

MINUTES OF THE CITY COUNCIL  
OF THE CITY OF RUIDOSO DOWNS  
CITY COUNCIL CHAMBERS  
REGULAR MEETING  
JULY 25, 2011  
5:30 P.M.

The Council of the City of Ruidoso Downs met in regular session on July 25, 2011. Mayor Armstrong called the meeting to order at 5:30 p.m. and asked Chief Babcock 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  
Zack Cook, City Attorney  
Terri Mosley, Finance Director  
Cleatus Richards, Public Works Director  
Steve Dunigan, Planning & Zoning Director  
Doug Babcock, Police Chief  
Jim Kofakis, Museum Director

APPROVAL OF AGENDA

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

Mayor Armstrong entertained a motion to approve the agenda.

Councilor Williams moved to approve the agenda with that change. Seconded by Councilor Olivo.

Roll call votes: Councilor Olivo, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Hood, 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 Williams moved to approve the Consent Agenda. Seconded by Councilor Hood.

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

APPROVAL OF MINUTES OF REGULAR MEETING OF JULY 11, 2011.

Councilor Williams moved to approve Minutes of Regular Meeting of July 11, 2011. Seconded by Councilor Hood.

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

APPROVAL OF ACCOUNTS PAYABLES

Councilor Williams moved to approve Accounts Payables. Seconded by Councilor Hood.

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

APPROVAL OF MONTHLY REPORTS

Councilor Williams moved to approve Monthly Reports. Seconded by Councilor Hood.

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

APPROVAL OF COMMITTEE REPORTS

Councilor Williams moved to approve Committee Reports. Seconded by Councilor Hood.

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

PUBLIC HEARING

Mayor Armstrong stated next item on the agenda was Public Hearing – City of Ruidoso Downs Final Budget Hearing for fiscal year 2011-2012.

Mayor Armstrong said he hereby opened the Public Hearing for comments and would be accepting in the following order. Interested persons must approach the podium one at a time, state their name and present their testimony. A limit of three minutes would be allowed per person.

Mayor Armstrong asked if there were any persons present to speak in opposition of the action?

There were no persons present to speak in opposition of the action.

Mayor Armstrong asked if there were any person present to speak in support of the action?

There were no persons present to speak in support of the action.

Mayor Armstrong said he hereby closed the Public Hearing.

#### UNFINISHED BUSINESS

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

Councilor Holman said he had asked Terri Mosley, Finance Director a couple of meetings ago if she would address the water billing situation they had and see where we were and if she could explain and give an overview to let them know particularly about the amnesty and disconnect.

Terri Mosley, Finance Director said she had a report before them and was going to discuss it under Other Business but they could go ahead with it now. She said under the amnesty program the report showed the May payments of \$71,486.02. There was a little bit of the amnesty program going on in May. In June they had \$92,477.43 and that was the bulk of the amnesty program. There were 50 accounts that participated in that. They had decreased their current unpaid previous balances and was based on when they did the billing in May. In May they had \$118,237.70, June they had \$104,469.57, and as of Friday they had \$57,927.13. She said they did increase the unpaid balances by quite a bit and she felt that this was a success.

Councilor Holman asked Terri if there was anyone that had to have their water turned off and the last time he checked with her she said there were some accounts that really stepped up when they realized what was going to happen.

Terri Mosley, Finance Director said most of them did but there were some that did not and that they were now working on filing liens on those properties and they were working on cut offs right now and had about 15 to 20 door hangers for this time and those were about two months past due. She said they were going to stay on top of it.

Councilor Holman said it sounded like the citizens heard that they had to pay and put that up as priority.

#### 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. He said Terri already spoke and there was no Other Business to discuss.

Councilor Holman asked if he could speak again?

Councilor Holman told Jim Kofakis, Museum Director that he and his staff did a great job at the fundraiser at the Hubbard Museum of the American West. He asked Jim to let them know how they did with contributions.

Councilor Holman said after the last Joint Use Board meeting that in the past it had been a hostile environment but last time it worked out very well. He said he would like for

everyone in Ruidoso Downs to know what a great job Cleatus, Terri, and Carol, and Mo were doing in dealing with Ruidoso. They were doing a good job of taking care of us.

Mayor Armstrong asked Cleatus Richards, Public Works Director to speak about the White Fire and what they were still working with on it.

Cleatus Richards, Public Works Director said they had about an inch and a half of rain over the weekend and the mitigation efforts had been successful. They would continue to monitor as they got more monsoon rains.

Mayor Armstrong asked Cleatus to thank all of his guys that were out watching for problem areas.

#### NEW BUSINESS

Mayor Armstrong stated next item on the agenda was - Consider Approving the Waiving of Temporary Fees for Non-Profit and Profit Organizations for Fall Fest in All American Park - September 16, 2011.

Mayor Armstrong asked Chief Babcock to speak about this.

Chief Babcock said at the last meeting he spoke about the fee structure for temporary vendors. He said this was a one-day event for six hours and that it was to benefit the City he requested the \$500 Temporary Merchant fee be waived and the \$5 Non-Profit Organization fee for the Fall Fest.

Mayor Armstrong entertained a motion to approve the Waiving of Temporary Fees for Non-Profit and Profit Organizations for Fall Fest in All American Park - September 16, 2011.

Councilor Holman moved to approve the Waiving of Temporary Fees for Non-Profit and Profit Organizations for Fall Fest in All American Park - September 16, 2011. Seconded by Councilor Williams.

Councilor Holman said he noticed the letter about this that was addressed to the mayor and councilors and asked if it was sent to the City Attorney? He said he would like to know if the City Attorney had any problem with waiving those fees?

Zack Cook, City Attorney said he didn't think there was an issue with waiving the fees and it was for the benefit of the City.

Councilor Holman said it was a good letter and explained the event very well. He read the last paragraph of the letter and said Chief Babcock was very thorough. He asked if Riverside Park could be used as the river restoration with the EPA and State and the Forest Guardians?

Cleatus Richards, Public Works Director said that was correct.

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

Mayor Armstrong stated next item on the agenda was - Consider Approving Resolution No. 2011-07 Final Budget Adjustments FY 2010-2011.

Mayor Armstrong entertained a motion to approve Resolution No. 2011-07 Final Budget Adjustments FY 2010-2011.

Councilor Williams moved to approve Resolution No. 2011-07 Final Budget Adjustments FY 2010-2011. Seconded by Councilor Olivo.

Terri Mosley, Finance Director said the final budget for the previous fiscal year was basically clean up for the operations. Most of the departments did operate within the original budget but there needed to be some moving of the budget within departments. Some of the increases to the budget were actual revenues received for the fiscal year. She said they did have to include temporary transfers to three different funds. One was Lincoln County Transit, FEMA, and the CDBG grant fund. Those had outstanding reimbursements but would not be received until the new fiscal year. She said she consulted with DFA several times and this is what they determined should be done. They transferred funds into these three to keep from having a deficit cash balance and then it would be transferred back as they are received in the new fiscal year.

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

Mayor Armstrong stated next item on the agenda was - Consider Approving Resolution No. 2011-08 City of Ruidoso Downs Final Budget FY 2011-2012.

Mayor Armstrong entertained a motion to approve Resolution No. 2011-08 City of Ruidoso Downs Final Budget FY 2011-2012.

Councilor Hood moved to approve Resolution No. 2011-08 City of Ruidoso Downs Final Budget FY 2011-2012. Seconded by Councilor Williams.

Terri Mosley, Finance Director said there were only a few changes from the Preliminary Budget that was approved during the last council meeting in May. Some of the items she pointed out were the estimated beginning cash balance on the recap sheet does have encumbrances deducted from ending cash balances in June 2011. The three funds in the negative balance were the three they just did and all three had outstanding reimbursements. The negative on the recap sheet were only the encumbrances. The final budget reflects reversing the transfers back into the original budget. After submitting the Preliminary Budget DFA contacted her with updated figures for property taxes and she revised the budget to reflect that change. The Police Department had an increase in salaries due to adding a temporary officer. Lincoln County Transit had an ending cash balance as a negative and on

the recap sheet it was \$97,147 and since she worked this sheet up she had received a reimbursement in the amount of \$43,000 which brought it down to \$53,000. The Museum Fund had an ending cash projected balance of \$107,549 at the end of June 2012. Terri said they did meet their 1/12<sup>th</sup> reserve for the General Fund, which was mandated, by DFA and that was currently \$256,193.

Councilor Holman said he was concerned about the arrears with Lincoln County Transit and asked how that would \$53,000 be made up?

Terri Mosley, Finance Director said this budget only included the Village of Ruidoso and the City of Ruidoso Downs.

Councilor Holman asked if that was without the County's \$25,000?

Terri Mosley, Finance Director said yes but even if they did \$25,000 it wouldn't bring it up to the positive and that was a concern.

Councilor Holman said Patty DeSoto mentioned there were some Stimulus Funds that helped just this year and he said we all knew that was not going to happen again. He said he would like to ask the council members to reread the letter that Wayne Williams gave them. He said there were some points in the letter they needed to look at because the transit systems was getting pretty serious and they didn't know what Ruidoso's position was.

Mayor Armstrong said without help on the transit it wasn't going to happen. He said Patty had worked hard on trying to find other money.

Councilor Holman said he wasn't sure that since the County dropped out if the contract was valid.

Carol Virden, City Clerk/Treasurer said when the City of Ruidoso Downs took the transit program it was not a requirement under any contract that the County and/or the Village of Ruidoso participate. The reason the County of Lincoln and the Village of Ruidoso participated was because Mickie Compton made a presentation to those entities and they jumped on board. She said it was not a contract and the only agreement right now was with the Village of Ruidoso and they were not tied into any Federal or State grants.

Terri Mosley, Finance Director said she received an email from one of the councilors that had some suggestions and she would like to speak about those. He would like to change the non-promo from the parks from \$25,000 to \$20,000 and that was for All American Park. He would like to add \$1,500 to the library in the Village of Ruidoso. The library was at \$5,000 and he wanted to give it another \$1,500. He wanted \$300 for the Senior Center building maintenance and place \$2,500 in the line item for website updates. He wanted \$10,000 added to right-of-way acquisition and to continue funding for the Agua Fria sewer line improvement.

Councilor Holman said he would certainly oppose any changes tonight. He would like to take some time and research this when they were in the midst of approving the final budget.

Councilor Williams said he was the one that forwarded the email and this was what the discussion was to make final changes if necessary before they send it in. This was something to be considered. He said the \$5,000 that came out of the Park fund was made up and was made up of those three requests. The only thing on the acquisition was they budgeted \$10,000 and hadn't used for the past three years for the rights acquisition so why not continue it. The Agua Fria money had to be used and at some time the work had to start out there.

Councilor Holman asked Terri what the first item was that she mentioned?

Terri Mosley, Finance Director said "reduce the non-promo out of the Lodger's Tax from \$25,000 to \$20,000.

Councilor Holman asked what the request was for the Senior Center?

Terri Mosley, Finance Director said it was to add \$300 for the Senior Center building maintenance.

Mayor Armstrong asked Carol Virden, City Clerk/Treasurer they needed a roll call vote to add these things?

Carol Virden, City Clerk/Treasurer said with the items as suggested to make the changes was the proposed final budget and was not to where you couldn't discuss the issue at a later time. She said you could always make an adjustment to the FY 2011-2012 Budget at anytime. If they took those suggestions they could place those items for the next council meeting.

Mayor Armstrong said that would fit the situation a little better. He said there were two items to consider and one was the transit.

Terri Mosley, Finance Director said if they did approve it, as is DFA would not approve it with a deficit. She said they would have to transfer from the General Fund to make up the difference.

Councilor Williams said on Lincoln County Transit the money was not coming out of the General Fund and was non-promotional Lodgers' Tax money. The taxpayer's were not out any money for funding the transit. There should be no issue with this.

Councilor Holman said that was the thinking they had on too many issues. Lincoln County Transit was not free. It had to be paid some way whether it was the prices of gasoline or the price of vehicles. It translates to someone has to pay for it. If you pay Federal taxes you were paying for it.

Mayor Armstrong asked Terri again that if they had a deficit the DFA would not approve it?

Terri Mosley, Finance Director said that was correct and they would have to make a transfer from another fund before they would approve it.

Councilor Hood asked how much it was?

Terri Mosley, Finance Director said it was \$53,294.43

Councilor Hood asked if they did transfer the money where it would come from?

Terri Mosley, Finance Director said it would come from the General Fund.

Councilor Holman said that would also be money out of our pocket if it came from the General Fund. He said they needed to protect that and there was no reason they couldn't save that for other things that could happen.

Mayor Armstrong said they still didn't have an answer on the budget? He asked what would happen if they dropped the transit and then Patty came up with the extra money?

Carol Virden, City Clerk/Treasurer said they understand the deficit that was in Fund 25 of approximately \$54,000 and they all needed to remind themselves that they couldn't just cut the strings and let it drop. If the council was going in that direction they needed to afford ample time for all parties involved. She said perhaps the mayor and council should call a special meeting to discuss transit.

Terri Mosley, Finance Director said they might have to make the temporary transfer for right now.

Carol Virden, City Clerk/Treasurer said she was going to agree with Terri. She said she would strongly suggest to go with a temporary transfer until such time that the mayor called a special meeting to discuss Lincoln County Transit and how they were going to find additional funding for it or not.

Councilor Holman asked if that money would be put back into the General Fund?

Terri Mosley, Finance Director said as long as they got reimbursed. If they did budget for that transfer they would wait as long as they could before it had to be made.

Councilor Holman said they had done everything they could to make this succeed and they had not even come close to that and they hoped it would.

Carol Virden, City Clerk/Treasurer said she would suggest again to have a special meeting for further discussion and until that time to make the temporary transfer and not utilize it until after that discussion. She said they couldn't just cut Lincoln County Transit out of this budget.

Terri Mosley, Finance Director said the only two funds they could transfer from was Lodgers' Tax or the General Fund.

Councilor Holman said he remembered Mickie Compton saying in her presentation that they could get out of this at any time with a penalty. He asked if they should wait until after that special meeting?

Terri Mosley, Finance Director said the budget needed to be in to DFA by the end of the month.

Carol Virden, City Clerk/Treasurer said Mickie Compton was correct when she said they could get out of it at any time but they certainly wanted to give ample time to the parties involved. There were employees involved and there was a step-by-step process for notifying those employees as well as with the State.

Councilor Hood amended his original motion and moved to approve the budget and make a temporary transfer into Lincoln County Transit with half coming from the Non-Promotional Lodgers' Tax fund and the other half to come out of the General Fund until a special meeting is called for discussion of Lincoln County Transit and the amount to transfer would be \$53,294.43. Seconded by Councilor Olivo.

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

Mayor Armstrong stated next item on the agenda was - Consider Approving Resolution No. 2011-09 Southeastern New Mexico Economic Development District/COG.

Mayor Armstrong entertained a motion to approve Resolution No. 2011-09 Southeastern New Mexico Economic Development District/COG.

Councilor Williams moved to approve Resolution No. 2011-09 Southeastern New Mexico Economic Development District/COG. Seconded by Councilor Hood.

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

Mayor Armstrong stated next item on the agenda was - Consider Approving Agreement Between the Southeastern New Mexico Economic Development District/COG and City of Ruidoso Downs.

Mayor Armstrong entertained a motion to approve agreement between the Southeastern New Mexico Economic Development District/COG and City of Ruidoso Downs.

Councilor Olivo moved to approve agreement between the Southeastern New Mexico Economic Development District/COG and City of Ruidoso Downs. Seconded by Councilor Holman.

Councilor Holman said some of the things in the agreement mentioned regional plans and programs. Item D said assisted and community development and public work projects. He asked if that was being done?

Carol Virden, City Clerk/Treasurer said the assisted and community development and public works projects that they did assist us in doing planning and applications. The Economic Development Board had not been afforded an opportunity to jump in to ask or receive assistance.

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

Mayor Armstrong stated next item on the agenda was - Consider Approving Mayor's Appointment to Planning and Zoning Commission - Robert Gustafson.

Mayor Armstrong entertained a motion to approve Mayor's Appointment to Planning and Zoning Commission - Robert Gustafson.

Councilor Olivo moved to approve Mayor's Appointment to Planning and Zoning Commission - Robert Gustafson. Seconded by Councilor Holman.

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

#### 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.

Wayne Williams said to answer some of the concerns of Councilor Holman he got a letter back from the DOT. With Lincoln County dropping out it did not affect the standing with the transit system.

Pam Williams said she was in town for an appointment and a woman commented on the picture of the blaze right behind her house. She said it looked pretty with all of the City lights but there was a smell back behind the racetrack and there was still something smoldering even after four months. Pam said that stuff moves underground so if that garbage was being dumped behind the racetrack it did run downhill. She said she felt it was going into the river.

Mayor Armstrong said her time was up.

ADJOURNMENT

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

Councilor Holman moved to adjourn at 6:49 p.m. Seconded by Councilor Hood.

All were in favor and motion passed.



ATTEST:

Carol Virden  
Carol Virden, City Clerk/Treasurer

Tom E. Armstrong  
Tom E. Armstrong, Mayor