

MINUTES OF THE CITY COUNCIL  
OF THE CITY OF RUIDOSO DOWNS  
CITY COUNCIL CHAMBERS  
SPECIAL MEETING  
DECEMBER 30, 2010  
2:00 P.M.

The Council of the City of Ruidoso Downs met in special session on December 30, 2010. Mayor Armstrong called the meeting to order at 2:00 p.m. and asked Jim Kofakis to lead the Pledge of Allegiance. Mayor Armstrong asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Olivo  
Councilor Holman

Councilor Williams  
Councilor Hood

Carol Virden, City Clerk/Treasurer informed Mayor Armstrong there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer  
Terri Mosley, Finance Director  
Jim Kofakis, Interim Museum Director  
H. John Underwood, City Attorney  
Robert Donaldson, Hubbard Museum Foundation

CONSIDER APPROVING Hubbard Museum of the American West Operating Agreement Between the New Mexico Department of Cultural Affairs and the City of Ruidoso Downs.

H. John Underwood, City Attorney stated they have finally negotiated an agreement that they have been working on since September. It is signed by Cabinet Secretary Stewart Ashman and by his legal counsel. It provides for the assets of the Hubbard Museum, the cultural assets, and the land and building will be transferred to the State of New Mexico. They will become responsible for the expenses and maintenance. He said that was off the City's back now. They will put that into their fund to budget annually \$182,000.00. That will pay for repairs to the museum and conservation. He said the most important thing is that the City will maintain the operation of the museum. What we're getting here is the opportunity to turn over sizeable assets to the State and we will no longer have the financial obligation for those assets and we will receive funding of \$182,000.00 per year.

Robert Donaldson, Executive Director of the Hubbard Foundation said there is no question in the mind of those from the Hubbard Foundation and the Hubbard's

themselves that this is a great step forward for the City and the Museum and for Lincoln County. It is another step forward in perpetuating the museum for the future. He said at one point the governor talked about some stimulus money but we didn't get there fast enough. It was originally the Hubbard Foundation of R.D. and Joan Dale Hubbard that gifted you the museum for the sum of \$1.5 million. In helping to get this new partnership off to a good start the Hubbard Foundation will step in by contributing an additional \$100,000.00 a year for the operation of the museum for the next three years. Robert Donaldson said as he read the agreement with the State the \$182,000.00 was sort of the bottom and that it would not be less than \$182,000.00.

Robert Donaldson said he was also President of the Hubbard Museum Foundation and wanted to let them know that they would continue their efforts to raise funds to do the things they have done in contributing to the expanding the facilities. They have funds to build on top and they have funds committed for the HVAC system which will bring them into the necessary conditions to utilize the facility and traveling exhibits. They will continue with that kind of support and will build on what Jay and Jim have done over the last several years and in building the clientele. The more people coming in the more money and that would help them continue to do more things for the museum.

H. John Underwood said if the State at anytime was not able to come up with the funding the assets would revert back to the City of Ruidoso Downs. Each year would be contingent. He said he would be at the legislature this year and will be working through the issues tomorrow night. Secretary Ashman asked them to get this completed before the end of the year so the new Secretary of Cultural Affairs. The \$182,000.00 was based on the assets in receipt from the City to the State in return. It is all contingent on getting that funding as well as each year will be contingent on getting the funding. If the funding does not come the assets will return to the City. So long as we can get it funded by the State of New Mexico, and Secretary Ashman thinks it's a good opportunity to do that within the budget that's currently up for the Cultural Affairs so it would make it important for the City of Ruidoso Downs, the Hubbard Foundation, and the Hubbard Museum Foundation to sit down with the Cultural Affairs people and explain to them why this is a good deal and then to make our presentations to the Legislative Finance Committee to get this funded.

Robert Donaldson said if reference to the contingency their \$100,000.00 would also depend on the State funding. It makes little sense that they wouldn't accept this. He said the Hubbard Museum Foundation only exists to raise funds for the museum.

Councilor Holman asked if the City employees were going to become State employees?

H. John Underwood, City Attorney said they would be City employees and paid by the City because the City will operate the museum.

Robert Donaldson said the assets in the museum are not necessarily liquid assets because there are agreements on some of them. The materials from the Ann Stradling gift revert back to the Ann Stradling people. What you have is an asset that you control but you don't have absolute control but it has operational expense. By transferring this over to the State they are essentially taking over the cost of those assets and removing that. From an accounting standpoint you end up in a much better situation. Robert said in visiting with Jim that he has done really well in cutting the budget and trimming the fat so that within three years they should be looking pretty decent.

Councilor Hood asked if this would hurt their relationship with the Smithsonian?

H. John Underwood said no and it would probably strengthen it.

Jim Kofakis, Interim Museum Director said it should in fact strengthen the relationship. He said some of the fundraising dollars were earmarked to upgrade the HVAC system and that the environment controls now are such that it needs improving.

Councilor Holman said Robert was just talking about a break-even situation and that was almost unheard of for museums. He asked if they see that goal being in better shape with the State stepping in? He said with the State stepping in he sees more advertising.

Jim Kofakis said we would probably be included in their advertising budget. He said they did get notice that the co-op advertising budget with the Tourism Department was cut in half.

Robert Donaldson said they were going to get more advertising because the museum would be included on their website and in their mailings.

Councilor Williams asked on Item 1D on page 3 "the pledging of cultural assets of the museum in a manner consistent with such collections policies people from the City from time to time for consultation." He asked if they had any of that before because it says down here it states under "Loans For Collection" says any removal for loans or any cultural assets from the museum to be agreed in writing by the City and DCA and adhere to the guidelines by the Museums of New Mexico. He asked if he had any experience in dealing with DCA in the collections of assets and the removal of cultural assets?

Jim Kofakis said yes and that most of those practices are policies and procedures instituted by the American Association of Museums and the State goes by those guidelines.

Councilor Williams said he just wanted to make sure that the State couldn't tell us that they want a certain type of exhibit on display. Jim Kofakis said we could say no and he didn't want to have an exhibit that nobody wants to see.

Councilor Holman said he would think that we would want to do anything possible to accommodate due to the amount of dollars they were putting in.

Councilor Williams said he wanted to be sure about Item F on the same page dealing with advertising it states that on all advertising and promotions the DCA logo will be included. He said if the City is providing the promotional funding for that he was not comfortable with putting their logo on.

Jim Kofakis said it's all about the money and they are giving \$182,000.00 and all they want is the logo put on. He said right now they put the New Mexico Tourism logo on 90% of the advertising due to the co-op grant.

Councilor Williams said he didn't have a problem putting the logo on due to the funding. He asked H. John Underwood about the budget funding that Stewart Ashman talked about and if it would still be there?

H. John Underwood said what Stewart Ashman told him was that he would have no problem including it within his current budget and that we are very hopeful that the next Secretary of Cultural Affairs will feel strongly enough about receiving approximately 8-10 million dollars in assets for payment of approximately \$182,000.00 a year.

Councilor Williams said with the new Secretary there is that uncertainty.

H. John Underwood said they won't know until March 20<sup>th</sup> and they were going to have to lobby for it.

Councilor Williams said he wanted to know that it was appreciated what the Hubbard Foundation and the Hubbard Museum Foundation is doing for the museum.

Mayor Armstrong entertained a motion to approve Hubbard Museum of the American West Operating Agreement Between the New Mexico Department of Cultural Affairs and the City of Ruidoso Downs.

Councilor Holman moved to approve Hubbard Museum of the American West Operating Agreement Between the New Mexico Department of Cultural Affairs and the City of Ruidoso Downs. Seconded by Councilor Olivo.

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

ADJOURNMENT

There being no further business, Mayor Armstrong entertained a motion for adjournment.

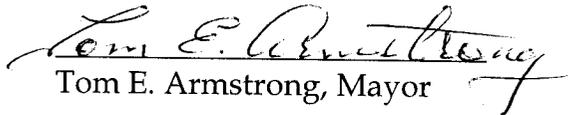
Councilor Holman moved to adjourn at 2:45 p.m. Seconded by Councilor Olivo.

All were in favor and motion passed.



ATTEST:

  
\_\_\_\_\_  
Carol Virden, City Clerk/Treasurer

  
Tom E. Armstrong, Mayor