

MINUTES OF THE
SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
FEBRUARY 2, 2007

The Council of the City of Ruidoso Downs met in regular session on February 2, 2007. Mayor Miller called the meeting to order at 4:00 p.m. and asked Deanna Cheney to lead the Pledge of Allegiance. Mayor Miller asked John Waters, City Manager to take roll call. The following were present:

Councilor Hood
Councilor Holman

Councilor Miller
Councilor Garrett

John Waters, City Manager informed Mayor Miller there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer
Dan Bryant, City Attorney

Mayor Miller stated before Approval of Agenda he was moving Item 5 down to before Item 8.

APPROVAL OF AGENDA

Mayor Miller entertained a motion to approve the Agenda. Councilor Garrett moved to approve the Agenda. Seconded by Councilor Hood. Roll Call Votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller stated next item on the Agenda was Discussion of RFP for Professional Legal Services and to consider possible action.

John Waters, City Manager, informed the Council he had prepared the RFP, Request for Proposal, for Professional Legal Services and encouraged them to make changes and they would be made and acted on at the next regularly scheduled Council meeting to be held on February 12, 2007.

John Waters, City Manager said he would answer any questions now if the Council had any. Councilor Garrett stated she wanted to be sure that the new attorney would be based in house for a period of time. Mr. Waters stated this criterion was mentioned on the third page under the "Scope of Work Fee" topic. He noted that a regular amount of in-house time would be maintained, which was a minimum of twenty hours per week and could be completed at his or her office with eight hours of the twenty hours to be performed at the offices of the City of Ruidoso Downs or an office provided by the City

of Ruidoso Downs. Mr. Waters asked the Council to look at the item "D" under "Evaluation of Proposal" and noted it was 15% of the ranking criterion. Criterion included the chosen attorney to be present at Council meetings, Staff meetings, Planning & Zoning meetings. He stated this was an RFP and anticipated a 30-day to 45-day response time for proposals. Councilors Garrett and Hood asked if the RFP would be ready to be acted on at the next Council meeting. Mr. Waters said he would like to have it ready for review of the Council by the next meeting to be held on February 12, 2007.

EXECUTIVE SESSION

Mayor Miller stated next item on the Agenda was Executive Session, Discussion of all threatening and/or pending Litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7; Subparagraph (H) 8 Real Property and Water Rights.

Mayor Miller entertained a motion to go into Executive Session for Discussion of all threatening and/or pending Litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7; Subparagraph (H) 8 Real Property and Water Rights.

Councilor Miller made a motion to go into Executive Session for Discussion of all threatening and/or pending Litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7; Subparagraph (H) 8 Real Property and Water Rights. Seconded by Councilor Garrett.

Roll Call Votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller closed the regular meeting at 4:13 p.m. and invited John Waters, City Manager, Carol Virden, City Clerk/Treasurer, and Dan Bryant, City Attorney into the council chambers after a five-minute recess.

Councilor Hood made a motion to go back into regular session. Seconded by Councilor Garrett.

Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

Mayor Miller called the regular session back to order at 6:13 p.m.

Councilor Garrett attested to the fact that the only items discussed in Executive Session were that of Threatening and/or pending Litigation pursuant to Open Meetings Act; Section 10-15-1 Subparagraph (H) 7; Subparagraph (H) 8 Real Property and Water Rights and no action was taken.

Mayor Miller stated next item on the Agenda was Discussion and Update of FY 2006-2007 Budget of the City of Ruidoso Downs and to consider possible action.

John Waters, City Manager stated he was asked to place this item on the Agenda in order to review it prior to the next Council meeting. The main body of the next meeting will be made up of Budget with mid-year adjustments and revenue projections. He reminded the Council that the revenue projections as discussed in October included talk about salary adjustments and noted revenues had continued to stay where they needed to be. He stated most line items in the General Fund were in good shape with the exception of issues in the Municipal Court. They had a line item that was 215% over budget and equaled to approximately \$4,000.00. He suggested the Council and the Municipal Judge discuss the matter before mid-year adjustments. There was an issue with the Wastewater Enterprise Fund and would be discussed at the next Council meeting. John Waters stated the city would have to increase the wastewater rights to keep up with what was currently billed to the city and the bottom line on that would be to raise sewer rates. At present the water is paying the sewer but that is not what it was intended to do. He said it should be made clear to the public that rates were being raised due to fees passed on to the city from the Village of Ruidoso. He estimated residential bills would increase by \$1.91 and commercial bills by \$2.25 for the next three years. After the third year there would be a new Wastewater Treatment Plant and the issue would need to be revisited.

Councilor Miller stated she felt the deficit should not be passed on to the public nor should they be responsible for the shortcoming especially when the city was receiving grants. John Waters stated grants were not to be used for operations and was adamant that sewer rates had to be raised this year. He offered to do an update on the rate study to coincide with the budget period and in time for budget workshops.

Dan Bryant, City Attorney cautioned that if the city did not stay at pace with water rights within 36 months they would be far behind. Therefore, it would be more acceptable to increase those rates by increments rather than all at one time. Councilor Garrett suggested the city should raise the rates even more in order to have money later to fund what the city needed because what we have done and intend to do by raising rates was only to cover what the Village of Ruidoso was passing on to the city. Councilor Hood stated when the new plant was running it would be likely to see bills in the amount of \$60.00 per month.

John Waters stated he had no other information on the conditions of the budget at present. Councilor Garrett asked that information be provided prior to the next meeting of where the budget problems were and provide backup documents. Mr. Waters suggested regarding Municipal Court that the Council send a message through the Mayor to the court addressing the issue with the budget. He suggested the Mayor invite the Judge of Municipal Court to place an Agenda item to discuss the budget with the Council. Councilor Garrett noted there was an action item on the Agenda in Item 5 to consider possible action of the FY 2006-2007 Budget. Mayor Miller stated the city was currently in litigation with the Municipal Court and felt the city attorney should handle all litigation. Mr. Waters said in that situation it was business of government

since it was a budget issue and the Municipal Court should be notified through regular channels. Dan Bryant, City Attorney, agreed with Mr. Waters stating there was currently an advertised job position. Mr. Bryant stated the court should be notified they were 215% over budget and should not fill that position until the mid-year budget could be adjusted.

Councilor Garrett made a motion to draft a letter from Mayor Miller to the Judge of Municipal Court advising them not to fill the position advertised until such time as mid-year budget adjustments could be made due to the fact it was apparent their budget was over by 215%. Seconded by Councilor Hood.

Roll call votes: Councilor Hood, Aye; Councilor Miller, Aye; Councilor Holman, Aye; Councilor Garrett, Aye. Motion carried.

ADJOURNMENT

Mayor Miller entertained a motion to adjourn. Councilor Hood moved to adjourn at 6:35 p.m. Motion seconded by Councilor Miller. Motion passed unanimously.

Bob A. Miller, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer