

MINUTES OF THE CITY COUNCIL
BUDGET WORKSHOP
OF THE CITY OF RUIDOSO DOWNS
MAY 17, 2007

The Council of the City of Ruidoso Downs met in session on May 17, 2007 for the purpose of a Budget Workshop. Mayor Miller called the meeting to order at 3:00 p.m. and 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:

John Waters, City Manager
Carol Virden, City Clerk/Treasurer
Alfred Ortiz, DPS Chief
Steve Dunigan, Planning & Personnel Services Director
Mark Lewis, Public Works Director
Jay Smith, Museum Director

John Waters, City Manager said there were some situations regarding salaries that needed to be discussed. It was brought to his attention in the month of December of last year that the police salaries had fallen behind within the three months prior to that and significantly behind Ruidoso and anyone in the area. The entry-levels were especially low. The Corporal position entry-level was \$16.12 per hour and the Police Officer position entry-level was \$13.31 per hour. Ruidoso Downs had a higher entry-level pay rate at that time than Ruidoso and Lincoln County had already raised theirs and other entities in the area had raised theirs significantly. John Waters stated all of the levels around us had gone up. Indications were Aztec, Bloomfield, Farmington, Hobbs, Lovington, Jal, and Eunice, all of whom had raised their salaries. The entry-level certified Police Officers would be making over \$18.00 per hour.

Councilor Miller said the benefits provided by Ruidoso Downs were much better than the others and our community was much smaller than theirs. John Waters said not Jal, and that no, our benefits were not better than all of those because some of those communities paid all of the insurance. He said our benefits were good and as people move along the salary scale we don't compete with the upper levels of the other municipalities. In order to bring officers in the City of Ruidoso Downs needed to have a comparable entry-level position that would be competitive with the communities around us. He said our current entry-level rate was \$13.31 per hour, Ruidoso was \$16.00 per hour, and Lincoln County was \$16.00 or \$17.00 per hour and our department

would never be full until they were full. John Waters said in keeping with the survey Ruidoso Downs had recently completed and in comparison to a survey completed by Ruidoso the proposed entry-level rate for a certified Police Officer was \$16.15 per hour from the current \$13.31. The second step would bring it up to \$16.40 per hour from the current \$14.90. The third step would bring it up to \$16.70 per hour from the current \$16.02. He said he hoped that the competitive entry-level rates would get them on board with insurance with the theory that if they left employment it would also interrupt their insurance and they would be more likely to stay on board. Steve Dunigan said the position had been put out over a half a dozen times over the past year with no consequence because the applicants were non-certified or simply wanted to transfer. There were approximately six applicants that never made it to the interview process. He said Ruidoso Downs just was not getting the interest. Mayor Miller asked how many were not passing the drug test. Steve Dunigan said the applicants never got that far. John Waters said the uncertified Officers were being kept at the same rate. He said the housing rates were also a factor.

John Waters said on the front page of the Salaries-Overall there was a 1.5 except for the positions that were out of whack with everyone around us. All of the exempt positions were frozen and were a 0%. He said that meant the directors would not receive an increase this year but all other employees would receive a 1.5% increase. Councilor Miller said since people were unable to pay their sewer bills maybe we didn't need a Public Works Director. John Waters said we did need a Public Works Director.

John Waters moved on to page A1 that he said was the Council and Mayor's Legislative page used for training, travel, and lobbying. He said that budget had been increased over the years and had used every penny of it. He commended the Council on utilizing the trends of the Municipal League.

John Waters said the next page was the Municipal Court. The pink section was what the Judge was suggesting for the Municipal Court. He was asking for an increase of over \$65,000.00 per year in the budget. He wanted to give Dana Terlecky an increase in salary of \$52,000.00 over the current \$37,000.00. He wanted \$12,000.00 instead of \$4,000.00 for part-time positions and wanted to give Virginia Armstrong a raise of a couple grand. He also asked for several other increases as well as his own attorney that he wanted the City of Ruidoso Downs to pay for. That figure was under the line item of Contracts and Professional fees in the amount of \$25,000.00. John Waters said he brought this before the Budget Committee and it did not get a warm reception. He said the Council had the authority to pass this. The Judge also asked for another laptop. Councilor Miller, Councilor Garrett and Councilor Hood said they did not know how they could afford the increase. Councilor Hood said the Judge was an elected official and the only elected official that received insurance. John Waters said the Council could address the insurance item now because elections were coming up in March 2008. Councilor Miller said the pay structure needed to be addressed. She said the City of Ruidoso Downs needed to go to a standard \$500.00 per month for the Mayor, Councilors, and all elected officials and be offered insurance. She said all these meetings were costing the City way too much. John Waters said typically the Mayor

was paid more than a Councilor and he would research that. He asked Steve Dunigan to contact the Municipal League for recent survey of figures with insurance included for appointed officials. Councilor Garrett said under Training the Judge was asking for an additional \$7,100.00. She said she saw it would be for training for the Caselle program. Carol Virden, City Clerk said Caselle had come down to train Peggy Brown who was no longer with the department. She recalled that training cost \$3,000.00. John Waters also pointed out the Judge was asking for an increase of \$2,000.00 in Uniform Allowance for Dana Terlecky. Mayor Miller and Councilors agreed there was no need to fill a part-time position in the Courts. Councilor Holman asked if there were any comparisons for a similar situation. John Waters said he could only find two towns where there were bailiffs.

John Waters said the next category was Executive and that nothing had changed significantly. The next item was Advertising and Subscriptions, and the fact that the City of Ruidoso Downs sends out the newsletter that has gotten positive response. He said under Cell Phones an additional \$250.00 was added. The General Fund would see some funds freed up, as they got closer to final numbers due to estimates on encumbrances and cash balances. He said the next page was the Finance Department. He wanted them to know that interest rates had gone up, liability, Workmen's Comp, Civil Rights. It went up from \$95,000.00 to \$104,000.00. John Waters said the next page was Parks & Rec. One of the big items under Capital was Lighting Improvement for the All American Park. Dub Williams had gotten the City of Ruidoso Downs \$71,000.00 for lighting on the basketball court and possibly around the parking lot and walking paths. Councilor Miller asked about the \$500.00 Training Day Outs. John Waters said there was no justification for the training and the money could be moved around. Mark Lewis said the money was for Mr. Sanchez to continue his Water Certification. John Waters said the next item was the Senior Citizens Center. He said he brought forward the same amount as budgeted last year. The office in Carrizozo usually sends any updates and Councilor Hood said he would call tomorrow to get more information. There were line items for Utilities, Building Maintenance/Repair, Equipment Maintenance/Repair, and \$5,000.00 for the Recreation Fund. He said they were a little under cost per driver and some of that would be moved up to Vehicle Maintenance/Repair. That money was given to the County.

John Waters said the next section was the Police Department and Museum. He noted under the Police Department the new figures were plugged in where there were currently vacancies. He said there were currently three vacancies. The health insurance had gone up 4.5% this year and the City of Ruidoso Downs portion would be 90% and their portion would be 10%. He said the 1.5% salary increase would take care of that and there would not be any out-of-pocket expense. In order to certify the Police Department \$2,500.00 was budgeted for cubicles and to do some things to isolate the Dispatch area. They requested \$2,300.00 for a touch screen monitor because one had gone out and were also requesting a Police vehicle. John Waters said the State could be contacted about getting a fuel-efficient vehicle. He said the State would have some Grant money available in December for economy vehicles for Public Safety departments. Chief Ortiz said he would have no problem in having an economy

vehicle for day-to-day use. He said the budget reflected a \$2,500.00 increase in the Operating Expenditures and salaries would cost \$88,000.00 on top of that.

John Waters said the next section was Animal Control. He said there were no changes. Next on the list was Code Enforcement. That department asked for a slight increase for telephonic communications in order to create a web-based system. The system would allow the department to accept complaints over the web via an online form. It would also be used to create an email address. Two Capital items include a computer and printer and the other would be a digital camera.

John Waters said the next section was the Fire Department. He said the property on Wood Lane had finally been purchased and they could finally start working toward construction. He said there was \$41,000.00 in Grant money and another \$60,000.00 in City funds to begin the first phase. He said they would need more than that and what he intended to do was asking for an allotment again from Dub Williams in January. Mayor Miller asked what type of building he was talking about. John Waters said the first phase would be to house the vehicles. If the whole project were to be done it would cost approximately \$700,000.00. They intended to break it up into three phases of \$300,000.00 that would include a heated building with bathrooms and would fit the vehicles inside the building. The second phase would be putting in the rooms at approximately \$100,000.00. A ladder truck Grant had been requested from FEMA and Senator Pete Domenici had shown his support. There were requests for special pagers for the volunteer firefighters. He said there was money left from the under the Fire Protection Fund so the purchase would be made in the current year instead of the following. The Fire Department asked for a new Ford Explorer but it was agreed that a vehicle from the Police Department could be passed on to them when they get a new vehicle.

The next section was the Planning and Personnel Services. John Waters said the department was trying to make it to where they would not have to go to Carrizozo to print out plats, blueprints, and give them some document imaging capabilities in order to cut down on storage capacity of maps. He said a newer computer with greater capacity would be needed to handle the AutoCad program. The budget figure for that would be \$21,000.00. He said it would probably require an annual maintenance fee.

The next section was the Street Department. John Waters said the budget requests had been started by Arnie Castaneda but he modified it. This year there had been a tremendous amount of salt purchased. Money was being budgeted for State auction vehicles in the amount of \$24,000.00. The department was looking for a snowplow and salt truck.

The next section was the Garage. John Waters said last year they budgeted for offices in the Public Works building. The plans are complete and finalized and the bid price is \$55,000.00. Vehicle operations went up just as it had in other departments. Mark Lewis asked if there could be a shift in some of the salaries in order to accommodate the allowance of a couple of thousand dollars for the shop clerk. John Waters said her

position would have to go through the evaluation process within the Personnel Department and follow the usual guidelines for a rate increase.

The next section was Legal. John Waters said there were two Grievance/Settlement costs that had to be budgeted for. One case would have to decide for the settlement agreement and that figure was in the range of \$16,000.00. The remainder reflects the current case being dealt with. He said Dan Bryant, former City Attorney charged for his services at the Ruidoso Gross Receipts Tax rate. W.T. Martin Jr., City Attorney said he would need to get a Business Permit and would be charging the Ruidoso Downs Gross Receipts tax.

The next section was non-departmental. John Waters said there was an item for Founder's Day and there was \$25,000.00 budgeted for the event. He said the next item was the Economic Development Business Retention Plan and there was \$25,000.00. Councilor Miller asked if there was allowance for the library. John Waters said the Council would need to make a recommendation and they could accommodate on the budget for that. Councilor Miller said she would like to give the Ruidoso Public Library \$7,500.00, more than the \$5,000.00 they requested at the Council meeting the other night. Councilor Garrett said she was apprehensive about giving them anything especially when Ruidoso refused to let us take over the Scenic Byway building. Councilor Miller said that had nothing to do with the library. Councilor Garrett said she probably had \$5,000.00 worth of books she could give to the library but had almost decided after what they said in the audience the other day that she would not do it. Councilor Garrett said they said, "We'd like to request \$5,000.00 but we know that you should pay more than that." Councilor Garrett said they wouldn't be happy with the \$5,000.00 even if we gave it to them.

Mayor Miller asked to kick it in gear and move on. John Waters said the next item under non-departmental #2 was \$3,000.00 for the Safety Incentives Award Banquet. The next item was Transfers Out. He said they were transferring \$100,000.00 to the Museum Fund and \$20,000.00 to the Lincoln County Solid Waste for the roll-offs that people come and put their trash in.

The next section was Revenues. John Waters said in the General Fund there were increases scheduled for State and Municipal Distribution of the GRT. He said this figure should land right on the number. There were some things that he thought would move but haven't and one of those was property taxes. He was surprised it did not go up as they were told it would. He said they were told property values of Ruidoso Downs had gone up but did not see it on this years' disbursement to cities. He referred to the monthly budget given out by Carol Virden there was \$27,000.00 under line item 1032 32 700 which was the State Racing Commission. He said they had not given Ruidoso Downs our tax money for the last three years. He said they had finally given us the money they owed. That was the reason for the figure of \$27,000.00 reflecting three years. He said in the future the figure would be \$9,150.00.

The next section was Carry Overs. John Waters said these were projects ongoing. The bottom number represented an estimated number.

The next section was Transfers into the General Fund. John Waters said Gas Tax was money that could be transferred back into the General Fund, for example into the Street Department. Administrative Costs to handle Lodgers' Tax Fund represented \$9,150.00.

John Waters said the Total Expenditures from the General Fund this year were \$3.8 million and \$4.2 million showing as total Revenues including the revenues and estimated cash balance. He said that gave us a healthy reserve for next year and we were starting to pull up after a couple of years of bad gross receipts tax.

The next section was Infrastructure. John Waters said this was money coming in from those two one eight cents gross receipts tax. He said they get transferred immediately. One was transferred to the Water Improvement Fund and the other to the Street Improvement Fund. He said that was the money used to pave Central, that's where the \$129,000.00 came from.

The next section was the Street Improvement Fund. He said there were several projects ongoing. One of them was Burke and Thompson. Mayor Miller asked what the progress was and John Waters said they had started moving dirt. The power company still was in the process of moving their pole. Another item was West which was unpaved. He said he found out yesterday they received \$61,827.00 for West. A big chunk of the Street Improvement Fund was being put into that to get it done. He said it was estimated that \$151,000.00 would get us what was needed from the top that was Mountain View all the way down to where the paving stops at Burke. Councilor Miller asked what they were doing to North Central. John Waters said they were getting ready to pave it. She asked about the ditches. John Waters said Mark Lewis was going to be in touch with the utility companies to lower their lines. Councilor Miller asked if there were going to be ditches on both sides all the way down. Mark Lewis said not on both sides, the ditches started around North Parnell. Councilor Miller said they needed to start at the highway. John Waters said they would make a channel so that the water did not pool and collect water. John Waters said curbs would have cost an additional \$100,000.00.

The next section was the Museum Fund. John Waters said he found one of the revenues that was missing and was the reason the budget was not making sense. He said \$100,000.00 would be brought in from the General Fund and \$150,000.00 from Mr. Hubbard. They would be coming in as revenues. As for operations a new item was the WAA Reimbursement and was the western artists paintings. When those were sold the City of Ruidoso Downs would receive a cut at 75/25. The City of Ruidoso Downs gave the artists 75% and we would receive 25%. The gift shop had picked up and Donna was doing a great job. Councilor Hood said he received compliments on the museum and wanted to pass that on. Mayor Miller said he was going to Las Cruces and Deming and wanted to take some museum brochures with him.

The next section was Judicial Education. John Waters said this was a pass through item.

The next section was Court Automation. John Waters said this was a pass through item.

The next section was Local Government Correction Fund. John Waters said that was the money used for the recent purchase of security cameras located around City Hall. He said if we did not have a jail we would not be able to use that money. There was one item for \$4,000.00 that was requesting computer equipment and \$2,000.00 for furniture. The items would be used for the Detention and Dispatch personnel.

The next section was the EMS Fund. John Waters said this represented a Grant the department received each year and had been the same amount for several years. He said it paid for certain supplies for first responders and helped pay for reserve officers and police officers. The Gas Tax Fund had a small amount of money that generated approximately \$23,000.00. The amount of \$8,000.00 was transferred to the General Fund and \$15,000.00 was transferred to the Street Improvement Fund. The Fire Protection Fund had an amount of \$58,000.00 and helped supplement the Fire Department operations. John Waters said if the City of Ruidoso Downs got the fire truck that would put the fund at \$780,000.00 received from Senator Domenici last year and \$700,000.00 this year.

Councilor Garrett asked what the progress was on the well. John Waters said he contacted ASCG to get the project going and in place. He said he wanted a concrete pad and well seat in place with a temporary electric shut-off valve for a construction meter. He said Senator Pete Domenici would be here in August and he would have him throw the switch.

The next section was Lodgers' Tax. John Waters said the Lodgers' Tax Committee had not been able to meet a quorum so he did not have recommendations for allocations. The only figure he had was the museum portion of \$2,100.00 for pins. Jay Smith, Museum Director asked if he could serve on that committee. Carol Virden said the committee was made up of 2 members from the lodging business, 2 members from the tourism business, and 1 from the at-large community. John Waters said there was \$26,000.00 carry-over for the Visitors Center in non-promo. Transfer for the museum operations was \$63,424.00. Much of the lighting and improvement to All American Park was coming from the non-promo money from Lodgers' Tax. John Waters said the Chamber of Commerce item allocated for \$100,000.00 in the General Fund for a building.

The next section was the Recreation Fund. John Waters said \$1,000.00 was budgeted last year and was not used. He said he budgeted \$2,800.00 this year. He said he wanted to order trees that were big and ready to be planted. He wanted them in place for Founders Day.

The next section was Solid Waste. John Waters said this was a pass through item.

The next section was the Water and Sewer Improvement Fund. John Waters said there were ongoing projects. One was the Phase I for Griffith and Parkway and would be complete as soon as Doug Siddens got his sewer line up to Parkway.

The next section was the Joint Water and Sewer Fund. John Waters said the previous Clerk had purchased backhoes and blades and put it on a rent-to-own plan with a balloon payment on the end. He said he disagreed with that method and preferred to purchase equipment out right within the same year. There was an item for a brand new backhoe in the amount of \$75,000.00 from Caterpillar. Mayor Miller agreed the equipment should be purchased new. The department had also asked for a new computer. John Waters said he included fire hydrants and meter boxes.

The next section was Sewer Collection. John Waters said the blue was the Wastewater rates for the following year and was an increase of 18 1/2% from \$147,897.00 to \$175,347.00 and reflected operating and maintenance. Carol Virden said they were already over budget \$16,000.00 for the Waste Water Treatment Plant. Councilor Miller said employee salary should not be included in the operating costs. John Waters said he had spoken to Dan Higgins with the Village of Ruidoso about cutting the budget. John Waters said he also budgeted for manhole rings as well as spare lift station pumps. He told Mark Lewis to go ahead and purchase the lift station pumps because they had been on the budget for at least two years. He said to go ahead even if it was within this years' budget.

The next section was Other Sewer Departmental. John Waters said that included other loans such as for the Waste Water Treatment Plant and the Agua Fria Bond payment. He said the Agua Fria Bond was a forty-year loan and that the City was just now touching principal. He said the loan amount was \$343,000.00 in its origination and this was only the nineteenth year. He said at the end of forty years there was a balloon payment. The interest rate was 6% and no would refinance the loan.

The next section was Hydrology Services. John Waters said this category included Water Rights settlements.

The next section was Revenues. John Waters said there was \$22,000.00 above what the City was making last year for sewer. That was calculated into the formula. He said we were making \$297,000.00 off of sewer in revenues but he noted it included the Capital Fund that brought it up to approximately \$298,000.00 so we were just breaking even.

The next section was in "O" and was Water and Sewer Projects. John Waters said there was \$725,000.00 to develop of the well. It would provide a chlorinator to be hooked up to the system. Also included was the CDGB project to develop water lines and both were under design. Agua Fria Sanitary Sewer was \$250,000.00 and would take the City all the way up Griffith and pave it after completion. Councilor Hood asked about the figures in blue. John Waters said those were revenue figures. The money was grant money. He said by spring of next year the well should be complete.

The next section was the Water Security Fund. John Waters said that represented water deposits and had to be kept in a separate fund.

The last section was the CDBG. John Waters said this was the well project. John Waters said there was a USDA program he would also be applying for.

John Waters said the Council would need to approve the budget to make it final. The preliminary approval would be on May 29, 2007. That would be submitted to Santa Fe. The big final would come on July 31, 2007.

Meeting adjourned at 6:00 p.m.

Bob A. Miller, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer