

MINUTES OF WORKSHOP OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
WEDNESDAY, SEPTEMBER 3, 2008
3:30 P.M.

The Council of the City of Ruidoso Downs met in a workshop session on September 03, 2008. Mayor pro tem Holman called the meeting to order at 3:30 p.m. and asked Jim Burrow to lead the Pledge of Allegiance. Mayor pro tem Holman asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Hood
Councilor Holman

Councilor Williams
Councilor Olivo

Carol Virden, City Clerk/Treasurer informed Mayor pro tem Holman there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer
W.T. Martin Jr., City Attorney
Mickie Compton

Absent: Tom Armstrong, Mayor

APPROVAL OF AGENDA

Mayor pro tem Holman stated next item on the agenda was approval of the agenda.

Mayor pro tem Holman entertained a motion to approve the agenda.

Councilor Williams moved to approve agenda. Seconded by Councilor Hood.

Roll Call Votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

DISCUSSION

Mayor pro tem Holman stated the purpose of the workshop was Discussion of Need for JPA, if any, for Lincoln County Transit Authority and Possible Alternatives to JPA as well as the Manning or Employment of a Management Position for the Lincoln County Transit Authority.

Mayor pro tem Holman said at this time he would like to introduce Mickie Compton and that she would be conducting the meeting and answering questions.

Mickie Compton said she was the navigator for the Lincoln County Transit. She said at the last council meeting she voiced her opinion as far as the necessity of the JPA. She said she has reviewed it several times and spoken with the NMDOT again and they see no need for it. It would be a choice of Ruidoso Downs. Everything of the accountability issue would be taken care of in the Memorandum of Agreement between Ruidoso Downs and the NMDOT. Regarding the other entities donations to the match money, for which in exchange they will receive service, they will receive monthly reports.

Mickie Compton said she made a copy of the type of reporting system that she developed and said the State has adopted it and that now they require it from all of their transit systems. She said the copies would say 'Carlsbad Transit' on the top.

The first page is the daily Dispatch Summary and includes the number of service hours, total miles for the day, total cash fares, and number of passes. She said we could also go into detail about the number of elderly, handicap, wheelchairs and other riders. Other riders are considered those who are completely ambulatory and ride under no restriction whatsoever. She said they would notice there is a difference between 'wheelchair' and 'handicap'. Wheelchair means exactly what it says, those that require wheelchair assistance. Handicap means anyone requiring a lift to those who are mentally challenged or physically handicapped on a permanent basis. She said sometimes the elderly will bleed over into the wheelchair and handicapped area but will be kept separate from the others and won't be double counted. She said it will give the total riders and then at the top we can have the different programs that we run. In the past she said she ran about five programs under the transit system. This is done monthly and there is a pie chart that was produced that will show them in percentage amount by classification, payment type of the fares, and could be altered in any way, shape, or form that they wish.

There is a Mandatory Inventory Summary that is required and deals with each vehicle that is owned. They want to know how many days and how many hours of service, miles and revenue collected on each vehicle to make sure the vehicles are being utilized in the proper manner.

The next page is a list of passes purchased from individuals for the month and that is how we account for that revenue. She said then you have the Vehicle Dispatch Summary and is a summary from each vehicle.

The Revenue Report is the Daily Report with statistics from each vehicle. This type of summary will be provided not only to this council but the NMDOT, the Village, and the County.

Councilor Olivo asked where these classifications came from? Mickie Compton said these were classifications required by the State. Councilor Olivo asked where they would be able to go? Mickie Compton said they would be able to go anywhere because it is Public Transportation. She said when a lift vehicle is required they do encourage letting them know for the reservation. There are some forms and she said she would show those to the council. Mickie Compton said she believes the vehicle that was donated is not lift-equipped. Carol Virden, City Clerk/Treasurer said she believed it was.

Mickie Compton said these four classifications were mandatory by the State for reporting purposes. She said all drivers would be trained under the ADH Law.

W.T. Martin Jr., City Attorney said under marker 7 you were showing just short of 5000 riders for the Carlsbad Transit System. He asked if anyone had made any potential projections of what would be riders in Lincoln County? Mickie Compton said she projected 15,000 a year. She said to remember that was not by rider, it was by trip. Each one-way trip is counted so a round-trip would be two. Right now she said she is getting between 15 and 20 personal calls per day about when service will be started. W.T. Martin Jr., City Attorney asked what the projected revenues were for 15,000 per year? Mickie Compton said she was basing it on \$1.00 and was put on the grant application that way. She said that does not include the service agreement that they might possibly have, that is revenue that we keep. We report but they do not take it away from us. It is held in a separate account for future match or capital purchases.

Councilor Williams asked what areas were covered in Carlsbad? Mickie Compton said they covered Loving, Carlsbad, and occasionally covered Seven Rivers and did cover Artesia at one point. She said there is a service agreement that when you cross county boundaries you don't really have to have anything but a formal notice from the other counties stating that we wish to come into your county to provide transportation to this point.

Mickie Compton said this was just a sample of the reporting and that it would be very detailed.

Councilor Olivo said his concern was the retirement homes in Ruidoso Downs and that Ruidoso probably have many retirement homes but that Ruidoso Downs would just be putting lots of money out. Mickie Compton said she's received many calls from Ruidoso Downs to provide service into Ruidoso to get to work and that some don't have transportation. She said she's had a few say they need lift-equipped. Our Income Support office has called and said they have work recommendations for people to get to work but they have not access because they are a single-car or no-car family. She said there are a lot of ENMU students that need this service.

Councilor Olivo said there was going to be a warehouse near the Methodist Church for an activity center on Saturdays from 3 to 8 p.m. so kids are going to need transportation down there. He said you're going to charge them a dollar and he didn't think the people in Ruidoso Downs could afford it, a dollar to go and a dollar to come. He said Saturday is the Grand Opening and was hoping there would be transportation for that but he wasn't sure the parents could afford the dollar each way. Councilor Hood said most working families could afford that rather than buying a gallon of gas and paying the insurance premiums. He said to remember they are low-income down here. Mickie Compton said that is the majority of users of public transportation. She said in a future year if they were to apply for Section 5316 which is the WTW and TANF then we could transport those that receive cash assistance as well as food stamps. She said they ride for free and the State pays us to take them. Those are considered JARC, Job Access Reverse Commute, and pay a reduced fare. They do provide \$20.00 a month to individuals for transportation. Mickie

Compton said if you want to lower your fares to fifty cents for children you could. Councilor Olivo said for the seniors on a fixed income, a dollar fare could become expensive.

Councilor Holman said he thought a dollar was a heck of a good deal and when you start to think about driving a vehicle there's tires, battery, and everything a dollar is almost giving people a ride. Mickie Compton said a dollar is a very reasonable fare but she understood that if a family had five children and they all want to go to the same destination it could add up.

Mickie Compton said for the first two years they had an agreement to where if you had more than one person and you're picking them up at the same destination and taking them to the same destination, and they're all minors, then they pay for the first child and the others ride for free. She said that was policy that would be up to council if they chose to do that.

W.T. Martin Jr., City Attorney asked Mickie Compton if she had done an estimation for Lincoln County Transit for the first year of revenues, gross revenues, from all sources and operating costs. He said he was talking government grants, all sources? Mickie Compton said the actual revenue from the grant with the addition of the service agreement she anticipated we would receive she hoped up to \$10,000.00 in service agreement. She said those service agreements remains within the infrastructure for match money. She said she wanted to explain the other revenue coming in and the fare money that is collected. There is an administration and an operation portion of the budget. When people come on and they give a dollar that is called fare revenue. At the end of the month say you have collected \$900 in fare revenue but we have \$10,000 in reimbursement coming back from the State. They are going to take that \$900 off of that \$10,000 reimbursement. It doesn't matter whether we are charging a dollar or five dollars, whatever we collect in fare revenue it comes off of the reimbursement. W.T. Martin Jr., said you are projecting revenue of \$10,000 from grants. Mickie Compton said service agreements. W.T. Martin Jr. said \$15,000 from service agreements for fares and then unless something has changed you have a commitment of \$75,000 but theoretically we have \$100,000 in operating budget. Mickie Compton said yes and that isn't counting the federal money. She said on the federal they have given us on the 5317 \$150,000 for operations money. This is the first year that operations money was available with that grant. She said she feels certain that within the first year and we haven't ordered the vehicles yet which she's spoken at length with NMDOT about that, it may take three months to get the vehicles in. So, until then we will be using the one van that we have and possibly we could acquire the use of one or two more during different times of the day. We could then begin our statistics but wouldn't be in full force.

W.T. Martin Jr., City Attorney said in speaking for the council the concern was that we may find ourselves in a situation where we have not only contributed the \$25,000 but because of operating expense we might find ourselves spending \$50,000 or more. He said one of the things they really want to understand in this workshop is "do we have exposure over and above the \$25,000 that we would put in along with the other local governments?" Mickie Compton said she didn't see that happening because the expenses are handled on a monthly basis and if there are three entities that are divided equally then whenever it comes down to say the rent it would be divided equally. W.T. Martin Jr. asked how could we guarantee that after receiving the \$25,000 from the other

entities that we would receive that money for the rent? Mickie Compton said the best-case scenario would be that the Village and the County produce a \$25,000 check to the Downs and along with the \$25,000 of the Downs and that it be kept in an operating account and that is where the expenses come out of.

Carol Virden, City Clerk/Treasurer said her understanding was that once we invoice them for the \$25,000 and they commit it in their budget they would then turn it over to the City of Ruidoso Downs to put in the general fund to operate the Lincoln County Transit. From that \$75,000 should you find a building or wherever we put you the rent will come out of that. There will not be any asking the other entities for additional funding. Mickie Compton said she asked for a budget from the NMDOT and they give us the money. However, she said she also does an operating budget. Carol Virden, City Clerk/Treasurer said the funding from NMDOT is on a reimbursement type basis through invoices. Mickie Compton said she is very familiar with the bookkeeping system because she created it and would be able to report back precisely on expenses and reimbursements. Carol Virden, City Clerk/Treasurer said everything is 80/20. Mickie Compton that was correct except for operations and that was 50%.

Mickie Compton said we were able to buy two vehicles because one came under the 5317 and one from 5311. When we pick the van we want we will do a purchase order for it and that we should stick with the design that the Senior Center has with it being a 14-passenger with a lift. She said it would take almost four months to get it. Councilor Hood asked what the gas mileage was for these types of vehicles? Mickie Compton said depending on the terrain it is between 12 to 15 miles per gallon.

Mickie Compton said the NMDOT said they would at anytime be happy to meet with this council or a combination of the entities to discuss this process. She said she asked them if there would be funding in the future? Their reply was to assure us that through 2015 they were comfortable in telling us that funding would be available. Carol Virden, City Clerk/Treasurer asked if the funding dried up what would happen to those employees? Mickie Compton said it would depend on how we would handle those employees within the city. Her suggestion was to handle all the drivers as part-time employees and they would be on-call. She suggested the only full-time employee should be the clerk and would have to work 2080 hours a year. She would, as manager train the clerk in operations to fill in during her absence should there be any.

Councilor Williams asked Mickie Compton how many vehicles she would like to get to? Mickie Compton said she would like to do it in three stages. The first year we could cover Ruidoso, Ruidoso Downs, and possibly two round-trips to Capitan. We could certainly utilize one vehicle if not three. Councilor Williams asked if while she was managing the transit system in Carlsbad if she made an agreement with and fuel company to provide fuel with a lower cost? She said yes and they got a discount rate.

Mayor pro tem Holman said there were two members from the public here and asked if they had any questions?

Jim Burrow asked if the City of Ruidoso Downs wanted to pull out of this how could they do that? Mickie Compton said you would have to provide a written 30-day notice to NMDOT and state the reason and then the financial expenses and revenues reporting would be completed up to a certain date. Any capital equipment that is under 5 years old and a vehicle with less than 100,000 miles on it, that equipment would have to be returned to the State. Jim Burrow asked if she had done anything about finding a building to operate out of? She said she has spoken to Paul Ragland and is open to discuss sharing his office. Dean Holman, Mayor pro tem asked what if the NMDOT didn't accept our withdrawal? Mickie Compton said she has never experienced that. Dean Holman, Mayor pro tem said we would need to know that. Mickie Compton said it actually goes both ways when you sign the MOA. She said probably what would happen is they would see if there was any way they could help us, maybe with more funding. They don't like to see a system go under. Dean Holman, Mayor pro tem said he would like to see our attorney explore all of the exit avenues for us. Jim Burrow asked if she had thought about including Mescalero in the route? Mickie Compton said they have already been included in the grant as a service area. We could include them just as we would Capitán by having two round-trips a day. She said Paul Ragland has some form of contract with the Mescalero's going from the Mescalero Reservation and bringing employees to the Inn and the Travel Center. Carol Virden, City Clerk/Treasurer asked if we would be competing with a private industry on that? Mickie Compton said she would suggest putting them on the route and plan on going by there every half hour or hour or they could do a special service agreement with us. Councilor Hood asked if there would ever be a chance of the Mescalero's contributing money to us? Mickie Compton said absolutely and we would plan on pursuing that but we will take baby steps the first year. Councilor Hood asked what our service hours would be? Mickie Compton said that would be up to the council. Jim Burrow said he noticed last weekend there were lots of cars at the racetrack. How would it be handled to take people to and from the racetrack? Mickie Compton said she would notify all of the other transport companies that we were available. She said we could send a van out there and take on passengers but we cannot have a van out there to just sit.

Wayne Williams said he has some concerns and right now wasn't sure if he was for or against the transit system. He said out of all the areas that will be serviced by this it appears the Downs will be the least benefited by it. He said what he sees right now is the headaches are just not worth it. He said Mickie Compton seems to be the only one qualified to manage this thing and she has said she would operate under a contract. He asked how much? Mickie Compton the budget for 2009-2010 shows the transit manager's annual salary would be \$29,818 and would not include city benefits. She said she wanted to explain this really well. Say the federal government gave \$100,000 for the administration portion, which would cover clerk, manager, fleet insurance, office supplies, rent, utilities for the year. At the end of the year they are going to cover 80% of that \$100,000. All that the three entities would be responsible for would be \$20,000 and that's out of the \$75,000. Wayne Williams asked if the \$25,000 from each entity would be every year? Mickie Compton said it has to go before each entity every year because the grant has to be renewed every year. She said she would go to the Village and the County each year with the budget for review. Wayne Williams said so, \$15,000 in fares is being brought in and this is being supported by the three entities. Carol Virden, City Clerk/Treasurer said there would be a possibility that next year the County and/or the Village may say no. Mickie Compton said the Downs couldn't support it

on their own. Wayne Williams said he didn't see that it was needed for the Downs right now and maybe the others do. He asked again if it was worth the headache? He said if the slightest thing goes wrong you know where the citizens are going to be. They'll be here at the city council meetings. Mickie Compton said this would open up opportunities for many people to do things. Wayne Williams asked if there wasn't a driver already for the senior citizens? Councilor Hood said there was but they couldn't take care of everybody. Mickie Compton asked how many rides they do a day? Councilor Hood said about three a day. Mickie Compton said the whole idea was to improve the quality of life for all citizens in the Downs, the Village, and the County. She said it would improve for the parents, the children, the elderly, economics, environmental issues, and traffic. Wayne Williams said assuming all of that is correct why is the Downs the one taking the responsibility for it? He said the Village of Ruidoso probably has a budget five times as big as ours. Councilor Olivo said he agrees with Wayne and why should we be the principal agent? Mickie Compton said in the beginning when this program was considered and she had the first meeting, they came from everywhere, the county, Corona, Hondo, the Village, and Ruidoso Downs. She said John Waters had already made an encouraging proposal to get this ball rolling. When she was asked to make the first grant application it was to be made with the Downs. She said that's how it started and in the meantime John Waters is no longer with the Downs and is no longer a part of this program.

Carol Virden, City Clerk/Treasurer said the previous administration did adopt a resolution approving that the City of Ruidoso Downs be the fiscal agent for the Lincoln County Transit.

Councilor Williams said that today Mickie Compton has given us nothing but safeguards about this program and shown us the effectiveness of this program. He said she has shown us that the liability is with the City if anything. He said he is getting complaints that financially we are going to go bankrupt and that this is not a service to our community. He said Ruidoso Downs has an opportunity to step out of the shadows of these other communities to show that we are responsible, that we can take something like this and make it work. With the progressive thoughts and backing we can make this work he said. He said he didn't see a problem and that this would benefit everybody. We shouldn't just close our boundaries; we should be a progressive player. He said he feels comfortable with it, we've been reassured that the funding is there and should it come back next year and the funding is not there then we can say we can't do this. He said we should give it a year to try and in a year we can check it again. Councilor Williams said he has no doubt this will be a successful venture.

W.T. Martin Jr. said on the clerk/dispatcher, it would be a full-time employee of the City. He asked if we would also get the 80/20 split on that? Mickie Compton said yes. He asked if that would also apply to the benefit package? Mickie Compton said she calculated for 2009-10 that for the clerk's annual salary would be \$18,741 and 7.65% of that would be FICA of \$1,433.69 and we would only be responsible for 20% of that. She calculated PERA at 7% for \$1,311.87 and we would only be responsible for 20% of that. On the insurance she said she always goes to the highest rate even though they may not want insurance or they may just want it for one. She calculated it at the highest premium at \$15,409 a year and 90% of that would be the health insurance so that would be \$13,868 and we would only be responsible for 20% of that. She said a total of the benefit package

for the clerk would be \$16,622.86 for the year and the three entities would only be responsible for 20% of that. W.T. Martin Jr. said that 20% would be split three ways.

Councilor Olivo asked what Mickie Compton wanted to do about the cover for the vehicles? She said she wanted that to eventually be on the ICIP because if it's on there she can do a grant for it. Councilor Olivo said we couldn't even afford to cover our own. He asked if we were going to have any problems with OSHA? Mickie Compton said they would have to be OSHA certified. Councilor Olivo asked who would be in charge of maintenance of the vans because we only have one mechanic? Mickie Compton said we could go to any commercial facility and the only advantage to using the city mechanic is time. She said we could take the city mechanic's wage and charge that to the State.

Carol Virden, City Clerk/Treasurer asked what the turn around was on reimbursement from the State? Mickie Compton said every thirty days. Mayor pro tem Holman asked how much on the maintenance? Mickie Compton said that was 50/50. She said operations are 50/50 and administration is 80/20.

Mickie Compton asked the council to look at the General Application and Program Year Timeline. It shows what is due and when it is due and was a very good form. She was advised by Dave Harris, Dept. Chief at NMDOT to make sure that we were made aware of the 5311 funding distribution index that will be implemented in the fiscal year 2010 because your fiscal year 2009 data will not be available for the fiscal year 2010 award. She said we aren't going to have twelve months worth of ridership or fuel consumption data available for a performance-base award.

Carol Virden, City Clerk/Treasurer asked if the council chose not to enter into a Joint Powers Agreement what would happen with the other people, the Lincoln County Authority? Mickie Compton said they would become a part of the advisory board. She said transit should be considered a part of the infrastructure of the City of Ruidoso Downs. Carol Virden said if we were just the fiscal agent we would just be monitoring what she was doing and that she would have to follow the same rules for everything and we would be the advisory board. Mickie Compton said that was correct. Carol Virden said it would be a department to run within the General Fund.

Councilor Olivo said we should change the name to Ruidoso Downs Transit if no one else wants to step up as the primary entity. Mickie Compton said that would be up to the council and you could name it anything you want.

Carol Virden, City Clerk/Treasurer asked how we were going to handle the management under a contract? W.T. Martin Jr. said he could put together a contract real quick and it wouldn't be a problem. Carol Virden asked if it should be placed on the council agenda for consideration? Councilor Hood and Mayor pro tem Holman said yes.

ADJOURNMENT

Mayor pro tem Holman entertained a motion to adjourn.

Councilor Williams moved to adjourn at 5:34 p.m. Seconded by Councilor Olivo. All were in favor and motion passed.

Dean Holman, Mayor pro tem

ATTEST:

Carol Virden, City Clerk/Treasurer