

MINUTES OF THE BUDGET WORKSHOP  
OF THE CITY COUNCIL  
OF THE CITY OF RUIDOSO DOWNS  
WEDNESDAY, MAY 18, 2005  
5:30 P.M.

The Council of the City of Ruidoso Downs met in a budget workshop session on Wednesday, May 18, 2005. Mayor Miller called the budget workshop to order at 5:30 p.m. and asked Jean Stoddard to lead in the Pledge of Allegiance.

Upon roll call, the following members were present:

Councilor Olivo by telephone  
Councilor Miller

Councilor Morales  
Councilor Garrett

Administrator Waters informed Mayor Miller there was a quorum.

Also present:

John Waters, City Administrator  
Carol Virden, City Clerk/Treasurer  
Dan Gens, Public Works Director  
Tom Armstrong, Licensing, Planning & Permitting Supervisor

**APPROVAL OF AGENDA**

Mayor Miller entertained a motion to approve the agenda. Councilor Morales moved to approve the agenda. Seconded by Councilor Garrett. Roll call: Councilor Olive, Aye; Councilor Miller, Aye; Councilor Morales, Aye; and Councilor Garrett, Aye. Motion carried.

**INTRODUCTION OF FISCAL YEAR 2005-2006 BUDGET**

Administrator Waters said what we have here is a preliminary draft budget that is due June 1st at DFA. The first budget we submit is a preliminary draft; this is the one that tells the State that we can operate through the end of the year. We will then submit another one in a couple of months for the next fiscal year that will be our final budget. This preliminary budget is due by June 1st and Carol Virden will be hand delivering this budget to DFA on Friday. We will have other budget hearings when we do our final budget in July. They have changed the rules a little this year. They allow you to submit a single budget for the year. It is funny they did that this year because as you are aware the gross receipts are goofy this year. We did receive another gross receipts check just recently. Unfortunately we still haven't been paid back the \$50,000 we got docked back in March. We have the budget sitting right about where we projected it but remember those projections included taking a hit the last three months of the year. I am very glad we did that because if not, we would really be in dire straights right now. It is a good thing that we anticipated the State was going to do that to us because they did it to us even though they are still telling us that they are going to give it back to us eventually. The problem is the amended returns are due in June from the folks that didn't get the proper returns in. Our largest retailer is one of those that did not. Jan Goodman who is the secretary of the Taxation and Revenue Department told me when they submit these amended returns they are due in June but that means

we probably won't see them until our July check. We won't see them until the next fiscal year therefore there is a very good chance that the revenues will change and hopefully it will be positive. We may know by the end of July when we submit our final budget however we may not. Either in July, August or maybe as late as September we will have to come back and upturn the revenue. All indications show that they have corrected the problem. Hopefully you will have a \$50,000 windfall at the beginning of the fiscal year in the General Fund.

Another thing we have coming out of the General Fund and the reason Jean Stoddard is here is to talk about bringing the Hubbard Museum of the American West under our umbrella and turning it into our municipal operation. It is not going to be entirely a municipal operation because of this type of operation depends a lot upon private funds that come in to the museum. If this is something the Council desires to bring in under our umbrella it will be the first time that we have brought in a large community service-type organization. It is a great one for a town our size to have and it is a great resource for the town. That is why the Mayor has directed me to try and fit it into the budget. You have to move a lot of things around to try to get it to fit in. Fortunately this year with the fact that we have a lot of grants coming in and a lot of projects that are using last year's money to pay for those projects, it cleared the way to allow for the big transfer of \$150,000 out of the General Fund into the Museum Fund to help it get started into the municipal system. I will talk more about the museum when we get into the actual budget items.

I would like to start with the General Fund. All of our funds are listed. A good many of these funds are like last year. We had the street paving debt and we had some other funds in there that are not in there this year because those funds either dried up or essentially no money coming from those sources anymore. We added another one; we now have a 2005 CDBG grant of \$500,000 that we just received. We have some changes in it but overall we have some pass through funds like the Judicial Education and Court Automation. Some of these we get the money in and send the money right out. The four big funds that I really want us to focus on other than the General Fund are Water/Sewer Improvement Fund, Water/Sewer Fund, The Joint Water/Sewer Fund and the Museum Fund. We have Jean here so you can ask her all the questions about the museum. Jean is aware that we have had a request from Councilor Olivo to possibly get a tour of the collections and show you the operation to the Council. Jean has agreed to do that anytime the Councilors wish to do that. We tried to make as much room as possible to bring the museum in because it is a large operation. It is going to require some changes to bring them in.

The Legislature - The one change to this is we had so much interest from the Council going to training. A lot of you and the Mayor are participating in the MOLI conferences so that went up from a \$1,000 budget last year to a \$5,000 budget this year. It is certainly a resource that the Council and City benefit from. Per diem is another one we increased to allow for the increase in travel.

Councilor Miller asked what is this "Other" \$6,195. Administrator Waters said if you remember the Mayor's office had just been constructed and he had some furniture as well as the executive boardroom furniture. You won't really notice it on here as much as the budget forms put out by Carol's department. Under the Capital items we had to put them in general categories because when we plugged in specific capital items that we wanted to buy into the computer, it wouldn't let you add new capital items on it. If there are things like this that you need a breakdown on certainly let us know.

Councilor Morales said telephone service. Clerk Virden said we are still working on it. Councilor Morales said here we are a year later or two and we are still working on it. Clerk Virden said we have to go out for bids on those; we can't automatically go to another phone service.

Administrator Waters said I know they are working on it. That was one of the first issues that came up. There was an item on State Contract that wasn't available so the RFP route is the only thing left. Councilor Morales said I know we don't have a lot of choices being where we are but our phone bills are so high. I know we could get something a lot cheaper. Clerk Virden said what we have done, Councilor Morales, is issue each employee a code that they have to use if they are making long distance calls. I know that the cost has gone done tremendously since we implemented that so that may help. We are working on it and we will get it done this coming fiscal year. Administrator Waters said before we had two lines going out of City Hall that actually required the code and now all four of them have the code.

Councilor Garrett asked did we check into caller I.D. for the Police Department. Administrator Waters said I know they have been notified but I don't know if they have checked on it or not yet. I will call and confirm that.

Administrator Waters said we just received this today for the Municipal Courts. We did have last year's budget plugged in there. He actually changed a few things on there but not many. He is asking for \$12,345. Since I plugged that in today, I didn't want to change the tabulation forms at the end. He requested \$70 for personnel cost and I gave him \$32. Obviously if that is something he needs we can put it in the final budget. Essentially what we have is a flat budget all the way through. One thing he did not request this year and I am assuming he still wants it but I put in for the Judge a part-time position. He has asked for \$4,000 in the past and I plugged it in there. I haven't had a chance to talk to him to see if he wants that in there or not. Clerk Virden said I believe the Court is seeking another part-time worker.

Councilor Morales asked what are "Vehicle Operations Costs" for the Court. Administrator Waters said this is something that has been in his budget since the beginning of time. It is not really my duty to question his Honor as to what he wants. Clerk Virden said if he had a city vehicle those costs would be for fuel and oil. Councilor Morales said Judge Mansell called me today and I invited him to come to the budget workshop tonight. He said he was unable to come tonight. For the record, he was aware of it and he was invited. Administrator Waters said for the record we did provide this to him a long time ago back when the original memo's were sent out to the directors which I believe was in March. In addition about three weeks ago I asked Carol to go down and give them another form and they got it in today. I'm not going to make a big issue of it but here again, I don't know what they are going to use that \$400 for. Typically it is not used for anything other than to transfer money to augment another line item. If it is the Council's wish I can zero that out or wait until you can talk to him about it.

Councilor Garrett asked what is the "Other Designated Insurance" for \$880. Administrative Waters said they put their health coverage on there. By the way, health insurance went up 7 percent this year. In addition Workers' Comp premiums jumped 10 percent for the regular employees and 15 percent for the police department. Councilor Miller asked he has retirement and insurance. Administrator Waters said yes, and here again these things have been done for years before I got here.

Councilor Morales asked why can't we get health insurance. Administrator Water said I will let Carol explain that. She has been talking to the Self-Insurers Fund. Clerk Virden said because the City of Ruidoso Downs ordinances does not cover the allowable expense of insurance to each of the elected officials. That is not to say that the Council cannot pass an ordinance for that but what will happen is the current administration would not be allowed to pick up the insurance until the next regular election. Those who are elected would have an option, if the Council so chooses, to adopt an ordinance of such. The reason it is placed that way is because it would be considered increasing your current salary which is against State statutes. Councilor Miller said you don't get a salary out of insurance. Clerk Virden said it is increasing your compensation. Councilor Miller said it had to be passed at one time or the judge wouldn't have it. I think it was passed at one time and no one wanted it but the judge got it. Clerk Virden said the only thing I can come up with is at some time previously the administration had to approve that for him.

Administrative Waters said Peggy's is the first salaried personnel position we have. We had a tough year last year; we were worried about the gross receipts tax. We basically flat lined the increase at 1.5 percent. As I explained to the Budget Committee, we have programmed in a 5 percent increase. With gas prices the way they are now it is still a cost of living type increase. We are seeing inflation now. This does help keep our salaries in line with our neighbor municipalities. If you look at the back of all of the funds, you will see the salaries and the whole budget on the last page. This is an across the board 5 percent. We have 2003-2004, 2004-2005 and 2005-2006 and that is base wages for all employees in every classification and even some of the classifications that aren't being used at this time. That was factored in the overall budget. Understand that not only did we give the museum what, I believe, is a doable increase into the system but we also have adequate compensation for the employees with a 5 percent increase. I have to mention on the court clerk, we also did not get a request from his honor on what he wanted for Peggy but he has in the past expressed to Council that he expects her to be at the same increase level as everyone else so we added the 5 percent to her salary as well.

Councilor Morales said when I talked to him this afternoon he mentioned that to me also and I said the projected increase is 5 percent. We did talk about that briefly. Administrator Waters said, of course, the part-time positions are not eligible for that.

Next is Executive. The budget actually went down about \$500. Here again, every department has suffered a little bit so we could bring in a new member to our family. The one difference we have here is a vehicle for City Hall. The Mayor requested a vehicle for the ladies; the Crown Victoria is getting in pretty bad shape. What we have in mind is what we got for the police department. It is about \$15,000 and some change on State bid. It is the Impala. This should cover a nice vehicle that not only will be gas efficient it will be front wheel drive so it will be good in the snow. If it gets really bad I have the four-wheel drive Expedition. We have an election coming up so we have election workers and supplies that Carol has budgeted for.

Councilor Morales asked what are "Other Encumbrances" from last year. Clerk Virden said it is the last part for codification. Administrator Waters said Carol and I have gone through this with Dan Bryant and I think we are getting closer to getting our Code of Ordinances.

Administrator Waters said on Finance and Administration, I want Carol to go over these amounts. She has always been quite frugal with the budget. She is asking for one big thing this year. She asked for it last year; I think it is a necessary thing. Clerk Virden said the Finance and

Administration Department has always been and I am a true believer in being conservative when it comes to public funding. We go by priority; we don't have a want and wish list. The only major capital outlay that I am requesting that I think is very important for the City of Ruidoso Downs is to develop a records management plan. In order to develop a records management plan we need to conduct inventory, identify the records series and determine what are the vital records. It is a very good document imaging program. I do have a CD if any of you would like to see how it works.

Councilor Morales said I think we are in need of a deputy clerk. I know Carol is the clerk and I know Annette is basically doing all of the work as deputy clerk. I think we need a Deputy Clerk or possibly name Annette as a Deputy Clerk. Mayor Miller asked are you talking about a new position and Councilor Morales said no. Administrator Waters said there would have to be a clear division because Annette does do a lot of the election but the finance portion I don't think she does anything on. I can certainly sit down with Carol and come up with something. Mayor Miller said what we could do is just slash the position. Administrator Waters said a deputy clerk may not meet our needs but I know the Mayor, Carol and I use Annette as an executive secretary. Most of the small towns may not have a deputy clerk but they do have an executive secretary which is a step above secretary. I would recommend that first. Councilor Morales said I would like to see the deputy clerk position considered.

Administrator Waters said next is the Parks and Recreation Department. We had a rather large request of \$50,000. I am not recommending that because that is rather large expenditure this year. There may be some ways in the future that in addition to the museum there is a new gross receipts tax, a quarter percent, that is specifically for recreational or institutional-type city services. That would give us \$200,000 a year in the future if we did pass it. Museums are included in that and so are parks. That would allow for the parks to have \$50,000 but unfortunately that can't be done this year but is an item for future consideration. Councilor Garrett asked can we look at that on the next election. Administrator Waters said that is a possibility. Councilor Garrett asked if we did when would it go into effect. Administrator Waters said in July of 2006.

Administrator Waters said Mr. Gens is here to explain their requests. They have requested a storage shed for across the street at the park for the ATV and mowing equipment. Councilor Morales asked what is "Personnel Costs" under Parks & Rec. Administrator Waters said this is advertising for positions and the other thing is if someone gets in an accident it pays for drug testing. Councilor Morales said the other thing we obviously paid off something for \$57,000. Administrator Waters said that is the basketball court. We paid our obligation off to them.

Administrator Waters said next is the Senior Center. They asked for the same as last year. I cut their budget a little bit from last year. I gave them as much as I possibly could. The county couldn't match our paving for the Senior Center so there is no use tying up extra money if we are not going to have the money to do the whole thing.

Administrator Waters said next is the Police Department. Chief Denny didn't realize he had as much as he did in the current year's budget particularly through the Law Enforcement Protection Fund. I told him he needs to get this spent this year. He has actually had the opportunity to trim down this year. He asked for four computers but he was able to buy two this year. He told us to drop the mag lights off for this year because he didn't really need it. He asked for two police cars and we are recommending one. Here again, we can consider it at mid-year. This is going to be similar to the car we purchased. Chief Denny requested another police officer for this year. He

indicated that this would help our scheduling and this would bring the total number of officers up to twelve including himself. This position has not been recommended as it is a pretty expensive addition at this time. \$47,706 is what it would cost in just personnel costs plus if he brought that person on he would have to fully equip him. This would run the cost between \$4,000 to \$7,000 above that. This is something I feel like we can hold off on for now. Come mid-year or next year we can look at that more thoroughly. I do understand his reasoning but we do not have a full staff now.

Councilor Morales asked how much money do we get from the Law Enforcement Protection Fund. Administrator Waters said I think \$26,600. Councilor Miller said they go by how many officers we have don't they. Administrator Waters said yes, how many are certified officers at the time.

Administrator Waters said next we have Animal Control. Peggy didn't ask for anything extra.

Administrator Waters said Bill Dunlap of Code Enforcement is about the same way. It is about the same as last year. We gave him what he asked for because he basically asked us to decrease his budget. I have had several comments and Bill is getting the job done. He is doing a good job for us. Councilor Garrett said under "Training" we are cutting back from \$1,000 to \$750. I truly feel he is doing a really good job and if there is some training he can go to that improves him I really want him to be able to go. Administrator Waters said a lot of the training he goes to is free.

Administrator Waters said next is the Fire Department. You will see they are actually asking for a drop in their operating. They did ask for additional capital. They want a phone equipment system for the engine. You see the two fire station purchases; we are still waiting on a signed agreement from Mr. Hill. As soon as we get it we will be able to put the fire station in.

Administrator Waters said next is Licensing, Planning and Permitting. Tom hasn't asked for anything new; he has a conservative budget.

Administrator Waters said next is Street Department. We have a lot going on. There was a discussion of the streets in dire need of repair, repaving and the water drainage project by Public Works Director Gens, Administrator Waters, Mayor Miller and the Councilors. Administrator Waters said you can see that a lot of these things will be addressed. Dan is asking for a street vac sweeper which will actually push the gravel into a containment area and then can take it out and dump it. We have \$28,000 budgeted for it under Equipment State option. If he finds one there great; if not, we also have money budgeted in case he finds something else. Things like road salt we have moved to Materials and Supplies. We have a \$25,000 line item for paving, patching and road construction materials. Together with the two big items you have right at \$60,000 budgeted for Materials and Supplies for the Street Department related to keeping our streets maintained.

Administrator Waters said next is the Garage or Vehicle Maintenance. On the Crown Vics and in my Expedition there is an annoying "check engine" light that comes on. The only way to turn those check engine lights off is to have a computer scanner. There is nothing wrong with the engine according to Nathan. It tells you when things are wrong with your car and I think we certainly need this. It is \$3,000. The Shop needs tools. We budgeted \$3,000 last year and I would like to budget another \$3,000 this year. Dan wants a weather canopy for some of the

outside equipment as well as a wire feed roller. That is something we could possibly look at later in the year.

Administrator Waters said next is Legal. Dan Bryant has sent you a letter giving you a cost estimate of how much he would like to increase his contract. I am telling you that perhaps because we have had a lot work for him recently especially with the wastewater treatment plant and the water rights protest and other people protesting our applications I think there is justification. We have been to depositions and he has done quite a lot of work. He is asking \$11,609.50 which is what it comes out with tax per month. I am asking that we don't pass more than \$10,831 with tax per month fee. He is requesting \$139,321 which is up from \$114,000 last year. I am asking that we only go up \$129,979 and let that be my upper negotiation with him.

Councilor Garrett said I really want him to tell us how much of his fee is wastewater treatment business. Councilor Miller said I agree; we need to know how many hours. Administrator Waters said I will make a formal request in writing to him to provide that to the Council. Hopefully you will know before next week's Council meeting so you will have something to base your decision on.

Administrator Waters said for Non-Department expenditures we have cut Economic Development Board to \$1,000 because I believe we can get a sizable grant once we get certified which is within a month. The Key Communications, this is our last installment of three years of payments totaling \$15,000 and then for life we have the three spots. We have the Humane Society which is the \$25,000 Memorandum of Understanding. They had asked for a change; we haven't given them one. Water rights in order to help accommodate our new member, I moved water rights over to the Water & Sewer Improvement Fund. Last is the Billy the Kid Scenic Byways. In the past we have budgeted \$5,000. Last year we didn't budget anything. They have asked for \$5,000 again. If you vote to take the museum there is a very interesting relationship between the museum and the center. I think it is probably advantageous that we look at how the museum operates first. I think some of the things in relation to the Billy the Kid Byways center we are going to be paying for through the museum fund. I would like to take a look at how it is operated. If we decide to take the museum over then a lot of that becomes our baby and it may be that Ruidoso's \$1,000 a month may not come into us any more. We will have to review that situation and I am asking that we hold off on giving \$5,000 right now to see how the transition goes in taking over the museum, the Billy the Kid Byways Center and gift shop.

Councilor Morales said do you know that there is a contract with the then Village of Ruidoso Downs Scenic Byways; didn't we agree give them \$5,000. Administrator Waters said we actually didn't agree to give them \$5,000. The specific language of the contract says "up to \$5,000" and we actually over paid them one year, we paid double. Anyway we are aware of the language of the contract. The Mayor has reviewed the language. I sat down with Dan Bryant and reviewed the language. That contract will probably become a Memorandum of Understanding. It will probably become null and void after the museum transaction. We will have to look at how the center operates under our umbrella. We have some staff issues that I talked with Jean about that we will have to address. I think if we sit back, bring the museum in and see how it functions, I think we are going to more than pay for our share of what we have been paying for on the Billy the Kid Center. We are change the dynamics of it. We are going to make it work for our town and hopefully keep the mission of the Byways Center in tact as well. I think once we take this over we will work something out that is beneficial for everybody.

Administrator Waters said next is Non Departmental II expenditures. We have two requests from the Village of Ruidoso. Here again, you have the letter from your Council packet as well as Councilor Morales passed one out from Chief Warren. Chief Warren requested \$14,235 as half of the salary for an ESAP for the 911 system. They would like for us to pay part of the salary for the person that is handling this. He originally asked for \$6,000. He shot up the request to \$14,000 and I think \$10,000 is a pretty good amount to pay. We are one-fifth the size of Ruidoso; I think one-third is more than adequate. This is probably an expense that may happen for one or two years and then it should disappear. I really think this 911 system is justified and I think it is money well spent.

Administrator Waters said the next thing is the library. If the Council wishes to come up with money for the library they requested \$38,000. Here again, you are now looking at a very large community department. There are some research materials in there. The museum does have space requirements. There is some room but it is not large enough for a library. The other problem with a library is you have to have a librarian. It is a very expensive to bring in a full-time librarian. If you think you are not paying for the services they provide, you are paying for the library through some of your school taxes. Councilor Garrett said she wants us to look into the cost of bringing the book mobile to Ruidoso Downs. Councilor Miller said I would like to see some after school programs started at our Senior Center. I would like to see some computers put in there.

Administrator Waters said next you will see where I have \$150,000 transferred out for the museum and \$15,000 for the solid waste. Currently Mr. Hubbard contributes \$325,000 a year to the museum. We have an offer from Mr. Hubbard to help us run the museum at least for the next ten years. If we can work out possibly getting the money lump sum for investing it with an ordinance for the future continuation of the museum in addition to this gross receipts tax. I will let Jean Stoddard explain her pitch on the museum, the reasoning behind it, all the benefits they have and what will be included.

Jean Stoddard said thanks for having me and I'll try to answer any questions you have. If I don't have an answer, I will get one for you. Mr. and Mrs. Hubbard, as you know, did offer the museum to the State of New Mexico. That did not happen. I had heard some rumors that the City of Ruidoso Downs may be interested. I contacted Mayor Miller and yes, that is the case so that is why we are here. Along with the gift, he would offer the museum, all of the property that would include the bronzes in front to just past the back driveway and the Billy the Kid Center. He would offer 1.5 million dollars over ten years. Everything is negotiable. Mr. Hubbard will be 70 in June. Right now the Foundation is the one that is helping supplement the museum and it does take a lot of supplements. I think his concern is that his children probably don't have the interest and the love of the museum like he and Mrs. Hubbard do so he is just looking ahead. It is not that he doesn't want it or that they are tired of it, he just wants to make sure that it does continue to stay here as the Ann Stradling Agreement says and that it is in loving arms.

Administrator Waters said one of the things I would like to point out to the Council is if you do choose to accept this, this operation is not solely supported. As you can see they have a budget of 1.2 million dollars for next year. Part of the issue is we have seventeen employees of which we will have to trim down because we will have to give them city benefits once we bring them in under our umbrella. We are going to try to work together. Certainly Jean is going to be a critical transitional employee. She is willing to work at a contract salary of \$25,000 in order for us to

transition over the next year. It is a critical position to get a non-governmental entity into a bureaucracy. It is going to take a lot work on both of our sides to try to make sure all of the procurement codes, etc. is assimilated properly. The other neat thing about this operation is they make money; they help pay for themselves. You will see that the Lincoln County Cowboy Symposium costs \$188,000 in the budget but they bring in over \$220,000. You don't have any other operations in city government like this. Very few museums make a lot of money. The ingenious people that work this group come up with new ways to bring in the money. Certainly they have a Board which we will have to keep the Board or part. Those folks do a lot of work to keep this museum floating and we want to preserve that funding structure. This is also contingent upon them continuing their funding structure and with our money we have available. In addition to the \$150,000 we have also increased their promotional money. This year they did not come forward and ask the lodgers' tax board for lodgers' tax money for support. That was a sign to me that things had been cut at the museum and certainly there are things we can do to help them right away. Therefore, we have over \$24,000 budgeted from the promotional lodgers' tax to help them promote the Lincoln County Cowboy Symposium worldwide and to help them promote the museum as well. That is why the lodgers' tax monies have gone down to \$21,000 to allocate. This is a critical component; it is a critical part of having a museum bringing the people in to pay at the door. We notice that has gone down in the recent past, certainly after "Sue" left. We want to make sure there are constantly new things coming into the museum bringing new people here. The Mayor and I have a couple of ideas. I have talked to Ms. Stoddard about new exhibitions. A good example is we have a gun show coming to town this week. We have contacts with other museums particularly the Winchester Museum in Cody, Wyoming. We could borrow an exhibit from them or perhaps the Smithsonian that we have an agreement with if we take them over to borrow some of their collections to exhibit here. I think the possibilities are endless. Although it is an imposition on the City, they help pay for themselves and they can help pay more in the future. There aren't many museums that can set themselves up eventually on an enterprise fund. I think our museum could get close to that certainly with that set 1/4 percent gross receipts tax. It would certainly be a feather in our cap if we could bring this asset into our City. If you approve this you will be giving me the budget to pursue further negotiations with Ms. Stoddard, Bruce Rimbo and possibly Mr. and Mrs. Hubbard to work out the fine details. There is a scholarship fund as well in the Hubbard Museum we will have to look at. There may be some issues there being part of a municipality that we may have a problem with. There is an anti-donation clause in State government. I believe there are ways we can work through that with the Foundation. These are all minor things I think we can work through.

Councilor Morales said I am real pleased to see that you are willing to stay for at least another year to help us with the transition. Ms. Stoddard said this is very near and dear to my heart. I helped open the doors. We want to see it continue on and a smooth transition is the only way to make it. Definitely I am willing to stay on and help with the transition and I am officing at the racetrack. I understand you would like a tour of the backside, which is the best part of the collection. I will work that out with John or Carol.

Mayor Miller entertained a motion for a break. Councilor Garrett moved to take a short break at 7:26 p.m. Seconded by Councilor Morales. The meeting was called back to order at 7:41 p.m.

Administrator Waters said Court Automation and Judicial Education are pass throughs so no matter how much we get in, it goes out.

Administrator Waters said next is the Local Government Correction Fund. There is a certain amount of money that comes out of tickets that goes into a Correction Act Fund. It is a correction fund that helps towns and counties pay for jails, housing people and transporting people. Last year we got the ability through the State Legislature to spend that on transportation. One of the big things they want to get is a camera. They are like a computer/scanner printer for the fingerprint system which is \$1,500. They would like building repair and maintenance of \$1,500.

Administrator Waters said the next fund is EMS Fund which is \$3,000. Essentially this is the same budget as last year. This helps keep our ambulance equipped with first aid items. In addition, I believe we will be able to use this for our police department getting their first responder training and first responder equipment as well. We may be able to buy first aid kits for each of the police cars.

Next is the Gas Tax Fund. I know the Parks said you could use gas tax money for parks and that is not right. The gas tax set up in the State is to pay for street maintenance essentially. We have \$31,000 in street expenses. Some of it is transferred to pay for that \$25,000 we have for street materials in the General Fund. You will see in the Street Improvement Fund we are sending some money over to help match a project for a co-op grant we have coming in for Burke Lane. According to Terri this morning we have \$21,000 so that will give Dan another \$11,000 to spend on the streets.

We have the Fire Protection Fund. We applied for exactly what we got last year. We were told that we would get the same thing this year which is \$43,620. This is just like Law Enforcement Protection you have to spend it in the year. Once we get Wood Lane on line for a year we will have this up by \$8,000.

Next is the Law Enforcement Protection Fund. The amount Chief Denny submitted was \$22,100 and they got \$26,600. He got a little more money than he expected.

Next is Lodgers' Tax. I have already gone over the fact that we are going to be transferring a significant portion of our funding from this. We still have \$21,000 to spend of local lodgers' tax. The Lodgers' Tax Committee didn't have a quorum to finish their prioritization but Chairperson Green did tell me that they had three priorities that did come out of their last meeting. They want to put some money in to keep the Chamber advertising things. You will see some banners go up in town that were bought by the Chamber. They have brochures that are being produced. Tim Keithley's ads are everywhere and the Auxiliary Craft Fair. That is \$10,000 for the Chamber, \$7,000 for Tim Keithley and \$4,000 for the Auxiliary. In addition you have the \$6,000 going to the Lincoln County Cowboy Symposium and \$19,000 to help their promotions and then \$2,100 to buy the pins that we give out to the public. That is the promotional money that goes for advertising. Non-promotional Fund Expenditures, we are taking \$9,100 and bringing it to the General Fund as part of the administration of the lodgers' tax. We are taking \$50,000 and bringing it to the museum. What we have is \$183,000 in and \$183,000 out for non-promotional. There is a lot that we are carrying over for Christmas lights.

Councilor Morales asked what is this walkway for All American Park. Administrator Waters said this is to complete the sidewalk around All American Park. We were only able to budget half of it when Mo did the asphalt. There is still the other half of this design which also includes the sidewalk curbing and gutters around the parking lot. We are proceeding with the Master Plan.

Dan's guys will be doing the grading of the parking lot getting the drainage to go right. The next phase is asphaltting the whole thing. There is \$68,000 going into the park which is actually on the Master Plan whereas the things the Parks & Rec Committee are asking for are not on the Master Plan.

Next is our Recreation Fund and this is the cigarette tax money which is down to \$1,000 now. This gives the Parks & Rec \$2,000 to use on equipment. This is a declining revenue.

Next is the Solid Waste Fund which is a pass through. I want to warn you if you have been listening to the news the county voted to go out for RFP for solid waste services which could break apart the Solid Waste Authority. It is something to watch. Right now I think we are getting a really good deal because I know what some other surrounding areas are paying. We are getting some revenues and now that they are moving the transfer station the neighbors won't have the smell and noise.

Next is the Water and Sewer. You have \$2.8 million in projects right now. This is a lot of money to be spending in a year. You have the tank and water lines. In addition to the water and sewer fund you have two CDBG grants and that is another \$1.4 million in drainage and water projects. They are all critically needed. We have the specs in for drilling the deep water well. We have water line projects that are gearing up as well. They are working on finishing paving Turkey Canyon right now. Next year in the budget we will start attacking some of the unpaved roads. We are starting with the ones parallel to the highway. West is scheduled for this year and Thompson next year. Burke is scheduled for this year. I got a verbal announcement that we got \$58,000 in grant money from the co-op for Burke and with our match we should be able to reconstruct Burke with curb and gutters.

Next is the Water Department. Remember water and sewer are a joint operating fund. In an enterprise fund the revenue funds have to support the operation. This year we budgeted \$110,603 and \$19,870 for the wastewater plant. Ruidoso upped it in the middle of the year on us. What they asked for us to budget next year is 31.7 percent increase in their operating costs to us. This equals a 28.5 percent overall increase. You raised your revenue 35 percent a couple of years ago which was supposed to give us five years of capital money to buy our wastewater lines with. The increases we have seen over the past three years have eaten into that and you now have none left. In addition we have dropped the cost of the sewer collection from \$133,000 each year until it is now \$91,000. Your revenues are now less than your expenditures by about \$21,000. In order to get this back you have to raise your sewer rates by 8.033 percent to break even to pay for Ruidoso's bill.

Councilor Garrett said I think they need to look at their funding. I don't want to give our residents an 8.3 percent raise on their sewer when they can't afford what they are paying now. Administrator Waters said we actually proved that we can't afford it. The affordability index study shows we now exceed it. Public Works Director Gens said they have seven employees running the wastewater treatment plant and I have ten people to run the whole City. Everyone on their staff makes more money than anyone on my staff.

Councilor Morales asked what exactly is a utilities operator/electrician. Administrator Waters said a utilities operator is somebody who can both operate the equipment within the water and wastewater system as well as the electrician can do the wiring for the automated systems, the

Scada system and work on the electrical parts of the pump. We have to have a licensed electrician to do that and this person will be licensed on staff. It is going to be a very useful position. It is probably one of the most useful position we have. We won't have to pay for an outside electrician. He is also a general contractor; he can do construction projects. Councilor Morales said I am assuming there is going to be somebody on the agenda for this position. Public Works Director Gens answered yes. Councilor Morales asked if he is going to have to go through all this training for Scada and wastewater. Public Works Director Gens said no, he has public works experience. Councilor Morales said he has public works experience and as an electrician and general contracting and Public Works Director Gens answered yes. He comes very highly recommended from Ray Baker. He works and manages Fastway Electric right now. He worked for the City of Mineral Wells in Texas. He did pump repairs and worked throughout their public works system. He will be a valuable tool for us; he will work in every position. He is not going to be just an electrician. Councilor Miller asked he is going to get his water certificates you said. Public Works Director Gens said yes. Administrator Waters said he already has them in Texas. He has already tested for and acquired water and wastewater certifications in Texas. Public Works Director Gens said he will be a water operator; he will do the same work as Ronnie Randolph, Shane Casler, Benny Sanchez and myself. He will be part of the crew on any of our projects. Councilor Olivo asked do we have to have a certified electrician to change the street light bulbs. Administrator Waters said if there is any wiring involved in it, say the plugs for the Christmas lights or if the ballasts need changing out I understand that requires a certified electrician. Any time you touch wires it requires an electrician and we can't have any construction projects unless we have a certified licensed electrician and a GB98 which is the general contractor. Councilor Olivo said I think all around we will save money and Councilor Garrett said she agreed. Councilor Morales said I am not disputing that we probably need this person but that is a high salary. I want to see his licenses and Administrator Waters said we won't hire him until we do. There was further discussion about this position as well as other positions in Public Works.

Next is Non-Departmental. We have professional hydrology services. You will see that we are still working on our system. We have protests filed on our water applications. We are still utilizing these services so I have additional money budgeted this year for it, wastewater, water loans and Agua Fria bond payment. You are obligated to Agua Fria until the year 2015.

Next page you have water and sewer. You have money transferred out for the Scada system and the water and sewer projects that goes back over to the water improvement.

Next I want to point out the water sales and the sewer sales. Those are flat. They are flat because your citizens are having a hard time affording the rates that we currently have. You can charge them all you want but they are not going to pay it. Carol has worked on an ordinance to present to you later to change some of our practices. You will probably have some folks complain about it. Ms. Virden said I think one of the major issues with the water and sewer is our security deposit. The security deposit is not enough to cover one month's account if they have just left. We are revamping that and we are also revamping the late penalty charge. We are doing away with the 10 percent because the interest fee is what is hurting the citizens of Ruidoso Downs who can't pay their water bill. There is an account that had a \$31.26 balance and it has been accruing late interest fees. The amount now is over \$3,000. We are also going to be asking the Council to adopt an ordinance for a security deposit for those residents that have sewer only. This will affect only the newcomers.

Administrator Waters said that actually is the end of this. On the water and sewer rates, I put this in the budget but do understand that if you pass this, you must come up with that money to support that enterprise fund. You have three options basically. You can pass it and then in the next Council meeting call for an ordinance to increase the water rates effective July. Or, you pass a reduced version of that which is basically subtracting \$21,000 off of that amount that I can prorate for a reserve and approving the budget sending me to Ruidoso saying this is all they approved me to spend and make them negotiate with us. The last option is just not to pay it all together which would probably result in a lawsuit. It would kick our sewer rates up quite a bit and the businesses will really be hurt by it because already our businesses are the third highest in the state.

Mayor Miller called for a motion to adjourn. Motion was made by Councilor Morales and seconded by Councilor Miller to adjourn at 8:40 p.m. Motion carried.

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Bob A. Miller, Mayor

ATTEST:

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Carol Virden, City Clerk