

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
REGULAR MEETING
JANUARY 25, 2010
5:30 P.M.

The Council of the City of Ruidoso Downs met in regular session on January 25, 2010. Mayor Armstrong called the meeting to order at 5:30 p.m. and asked Jay Smith to lead the Pledge of Allegiance. Mayor Armstrong 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 Armstrong there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer
Terri Mosley, Finance Director
Cleatus Richards, Public Works Director
Steve Dunigan, Planning & Zoning Director
A.C. Ortiz, Chief of Police
Justin Shaw, Fire Chief
Jay Smith, Museum Director

APPROVAL OF AGENDA

Mayor Armstrong stated next item on the agenda was approval of the agenda.

Mayor Armstrong said there were a couple of corrections on the agenda. He said March 2, 2004 needed to be corrected and taking off the name of Margie Morales.

Mayor Armstrong entertained a motion to approve the agenda with those corrections

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

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF CONSENT AGENDA

Mayor Armstrong stated next item on the agenda was approval of the Consent Agenda.

Mayor Armstrong entertained a motion to approve the Consent Agenda.

Councilor Olivo moved to approve the Consent Agenda with the correction of the previous minutes of January 11, 2010 on page 9 under Public Input. He said it states the museum has been operating with \$106,000 and that should be \$150,000 for the past six months.

Councilor Williams asked if they could read the Committee Reports. He said he wanted to pull them off the Consent Agenda so they could read them so the public would know about them.

Motion was seconded by Councilor Holman with the changes.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 11, 2010.

Motion was made by Councilor Olivo to approve the Minutes of Regular Meeting of January 11, 2010. Seconded by Councilor Holman.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF ACCOUNTS PAYABLES

Motion was made by Councilor Olivo and seconded by Councilor Holman to approve Accounts Payables.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF MONTHLY REPORTS

Motion was made by Councilor Olivo and seconded by Councilor Holman to approve Monthly Reports.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

COMMITTEE REPORTS

Mayor Armstrong stated next item on the agenda was Committee Reports.

Councilor Williams said he wanted to make everyone aware that on March 27, 2010 the Great American Cleanup would be organized from the Senior Center and they would encourage any volunteers to come out and participate in this citywide cleanup. They were going to also going to try to get a recycling event at the All American Park for anyone that would want to bring in big items and recyclables and coordinate that with Lincoln County Solid Waste. He said also with the new sidewalk in place the committee was considering purchasing two trash receptacles to be placed along the route.

Councilor Williams said the Economic Development Board sent a letter of support for the Ruidoso Downs Racetrack that was signed by all the committee members and was sent and approved by the city attorney Mr. Underwood. It was sent to all the Senators and Representatives for the state during their session. He said the City is being supported by the Economic Development Board on this important issue.

Steve Dunigan, Planning and Zoning Director said the commission continues to do a review of the Zoning and Land Use Articles. He said they are going to hold a Public Hearing, one of several, on their recommended Emergency 911 Addressing changes. He said he would invite everyone who could possibly make it on February 2nd and to come to the council chambers here. It is a very important project and they have been working on it for well over a year and it does affect virtually everyone in Ruidoso Downs. It will be at 5:30. He said they did have a meeting with Dr. Jim Miller with his presentation for Alternative Energy Sources. He said it was very informative.

Paul van Gulick said it was a great presentation and that Mayor Armstrong and Councilor Williams was there and it was a joint meeting with the Economic Development Board and Planning and Zoning Commission. He said it was a real eye opener. There is a lot going on and some of that should be brought to our fair City. He said it would be good to have a full presentation at one of the Council meetings.

Mayor Armstrong said it was a very enlightening meeting with both of the committees and Dr. Jim Miller had a lot of thoughts and it looks like there are a lot of opportunities for the residents of Ruidoso Downs to be a part of that.

Mayor Armstrong entertained a motion to approve the Committee Reports.

Councilor Williams moved to approve the Committee Reports. Seconded by Councilor Olivo.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

UNFINISHED BUSINESS

Mayor Armstrong stated next item on the agenda was to Unfinished Business.

There was no Unfinished Business.

OTHER BUSINESS (items are for discussion only-no action will be taken)

Mayor Armstrong stated next item on the agenda was Other Business and no action would be taken.

Mayor Armstrong asked if there was any Other Business and the first item was Report on RWWTP Construction Phase 1B.

Cleatus Richards, Public Works Director said during the December 14th meeting they acted on two change proposals for Phase 1B of the Wastewater Treatment Plant for delays on Phase 1A. The Village Council finally acted those items on during their Special meeting of January 14th. Construction is moving but weather is delaying quite a bit but he said he was thankful they took the lump sum option because this last snowstorm would severely impact the progress and there was going to be another snowstorm this week. He said they had been provided with the monthly package provided by Molzen-Corbin showing the progress on Phase 1B. He said with the change proposals it had pushed final construction to finish and completion to March 2010. He said they would still be in good shape because they made good decisions on handling those delays.

Mayor Armstrong stated next item on the agenda was Update on Village of Ruidoso Stakeholder Proposal WWTP.

Mayor Armstrong said the Village of Ruidoso has prepared their Stakeholders Proposal and that we have looked at it. Last Friday there was a JUB meeting at which they viewed their Power Point presentation. In that meeting it was determined that Ned Kendrick's was in two meetings back to provide guidance on where we were at today with the Wastewater Treatment Plant. He was supposed to show how the JUB was established in the first place and he never brought that back. He said Ned was charged again by the full JUB to look at it as to why and how it was established and how to improve it. That was the main topic on our side and we gave our opinion on the Stakeholders Proposal at that time and were waiting on a response. He said he was not very pleased with their proposal.

Councilor Holman said he was pleased and the stand that the mayor and Carol Virden took and that it was the appropriate stance and insisting that Ned Kendrick's go back to his original directives and that was to look at the Joint Use Board and how it was set up now and he had not done that. He said anything the Village proposes should be carefully considered and look at what they have to offer. He said with what he had read, and he did not have a chance to read all of it, but it looked like another attempt that the control of the Joint Use Board and the Wastewater Treatment Plant shares and to be reflective of the number of members which would take all of the control from the City of Ruidoso Downs and place it with the Village of Ruidoso. He said he didn't think they should even consider an authority different than the board they have now. An authority would give complete control to an entity that the Village and the City both would be at their control. They would have the authority to raise taxes and we wouldn't have recourse.

Mayor Armstrong stated the next item on the agenda was Update on City of Ruidoso Downs Projects. He said he would like to thank Public Works for their work on the snow removal and they did a very good job.

Cleatus Richards, Public Works Director said in the parks the abandoned building in the upper level of Riverside Park has now been torn down and that Paul with Sierra Contracting was providing them with a roll off to dispose of the debris from that building. They were also starting to work on erosion control. There is a huge washed out canyon headed directly to the park. He said they are trying to infill that and lay some drainage pipes to control the run off in the future. They have repaired the fencing in the ball field and the chain closures for the gates. The electric hand dryers are being installed in the All American Park bathrooms. This will make for a much cleaner restroom. The Joint Use Board has approved stream Dynamics and it will be a six-month process before they get final recommendations and schedule cost for Riverside Park. Work is progressing with streets on West Drive and Highway 70. All the curb and gutter on West Drive, the ground has been frozen. The contractor needs to do grading and that won't be possible with frozen ground so that work will be extended for three to four weeks because it needs to be dried out considerably before work can continue. Highway 70 is moving along well and they have most of the sidewalk poured. They are starting to stand up the light poles and the wiring reworked. In the water area they did discover a major water break in the Agua Fria area back on private property. He said our crews have been walking the water lines for about a month because the tanks have not been filling at the rate they should have been. We knew we had a leak and they think they found it. He said he didn't know how much water had been lost but he was glad they stayed on it and found it. He said they have a power outage and fluctuation at the springs. They had one occasion where the water had been overflowing and running down the street from the Springhouse and the power company was working with them by putting a monitor on the line. On the sewer Dennis Engineering was about to finish their study and he was hoping it would be coming

in this month for the Agua Fria sewer system and ideas on phasing. There is a small amount of money and hopefully they will be able to get a small project started. They are asking for special appropriations through Tom Udall's office for both water and sewer lines in the Agua Fria area. On the FEMA project Wilson and Company has completed the construction plans and we do have the Corp of Engineers approval now on the bidding documents. We are waiting on the Environment Department review and as soon as that is completed, hopefully within the next week, we'll be ready to go to bid on both bridges and the Highlands Lane phase of the project. He said today he received approval on the six-month extension that he requested for those projects.

NEW BUSINESS

Mayor Armstrong stated next item on the agenda was New Business-Dan Austin CPA-Presentation of City of Ruidoso Downs Audit 2008-2009.

Dan Austin CPA said the City of Ruidoso Downs was in good shape. He said they completed the audit and held the exit conference somewhere around December 1st and submitted it to the State Auditor on time. They reviewed the report and sent out their approval on December 31st. If anyone was interested in viewing that audit report it was posted on the State Auditor's web page and they also provided the staff with a pdf form of that and could be posted on the City's web page. He said there was a little bit of a change on their reports this year because of the fact that they had in excess of \$500,000 of federal funds and because of that they had to expand their scope of their audit to include a single audit. That is an audit of those federal funds.

Dan Austin called their attention to page 6 & 7. He said this was his opinion on the financial statement and was his qualified opinion that the financial statements included in the document are fairly stated.

On page 9 of the report it shows that the total assets decreased from \$22,032,000.00 to \$21,960,000.00 and our cash position decreased from \$6,483,000.00 to \$5,373,000.00. They spent a lot of money on capital projects and they had some debt service around \$1,400,000.00 from the year before so that's the big change in the cash balance. The total net assets increased from \$1,917,000.00 to \$19,024,000.00.

On page 10 of the report on the comparative statement of changes in net assets. On the far right hand column the net increase was \$106,494.00 as opposed to \$1,464,000.00 for the year before. That's a big decrease but there was that large grant from the year before. On page 14 is the balance sheet of the General Fund, which is the normal operating account. The cash position in the General Fund at the end of the year was \$1,619,000.00 and Accounts Receivable was \$483,000.00. The total liability was \$62,000.00, which left the net fund balance in the General Fund at the end of the year at \$2,040,000.00. He said there

were other columns that broke out the special revenue funds and debt service funds and the operating funds were on some were non-proprietary which meant it did include the water and sewer funds. There was \$3,061,000.00 in cash and \$765,000.00 in various receivables. Inventory was \$109,000.00 and that inventory was basically over at the museum. Total liabilities were \$985,000.00 in the fund balance and equity was \$2,950,000.00. He said he wanted to call their attention to page 16. In the General Fund toward the end the net change in the fund balance was a negative of \$78,845.00. Just up from that the General Fund produced a positive number of \$27,999.00 but they had transferred \$106,000.00 out into various funds out of the General Fund.

On page 18 of the Budget he said the original budget of revenues of \$3,413,000.00 and then they made various budget adjustments and that made the final budget down to \$3,172,000.00 He said he had always had an argument about the accounting process when they adjust the budget numbers to actual. He said he often wondered if that really means a whole lot. He said he gets no variances in those budgeted numbers. He said he didn't particularly like that process but that is what they have been doing for a number of years. He said although all of the numbers adjusted to those figures he suggested they might want to look at that process because he didn't think that budget process means as much as it should from a manager's standpoint. When they decide on the presentation he is required to go through the process to determine which funds are what is called "major funds" and the last couple of years one has been the museum fund. The museum fund generated \$710,000.00 in revenues and expenditures were \$993,000.00 and there were \$189,000.00 transferred in from various funds from the General Fund-Lodgers' Tax Fund resulting in a net negative fund of \$93,589.00 in that fund on a cash basis.

On page 21 the water and sewer combined operations total revenues generated were \$973,000.00 and operating expenses were \$1,000,053.00 resulting in an operating loss of \$80,003.00 with various non-operating revenues and expenses, grants and such that end up with a loss of \$107,984.00. There were some transfers in from other funds, which resulted in an actual positive number for that fund of \$45,676.00 and the net assets resulting in \$7,298,000.00.

On page 66 one of the things were a finding on the fact that some of the funds may not insured by the FDIC. He said that changed this year because they raised the FDIC insurance limits but during that process last year they had asked Compass Bank to maybe issue them a Letter of Credit. The schedule lists all of the accounts and on the far right it showed we were over-pledged and the bank had over-pledged \$3,979,000.00. If the bank were to fail they would be covered with that Letter of Credit would cover any losses and deposits in the bank.

On page 67 there was a new report added and it was a schedule of Legislative Grants and was a listing of Legislative Grants that they had accessed during the year. The total was \$3,965,000.00 with spending \$2,412,000.00 and there was \$1,530,000.00 of those grant funds left.

On page 68 was his report on Internal Control and on page 69 he pointed out there were two audit findings. On page 70 & 71 was the new report on Compliance on the two federal grant funds. One of those was the Department of Homeland Security and they are required to do that if they spent in excess of \$500,000.00. If it had not been for the FEMA grant they probably wouldn't have had to do this but they spent \$32,000.00. So, there was that and then the Community Development Block Grant for the water/sewer treatment plant and they spent \$484,255.00 there. He said his report states that we were in material compliance with that.

On page 73 and 74 have a few audit findings and one of them was a repeat of last. He is required to put a finding in if we do not have somebody on staff with the technical capabilities to prepare this document. The other finding he had was over at the museum and he looked at inventory. He said what the staff does and inventory and he tested it. He found that some of the items in the inventory were old and had been there for a long time. He said he has asked staff to look at that inventory and try to determine a fair value.

Dan Austin DPA said that was his report and asked if there were any questions?

Councilor Williams said on page 10 he had a question on Governmental Funds. He quoted, "most of the changes for city government funds are the decrease of the fund balance in the General Fund of \$78,845.00 result in the decrease of taxes."

Dan Austin CPA said there might have been some of that but you have to look at it that the expenditures may have been more or less. When you are looking at this document there may be a lot of numbers that you may not understand. He said he used three types of accounting methods. He said when he starts he hopes to get from Terri when he starts this process is a true cash basis budgetary financial statements and then they convert that to a modified accrual basis and then they convert it into a consolidated set of financial statements as a whole.

Mayor Armstrong stated the next item on the agenda Consider Approving City of Ruidoso Downs Audit 2008-2009.

Mayor Armstrong entertained a motion to approve City of Ruidoso Downs Audit 2008-2009.

Councilor Olivo moved to approve City of Ruidoso Downs Audit 2008-2009. Seconded by Councilor Holman.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong stated next item on the agenda was Consider Approving Resolution No. 2010–01 Mid Year Budget Adjustments for FY 09-10.

Councilor Williams moved to approve Resolution No. 2010-01 Mid Year Budget Adjustments for FY 09-10. Seconded by Councilor Holman.

Councilor Williams asked that Terri Mosley, Finance Director speak about the adjustments.

Terri Mosley, Finance Director said she wanted to point out that the report does include the adjustments that were approved last September. Because of that she included the final page, which is the budget journal entry for December only. There was only money moved within departments so there weren't any increases on expenditures for this budget.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong stated next item on the agenda was Consider Approving to Reject Bid No. 10-002 New Facilities Hubbard Museum.

Mayor Armstrong entertained a motion to approve to reject Bid No. 10-002 New Facilities Hubbard Museum.

Councilor Olivo moved to approve to reject Bid No. 10-002 New Facilities Hubbard Museum. Seconded by Councilor Williams.

Councilor Williams said he would like to have a presentation as to why we were rejecting the bid.

Terri Mosley, Finance Director said they had two bids and both came in higher than the budgeted amount for the project by over than 10% so they do need to reject it.

Jay Smith, Museum Director said he concurred with Terri's opinion and they need to move with deliberate speed to get a new bid proposal out as there is a time constraint related to the development grant. He said he was in the process of getting an extension and it is very

difficult in this particular program. They can go back very easily and do a phasing of this project and he said that was probably the most comfortable for the city staff.

Carol Virden, City Clerk/Treasurer asked Jay that when he asked for an extension he asked for an extension from the Housing and Urban Development Authority? Jay confirmed that was correct.

Councilor Williams said he saw the two bids and they were extremely above the numbers. He said he didn't know what they could do on the phases.

Jay Smith, Museum Director said it was a storage building that they raised money for from a variety of other grants so they could make it a more multi-purpose facility. Perhaps what they will do is remove a portion of the exhibit area or remove a portion of the programming area. He said right now they are paying a fee for storing certain pieces of equipment so they need to get this done as soon as possible. He said they are willing to compromise in order to get the project done.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong stated next item on the agenda was Consider Approving Precinct Board/Absentee Board/Translator and Alternate Precinct Workers for 2010 March 2, 2010 Municipal Elections.

Mayor Armstrong entertained a motion to approve Precinct Board/Absentee Board/Translator and Alternate Precinct Workers for 2010 March 2, 2010 Municipal Elections.

Councilor Williams move to approve Precinct Board/Absentee Board/Translator and Alternate Precinct Workers for 2010 march 2, 2010 Municipal Elections. Seconded by Councilor Olivo.

Carol Virden, City Clerk/Treasurer said the governing body of the City of Ruidoso Downs was subject to the laws pursuant to Section 3-819C and Section 3-9-9-9 of the Election Handbook. The governing body does have to appoint a Precinct Board and a translator for each polling place and also an Absentee Voter Board. The presiding judge that the council has approved is Peggy Burton. The Elections Clerks will be Faye Randolph, Ursula Eckersley and the translator will be Fay Randolph. The Alternate Elections Clerk will be Arden Eckersley. The Absentee Voter Precinct Board are of the same. She said she was asking that the Council with the submission of the names that the compensation of \$150.00 for the Precinct Board and a \$20.00 standby for the alternate as well.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong stated next item on the agenda was Consider Approving Personnel Recommendation-Department-LCT-Position-Part-Time/On Call Driver.

Mayor Armstrong entertained a motion to approve Personnel Recommendation for the Department-LCT position for a part-time/on call driver.

Councilor Williams moved to approve Personnel Recommendation for the Department-LCT position for a part-time/on call driver. Seconded by Councilor Hood.

Councilor Williams said they approved a driver at the last meeting and asked if this was another one or if they lost a driver?

Mayor Armstrong said he was not sure if they lost another driver but they did just add two more vans.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong stated next item on the agenda was Consider Approving Personnel Recommendation-Department-Street-Position-Street Maintenance Worker.

Mayor Armstrong entertained a motion to approve Personnel Recommendation for the Department-Street position for a Street Maintenance worker.

Councilor Olivo moved to approve Personnel Recommendation for the Department-Street position for a Street Maintenance worker. Seconded by Councilor Holman.

Councilor Williams asked the Public Works Director how many employees there were in the Public Works section?

Cleatus Richards, Public Works Director said there were 15 counting himself.

Mayor Armstrong said he believed this was a position that was already there and they transferred to another department and they were filling that.

Councilor Williams asked if this was a budgeted item?

Carol Virden, City Clerk/Treasurer said it was.

Councilor Hood said he was also going to ask that because they need to look at the budget because the gross receipts were down for November and December. He said the way it looks with all of the reports back from the State of New Mexico we better buckle down.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

Mayor Armstrong asked Cleatus Richards to have this employee at the next Council meeting so the councilors and public could know this person.

PUBLIC INPUT

(All concerns to be addressed only to the Governing Body as a Whole with a 3-minute Time Limit)

Mayor Armstrong stated next item on the agenda was Public Input.

Jim Burrow said that Cleatus, the Chief, the Fire Department, and anybody else needs to come to the Public Hearing for the addressing. He said it was going to be a real wide awakening of all of the street numbers, signs, and we're going to have to have all kinds of help. He said he would like to see this done for the emergency for more than anything else we have here. He said he has noticed driving around town that a lot of the houses do not have numbers on them and those that do have numbers on them you can't see from the street and a lot of our streets don't have names on them. For emergency police and fire department especially it's important. He said he would like to see the City Council and the utility clerk and all of them get together on this. He said Steve has worked on this real hard and it's very important that we have this done. He said he was hoping that the electric company and gas company would be involved too.

Joe Blaney said he heard last week that there was going to be a meeting of the candidates put on by the Chamber of Commerce and that it was very generous for this reputable organization to do this. He said, "imagine my surprise when I opened the door Wednesday morning and found out that these candidate had not only been moved but now had nothing to do with the Chamber of Commerce. Imagine my further surprise when after some investigating on my part I found out that the Chamber of Commerce offer was indeed in place and had been scheduled. But, they had been told that their services would not be needed because the candidates. Let me say that again. The candidates and a few citizens wanted to do it a different way. As a candidate in this election I would like to apologize to the Chamber of Commerce that they were made to believe that there would have been an honest and above board event. He said he would like to ask the other candidates in the election which ones were contacted about this

change in venue. No one contacted me. Because of my investigation into this matter I feel I know so I would just like to know what the other candidates know about this prior to the change.”

ADJOURNMENT

There being no further business to attend to Mayor Armstrong entertained a motion to adjourn.

Councilor Williams moved to adjourn at 6:58 p.m. Seconded by Councilor Hood.

All were in favor and motion passed.

Tom E. Armstrong, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer