the vehicles.

Mayor Green asked about the GRT was for retention for staff and to be able to attract a bigger pool from which to choose from. City Manager Juan Fuentes responded it wasn't solely for salaries. It was for salaries, personnel, and equipment for operations for the Police and the Animal Shelter. That's why any Capital Outlay excludes the Police Department because they have the resources. Initially it was used to increase salaries and some have retired over the years and those funds were used to adjust their pay. He added they have a healthy reserve in the GRT Fund and some of that was used for the Animal Shelter.

Chief Alirez went on with his presentation including the differences in the budget for the year. Next he presented the Animal Control Department which has an overall 4.3% increase. This was due to Personnel cost increases, and also included a reduction in operations. A step increase was included for the Animal Control Officers who will have additional duties when the new shelter is open.

Commissioner Clark was concerned about the differences in the presentation numbers and the document provided by the Finance Director. Finance Director Montgomery responded the preliminary numbers she came to, had numbers based on actual people who are in positions now and he had some higher level people who left. So that is the reason they are different. Animal Control was just a projection of the salary increase on those.

Commissioner Clark asked him to explain the other contractual services in the PD budget. Finance Director Montgomery said that is the Animal Control Shelter Project, and Chief Alirez said that's paid out of the GRT.

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Mayor Green asked for clarification on the \$120,000, he thought we shared the cost with the County, Williamsburg, and Elephant Butte. Finance Director Montgomery responded they will see the Revenue in the General Fund side.

Commissioner Frankel asked about a difference in the Uniforms/Linens. Chief Alirez said it was reduced because we will be using our LEPF Funds for that purchase.

Commissioner Hechler asked about the reduction to the payment for SCRTDA and whether that was initiated at our level. Police Chief Alirez responded when he arrived one of the first thing he did was a SWOT Analysis and one of the things he asked for was the call log to find out where he needed people during the shifts. Once he received and reviewed the data it showed there was a disparaging amount to call us \$22 every time we went on a call. We talked about all the Revenue sources, and costs and we used 54.9% out of SCRTDA and some were and some were not putting in their fair share. When it all panned out there was over \$51,000 in savings. Now it's become the standard as to how we spend our money.

Commissioner Hechler asked about overtime. Police Chief Alirez said staff is very involved with SAFER New Mexico, SAT, EndDWI and other programs for overtime. Every single employee gets every other weekend off. Lori worked very diligently to get the Standby in place. Police Chief Alirez talked about Personnel retention. Part is salary and benefits, and another big part is morale.

Mayor Green feels the new police vehicle design is outstanding. Chief Alirez would like to give an award to Scott.

Chief Alirez added more information about retention. Las Cruces has a \$5,000 sign on bonus and Alamogordo has \$3,500. We don't have a shortage of applicants, we have a shortage of qualified applicants. He is looking at some other ways to deal with retention, because we have some of the finest officer's he has ever worked with.

Mayor Green thanked him for his time and presentation.

12. Administrative Services, Utility Office, Lori Montgomery

Finance Director Montgomery gave an overview which is in the meeting packet. Administrative Services consists of Finance, and Accounting, Purchasing, Payroll, Human Resources, Information Systems, Utility Services, and Accounting Services. She asked them to consider the Automated Utility Meter Reader System that is being presented to them. She also strongly suggest them to consider the computer generated program that would generate the readings into the system at City Hall. She would appreciate any consideration for the money for training for staff. Everything in the budget is pretty flat.

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Mayor Green asked about 36-01735 postage amounts. Finance Director Montgomery responded it should be for some money we used for last year. That is the company that is mailing our utility bills. It should be about \$35,000.

Commissioner Clark asked about vehicle insurance. Finance Director Montgomery said she will need to look at the last lines, there is also no telephone or utilities. They clarified the vehicle insurance and other line items.

Commissioner Clark asked about the GRT. City Manager Juan Fuentes said the last fiscal year it came out of one fund and now it was separated into each individual fund.

Commissioner Clark also asked about wages. The Streets is up 42% and she is back to looking at the Health Insurance issue.

13. Support Departments – City Manager & Community Development, Juan Fuentes

City Manager Fuentes presented the Governing Body, City Manager, Community Development, and Airport Budgets.

There was little change to the Governing Body budget. The Attorney Fees are revised to \$64,000. The other change is in the Subrecipient Grants. He understands there will be additional funding that will come at a later date.

City Manager Budget is less than last Fiscal year by \$6,000 which is 13%. There are still some items we will have to purchase for the moving project.

Community Development Budget is next. Personnel services are a little higher. This is the code enforcement officer, building inspector, assistant city manager. He included money and contract services for clean up our other services. There is no capital outlay.

He then presented the Municipal Airport. This includes \$60,000 transfer in from the general fund. The airport always requires a transfer in. Personal services remain the same, we only have two employees there. The insurance is usually updated in the final budget so they may be changed. In the operating and expenditure side, they will stay the same. Even with the projected revenues in the transfers and they will still be \$8500 in the red.

Mayor Green asked about airport under expenses we have aviation fuel at \$57,000, but we have revenues of \$47,000, we are projecting a \$10,000 loss? City Manager Fuentes responded to buy the fuel and book all at once but we collect the revenue over time. If you look at fiscal year 12-13, aviation fuel was 65,000 in revenue, expense was 75,000.

Commissioner Clark said it's always been her understanding Fuel sales is where we got our money. So we have to add jet fuel and aviation fuel together. City Manager Fuentes gave an example, the AV gas this year we budgeted \$57,000, we have only

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received in revenue \$28,000. On the expenditure side we have spent \$37,000 because we buy in bulk.

Mayor Green asked at the end of the day, we're purchasing \$132,000 worth of liquid and were projected selling \$161,000 worth of liquid. Therefore were making a 21% to 22% markup. Basically you've got to buy so much to fill up the tank but it won't be sold the next day.

Commissioner Hechler said if the tanks are full we would be purchasing anymore until next year, so the amount would be less. City Manager Juan Fuentes said you have to look at how the whole process works and he can bring that back to them later. Commissioner Hechler added even though were buying more, we just catch up later.

Mayor Green asked for the difference between rentals and lease agreements under Revenue. City Manager Juan Fuentes said the rental is for the hangars in the lease agreement is for the York & Pippin agreement.

Mayor Green asked if there any other questions for staff.

Finance Director Montgomery presented the Capital Outlay requests. This is included in the meeting packet. Part of the request was for the City Arena, to put working bathrooms; Arena Grounds; Enclose Announcer Stand; Finish Painting; Plant Trees; More Bleachers with Shade; RV Hookups; and Build Stalls. They also wanted upgrading of the fields and grass.

The next request was for the Dog Park including Parking Spaces; and ADA Parking and Sidewalks. At the Airport they requested the White Hangar Bank; Drainage issues in front of Hangars; Equipment including a Heavy-Duty Commercial Ladder for fueling aircraft; Heavy Duty Commercial Vacuum Cleaning System; Tow behind 3-point hitch trimmer mower; 6 each 6-Volt Golf Cart Batteries.

At the Civic Center & Commission Chambers they need just general maintenance including Painting of the Exterior for Civic Center; Additional Shuffle Board Mat for Civic Center; and a New Roof for Commission Chambers.

The Golf Course needs some removal of Brush and Debris at west end of Course. This will cost about \$8,000. Commissioner Hechler asked if it can be burned by the Fire Department, but there are overhead power lines.

The Service Center needs an installation of new 4 Post Lift with Jacks - \$8,000-\$10,000.

Municipal Courts are requesting New Camera Equipment for \$1,000.

Public Works will have \$2000 for Seasonal Decorations dedicated to the North End of Town; Facility Dude software program, \$5,000; Overhead Projector for Civic Center;

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Cemetery – an A Frame Headstone Remover; Apply for USDA Funding for Front End Loader; Pool Estimated Repairs.

Public Works Director Armijo described the Facility Dude program. It will give us the tools so when we get a complaint it will date and time them and go to the Clerk's Office. We can actually go to our cell phones when something is completed and the complaints can be tracked. It's like a work order system to keep track of them and check the man hours each job takes. Finance Director Montgomery added some information on this program. They used this at the Veteran's Home to track work orders, labor, costs, etc. And it can generate a report.

City Manager Fuentes went on to present other capital requests including the Dog Park; Improvements to the Ball Fields; Improvements to the Soccer Fields, and Facilities (bathrooms); Re-stucco Lee Belle Johnson Building and City Hall Buildings.

Public Works Director Armijo said the field has been leveled and eventually when they are done with the sprinkler system they will install timers.

City Manager Fuentes continued with the Electric Department where they need a Copy Machine; Bucket Truck; F350 Work Truck; Additional Building; Roof Repairs; Administrative Vehicle (electric); Renovations to Existing Building (office space, training room, etc.); and Block Wall for Substation Security.

City Manager Juan Fuentes went on to Wastewater, their needs are: Boom Truck; Lift Station Upgrades (Clancy Street and N. Date St.); Golf Course Non-Potable Well Rehab; and Security – Fencing, Cameras and Lighting at the WWTP.

Water Department requests include: New Vector Truck; Meter Reader Truck; and Repair of Well #7.

Mayor Green asked about replacing Well No, 7. Water & WW Director Salayandia responded we did some repairs last year and it turns out we have to sink it deeper. Right now it's running dry. It's the well on Veeter. It's not letting the water come in as it should.

City Manager Juan Fuentes continued with the Re-Roof at City Hall. He also presented one of the things he is looking at is consolidating Administrative Services with a Modular Building to house all Administrative Services for Electrical, Wastewater, Water, & Public Works. He ran across a company that manufactures modular buildings. The idea is to centralize these departments. Initial location we could consider is next to the Service Center. We do not have an estimate at this time. Commissioner Clark is already moving some of the senior center activities to the water and wastewater building.

With regard to the possible modular building to house all administrative services for Electrical, Wastewater, Water, Public Works, etc. Commissioner Clark brought up moving the senior activities to the Water/WW Building. City Manager Juan Fuentes

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added this would be a great opportunity to have a central purchasing building for supplies and other items that we could buy in bulk. He concluded these are just some of the things that were brought to our attention. There are some items that definitely need to be addressed we will look at those.

Commissioner Clark asked Bo if we need to rewire the airport building can John do that for us now or do we have to contract it out? Electric Department Director Easley responded John could do the wiring and pull the permit so we can do that in house.

Mayor Green asked if the New Mexico Clean & Beautiful Grant included the trees around the Rodeo Arena for this year. City Manager Juan Fuentes said he believes the MainStreet applied for Clean & Beautiful.

Mayor Green asked if they can include the Lee Belle Johnson Center on the front of the building and the sidewalk hits the footing, it's chipped off and you could see raw concrete its a five-minute fix eyesore that we need to get fixed. City Manager Juan Fuentes agreed to look into that.

City Manager Fuentes went on to show some of the revenues and expenditures that we have now. We have shown a decline in some of our revenues. The shortfall will show in the Expenditures. He and Finance Director Montgomery still need to work on the Transfers In and Out for the other funds. All of that will be put together and presented to you at a later date.

Commissioner Clark asked if the Small Cities Assistance was estimated the same as we receive this year. City Manager Juan Fuentes stated it will be \$185,000. He added that's part of the challenge, and referred to a graph on the slide. Since 2009 we had seen steady increases in our General Fund. The Expenditures side has stayed pretty flat at \$5 million. He also stated we started weaning ourselves off of the Electric Department Funds over this course of time and we are working to accomplish that. Most of the decisions the Commission made were to allocate funds to things in the General Fund with the exception of the Police Department. With the expenses for equipment and fixing buildings, we were able to do the improvements at the Golf Course equipment, the Healing Waters Plaza and some other items. But unfortunately, with the hit in the Gross Receipts Tax, the expenditures remain the same and that's why we have to adjust. We have to come back to the Commission later in the next presentation after we start putting everything together. Next we have to put together the special revenue funds and all of the other funds. We will hopefully have a little bit of room for you, the Commission to consider some of the items that have been requested.

Commissioner Clark commented on weaning ourselves off of the transfers from Electric Department. She doesn't like taking money from our revenue stream, but at the same time, she has a problem with our Roof falling down at City Hall and here at the Commission Chambers. She wonders if we should do a one-time back step and just say, this year we will have to just take care of the properties that need it. She knows Electric Department Director Easley has mentioned there are things he needs too, so

she doesn't want to steal his money, but at the same time, we may need to transfer to fix these buildings.

Mayor Green thinks we never passed a resolution to cut off \$50,000 or a certain amount to give our employees a safe environment to work in, but one they can be proud of.

City Manager Fuentes said part of the effort was what do we need to do to bring up our GRT to promote the Visitor's Center, clean up our town, and promote the city and economic development. It would have been great if we didn't lose the Small Cities Assistance, we would have been able to set aside the same amount we did this year for improvements. It's hard to predict what's going to happen in the future because all of a sudden, they cut us off of the GRT.

Commissioner Clark added we don't make that much money off of County taxes so that's not an option. But she feels if we dedicate the money to fix the buildings it's better than the cost to put in a new building. So we just need to get it done.

City Manager Fuentes said the idea to consolidate departments is part of that. Do we want to invest \$500,000 in a building that's falling apart or do we want to invest in something new with less problems. Finance Director Montgomery added where do you cross the line for an investment, if you spend money on fixing a roof or a new building. Commissioner Frankel added there is also a weight for Historic Preservation. Commissioner Clark stated we have some really cool buildings downtown that we need to put money into so we don't lose them.

14. Questions & Answers

Commissioner Clark wanted to say thank you to Staff, and the Lori and Juan. This is a lot of work and she feels it looks like there are very few things that need to be changed. She thanked them for sitting down with the Commission before a City Commission meeting to be able to ask the questions.

Mayor Green added if you took a look at all of the budgets, he appreciates the employees that pay attention to the challenges and things that we cannot do because of what we have to work with. This state is driven from revenue and he thanked everyone keeping up the morale and working with the staff.

City Manager Fuentes added while we are putting all of this together, we would like to look at what we can put aside for salaries and we will have that in the back of our mind when we come back with other recommendations.

Commissioner Clark feels our employees are the Number 1 in our City and it's important to take care of them. City Manager Juan Fuentes added we did have a COLA increase last year. He added he feels a salary study is a good idea and working towards setting aside funds. You don't want to do a study and you don't have the funds to do anything about it. He thinks it a great idea, he's been here for years and it's been over 10 years since they have had a study.

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Commissioner Hechler has heard our staff is underpaid and overworked. He feels it's important for the Commission to give them the tools for employees to do a good job. If staff can do their jobs well it will make this Commission look well too. It's a goal as a team to make each other look good. He suggested all should keep up moral and keep working hard and the rewards will be in the future.

Mayor Green asked about Finance Director Montgomery's grant duties. In particular, is that Grant Administration and does the Departments come to you to find a grant. Are you doing research on that or should we bring in COG, since they have hired a person who seeks out grants? Finance Director Montgomery responded in the beginning she helped people find grants but she hasn't had time to do that lately. Now she keeps track of the grant files and reimbursements and handles the grant files. City Manager Fuentes responded there are some Departments that handle the day to day of the grants. For example when Bill was here, he would do the Airports and some other grants, and the chief is working on the Animal Shelter. All agreements and Grant Documents go to the Finance Director. But the day to day working with the contractor's falls on the department.

Mayor Green suggested both offices get a list of grants that are out there and let the SCCOG earn some money for us. That's not an unreasonable request from a dues paying member. It's one of the benefits they offer.

1. ADJOURNMENT

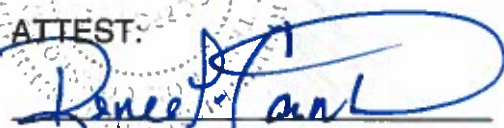
Mayor Green announced we are adjourned at 2:52 p.m.

Passed and Approved this 24th day of May, 2016.



Steven Green, Mayor



ATTEST:

Renee L. Cantin, CMC, City Clerk