

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
BUDGET WORK SESSION
MAY 8, 2012
3:30 P.M.

The Council of the City of Ruidoso Downs met in a Budget Work Session on May 8, 2012. Mayor Williams called the meeting to order at 3:30 p.m. and led the Pledge of Allegiance. Mayor Williams asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Holman
Councilor Miller

Councilor Hood
Councilor Perry

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

Also present:

Carol Virden, City Clerk/Treasurer
H. John Underwood, City Attorney

APPROVAL OF AGENDA

Mayor Williams stated next item on the agenda was Approval of Agenda.

Mayor Williams entertained a motion to approve the agenda.

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

Roll call votes: Councilor Holman, Aye; Councilor Hood Aye; Councilor Miller, Aye; Councilor Perry, Aye. Motion carried.

INTRODUCTION OF FISCAL YEAR 2012-2013 BUDGET

Mayor Williams stated next item on the agenda was - Introduction of Fiscal Year 2012-2013 Budget.

Terri Mosley, Finance Director said the Budget Committee had several meeting with Department Directors working on the 2012-2013 Preliminary Budget. She said we believe that with making some cuts from their original requests that we believe we are presenting an acceptable budget. She said she would like to point out some items on the front page

General Fund

Revenues: \$3,224,040
Expenditures: \$3,196,788

There is a recommended Cost of Living increase 3.5% and there is an increase in Health Insurance to 10%, which was verified today.

Some salaries have been split between the funds such as the Public Works Director moved to the Sewer Fund. The Project Manager has been split between the Water Fund and the Street Department in the General Fund. The Mechanic has been split between the Garage and the Water Fund because he is currently a Certified Water Operator. The Janitorial Maintenance labor is now being split between the Museum Fund and the General Fund.

They have included the same amount of \$27,000 for the Humane Society.
They have included \$24,000 for E911.
They have included \$5,000 for the Village of Ruidoso Public Library.
They have included \$5,000 for the Boys and Girls Club.

Terri Mosley, Finance Director said they did meet their 1/12th reserve for the General Fund that is mandated by DFA. That is currently \$266,399.

The transfers are made to the fund accounting of which municipalities are required to use. We receipt the revenues into the proper fund for tracking and then transfer into the fund that we will be using for the expenditures to prevent recording money twice. She pointed out examples in Fund 27 Gas Tax Road Fund and the Museum Fund.

The Museum Fund at the end of March has a fund balance of \$91,920.70 and that includes Hubbard's gift of \$1.5 million. We depleted that fund balance. This year's revenues of \$511,500 doesn't include the \$150,000 from the original Hubbard's' gift or the grant of \$80,000 which was completed this fiscal year so that totals \$230,000. The revenues this coming year are to include additional contributions from the Hubbard Foundation and a proposed GRT, which we will be discussing later. The expenditures have been decreased by \$524,229. There have been no Capital Improvements and this year there are \$243,458. They eliminated one position because an employee is retiring and they are not going to refill that position. Then there is that position mentioned earlier that was split between the Museum Fund and General Fund. The transfers into the Museum Fund are \$110,000 from Lodgers' Tax and \$5,000 from the General Fund.

Terri Mosley, Finance Director asked if they would like her to go through each fund for a recap?

Councilor Hood said yes.

Terri Mosley began:

<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
Local Government Corrections	\$3,224,040	\$3,196,788
Judicial Education	\$ 21,000	\$ 21,000
Court Automation	\$ 3,084	\$ 3,084
Lincoln County Transit	\$ 267,843	\$ 276,510
EMS	\$ 5,750	\$ 5,750
Gas Tax Road Fund	\$ 14,136	\$ -0-
Fire Protection	\$ 58,584	\$ 58,584
Law Enforcement Protection	\$ 24,800	\$ 24,800
Lodgers Tax-Promotion/Tourism	\$ 75,000	\$ 30,000
Lodgers Tax-NonPromotional	\$ 112,500	\$ 28,000
Museum Fund	\$ 511,500	\$ 626,154
Infrastructure Fund	\$ 128,155	\$ -0-
Debt Fund	\$ -0-	\$ 93,350
GO Bond	\$ 113,573	\$ 1,135
Sewer	\$ 643,200	\$ 627,604
Solid Waste	\$ 241,776	\$ 266,776
Water	\$ 460,875	\$ 460,761
Water & Sewer Improvement	\$ 128,155	\$ 6,116
Water Security	\$ 3,400	\$ 2,000

Terri Mosley, Finance Director said the Transfers in the General Fund were:

From Gas Tax Road Fund to General Fund	\$ 8,964
From Lodgers' Tax to General Fund	\$ 18,750
To Museum	\$ 5,000
To Solid Waste	\$ 25,000
From Lodgers' Tax to Lincoln County Transit	\$ 25,000
From Gas Tax Road Fund into Street Improvement	\$ 5,172
From Lodgers' Tax to Administrative Fees into General Fund	\$ 18,750
To Museum for Promotional	\$ 32,000
To Non-Promotional	\$ 78,000

The Debt Fund we have to receipt into the GO Bond and then we move it into the Debt Fund to make that payment.

In Fund 53 they moved some money from the Water & Sewer Improvements in the amount of \$51,333 and then transferred \$12,000 into a reserve fund.

Terri said in Fund 42 Colonias grant they have applied for the grant but haven't been notified that they received it so they left that at zero.

Terri said the Water Department has requested a cap out expenditure and have asked for a new water meter reading system. They are having some problems with the current system

and are asking for GRT proceeds that allow for that. It would be approximately \$234,366. They do have an opinion from the attorney that it is allowable and they do have that money available although it is not included in the preliminary but they could add it in.

Cleatus said it would replace existing meters and they would still use the handheld to do the reading. The next phase would be the networking where they could do the ready from either City Hall or Public Works. That would be about an additional cost of \$45,000 but weren't asking for that this year. He said the current system is under review and they are losing revenue because it was under-reading the water and sewer so this situation needed to be corrected soon.

Councilor Hood asked how many meters needed to be replaced?

Cleatus Richards, Public Works Director said approximately 860. He said it wasn't the meter itself but the system that reads the meter.

Terri said there was a dedication of $\frac{1}{2}$ of 1% from Ordinance 2011-01 and is revenue from municipal environmental services and gross receipts tax will be used for the acquisition for construction, operations, and maintenance of solid waste facilities, water facilities, wastewater facilities, sewer systems and related activity.

Terri said this year they will be bringing back an estimated \$390,000.

Terri said she wanted to point out on the salaries that there is a second page and there was a promotion for the Court Clerk and there were two proposed new positions created in the Police Department.

Chief Babcock said he would like to propose a salary for a patrol position to a corporal level so that he can use that position when he was not in the office. The other is the evidence tech which is the position Bill Dunlap held up to patrolman pay which would be an evidence tech/investigator/transport person.

Councilor Hood asked if they have anyone in that position now?

Chief Babcock said no.

Councilor Holman asked Chief Babcock how many people he had in his department and if he could break it down by memory?

Chief Babcock said they had four patrolman, two vacancies for patrol, one person proposed to hire that would be coming up at the next council meeting. If hired that would bring them up to current staff with the exception of Officer Rupp who is still out on Workman's Comp. They have four or five dispatchers plus Connie.

Councilor Miller commended Chief Babcock on finding those state vehicles to save money.

Terri Mosley said the salaries with Lincoln County Transit we now have only two full-time positions and used to have three. We will have more part-time drivers.

Those are the only changes in salaries other than those mentioned earlier.

Councilor Hood asked if the 3.5% proposed salary increase was across the board for everyone?

Terri Mosley, Finance Director said yes.

Councilor Hood asked if the insurance was going up 10%?

Terri Mosley, Finance Director said yes and the City pays 90% of health insurance with the employee paying 10%.

Councilor Hood asked about Lodgers' Tax.

Terri said she budgeted for the Boys and Girls Club in the General Fund.

In Lodgers' Tax the Promotional events will be given the same as last year.

Councilor Hood asked if the Boxing Club would get any money?

Carol Virden, City Clerk/Treasurer said this would be a good time to discuss adopting the Municipal Quality of Life Gross Receipts Tax. It would assist the Hubbard Museum of the American West as well as the non-profit organizations.

H. John Underwood, City Attorney said the gifts that have been accepted for the museum since August 2005 from Hubbard. This would be a good time to address the museum and they are running approximately \$150,000 behind and we are looking for ways to keep the museum open and to turn it into a cultural center for the citizens of Ruidoso Downs. In doing that study it was realized that they haven't activated the Municipal Quality of Life Gross Receipts Tax. If an ordinance is passed the tax can be imposed at the beginning of January 2013. He read from the State statute of what the funds could be used for. This is a tax they should look at and could be used for the Boys and Girls Club and the Boxing Club. H. John Underwood said he would suggest they find a way to operate the museum rather than not operate it, which could leave them still with liabilities. He said the tax would be $\frac{1}{4}$ of 1%.

Jim Kofakis, Museum Director said Councilor Holman and Councilor Miller being on the budget committee know that he has made tremendous cuts and once the budget is approved he will go back to council to open and change the business model like for weddings. He said he talked to a wedding planner today and has 22 weddings planned from July through December and he told her if he could have half of those he would meet his budget. He said he was meeting with her next Tuesday. He also met with a woman of the Ruidoso High School about the reunion for 2013. The business model has to change. He said he would also need

approval from the Hubbards about dedicating the green space to the citizens of Ruidoso Downs for other activities and it could be a municipal park.

Carol Virden, City Clerk/Treasurer said the steps to adopt the Municipal Quality of Life Gross Receipts Tax. There will have to be a Special Election and a Public Hearing prior to that. That has to be done by June 18th. On that same day if she was instructed to she would place the Special Election resolution on the agenda. If that happens the election will be on September 4, 2012.

Councilor Miller asked why the events couldn't be done under Lodgers' Tax?

Carol Virden, City Clerk/Treasurer said it could be and some could be used for the Boxing Club. She said the Lodgers' Tax Committee will be meeting the first two weeks of June to make their final recommendations and those will be coming to council in the last meeting in June.

H. John Underwood, City Attorney said Lodgers' Tax does have to be used for advertising that event that will bring people in for the event. He asked if the Quality of Life tax would go directly into the General Fund?

Carol Virden, City Clerk/Treasurer said that would be a fund of its own.

Carol Virden, City Clerk/Treasurer said she did want the Governing Body know that all departments were very conservative with their requests and that Terri has worked very hard with department heads.

ADJOURNMENT

There being no further business to attend to, Mayor Williams adjourned the meeting at 4:36 p.m.





Carol Virden, City Clerk/Treasurer



Gary L. Williams, Mayor