

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
REGULAR MEETING
FEBRUARY 10, 2014
4:30 P.M.

The Council of the City of Ruidoso Downs met in regular session on February 10, 2014. Mayor Williams called the meeting to order at 4:30 p.m. and asked Chief Rupp to lead 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:

Alexandra Bobbitt, City Attorney
Mary Castaneda, Finance Director
Ray Pawley, Independent Consultant, Hubbard Museum
Christopher Rupp, Police Chief
Cleatus Richards, Public Works Director

APPROVAL OF AGENDA

Mayor Williams stated next item on the agenda was Approval of Agenda. He requested the removal of Item 9 Public Hearing - 2014 Community Development Block Grant (CDBG). He said there are three scheduled Public Hearings. One was today, the 19th and 24th. The one today because of conflict of time and the appearance of the individual who is providing the information for the Public Hearing could only come this morning at 10:00 so we did hold the Public Hearing at 10:00 this morning so there is no need to have that this evening. We do have the two remaining on the 19th and the 24th at the regularly scheduled meeting time.

Mayor Williams entertained a motion to approve the agenda with Item 9 Public Hearing removed.

Councilor Hood moved to approve the agenda with Item 9 Public Hearing removed.
Seconded by Councilor Miller.

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

APPROVAL OF CONSENT AGENDA

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

Mayor Williams entertained a motion for Approval of the Consent Agenda.

Councilor Miller moved to approve the Consent Agenda. Seconded by Councilor Hood.

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

APPROVAL OF MINUTES OF REGULAR MEETING OF JANUARY 27, 2014.

Councilor Miller moved to approve Minutes of Regular Meeting of January 27, 2014. Seconded by Councilor Hood.

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

APPROVAL OF ACCOUNTS PAYABLES

Councilor Miller moved to approve Accounts Payable. Seconded by Councilor Hood.

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

UNFINISHED BUSINESS

Mayor Williams said there was no Unfinished Business.

NEW BUSINESS

Mayor Williams stated the next item on the agenda was - Mayor's Comments.

Mayor Williams had no comments.

Mayor Williams stated the next item on the agenda was - Councilor's Comments.

There were no Councilor's Comments.

Mayor Williams stated the next item on the agenda was - Discussion and Possible Action - Approval of Special Dispenser Permit Applications:

1. New Mexico State Police Brotherhood - May 3, 2014.
2. Hubbard Museum Annual Fundraiser - July 26, 2014.

Mayor Williams entertained a motion to approve Special Dispenser Permit Application - New Mexico State Police Brotherhood - May 3, 2014 and the Hubbard Museum Annual Fundraiser - July 26, 2014.

Councilor Miller moved to approve Special Dispenser Permit Application - New Mexico State Police Brotherhood - May 3, 2014 and the Hubbard Museum Annual Fundraiser - July 26, 2014. Seconded by Councilor Hood.

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

Mayor Williams stated the next item on the agenda was - Discussion and Possible Action - Resolution No. 2014-01 Authorizing and Approving Submission of a Completed Application for a Planning Grant to the New Mexico Finance Authority for the Colonias Infrastructure Fund.

Cleatus Richards, Public Works Director said this is an application for an Asset Management Plan. Council had previously approved an application with a different venue. We were sure that the application would be fully funded but they changed their mind and decided they were only going \$25,000 which is probably less than half of that application cost. The Colonias program is now allowing applications to fully fund the Asset Management Plan. Quite frankly we need to have that because it's becoming a critical element in all of our grant applications where you must be working on an Asset Management Plan. The approval of this resolution will be evidence that we are in fact working in that direction. I request that Council approve this resolution.

Mayor Williams entertained a motion to approve Resolution No. 2014-01 Authorizing and Approving Submission of a Completed Application for a Planning Grant to the New Mexico Finance Authority for the Colonias Infrastructure Fund.

Councilor Miller moved to approve Resolution No. 2014-01 Authorizing and Approving Submission of a Completed Application for a Planning Grant to the New Mexico Finance Authority for the Colonias Infrastructure Fund. Seconded by Councilor Hood.

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

Mayor Williams stated the next item on the agenda was - Discussion and Possible Action - Resolution No. 2014-02 A Resolution of the Ruidoso Downs City Councilor of Ruidoso Downs, New Mexico Authorizing the Submission of a Colonias Infrastructure Application to the New Mexico Finance Authority; and Authorizing the Mayor to Act as the City's Chief Executive Officer and Authorized Representative In All Matters Pertaining to the City of Ruidoso Downs Participation in Colonias Infrastructure Process.

Cleatus Richards, Public Works Director said this is for the next round of funding for the Agua Fria system. On two previous rounds we have had approval for first planning money. The second grant of over \$800,000 was to do our first phase. This will be the second phase of the Agua Fria sewer system. Dora Bautista and I are working with the engineers currently to develop the final costs that will probably be in the area of \$1,000,000 for this project for the second phase. We had originally thought we could do it in four phases and it may develop that we have to do it in five because of the limited funds the Colonias gets each year. I think bringing it to \$1,000,000 will give us a much better chance of full funding under the Colonias program. I recommend that we approve this resolution to let us make application for the next phase.

Mayor Williams entertained a motion to approve Resolution No. 2014-02 A Resolution of the Ruidoso Downs City Councilor of Ruidoso Downs, New Mexico Authorizing the Submission of a Colonias Infrastructure Application to the New Mexico Finance Authority; and Authorizing the Mayor to Act as the City's Chief Executive Officer and Authorized Representative In All Matters Pertaining to the City of Ruidoso Downs Participation in Colonias Infrastructure Process.

Councilor Hood moved to approve Resolution No. 2014-02 A Resolution of the Ruidoso Downs City Councilor of Ruidoso Downs, New Mexico Authorizing the Submission of a Colonias Infrastructure Application to the New Mexico Finance Authority; and Authorizing the Mayor to Act as the City's Chief Executive Officer and Authorized Representative In All Matters Pertaining to the City of Ruidoso Downs Participation in Colonias Infrastructure Process. Seconded by Councilor Miller.

Councilor Hood asked what street they were trying to work on?

Cleatus Richards, Public Works Director said that is what we are trying to work out. The second phase was originally Parker, Agua Fria, Escalante, La Canada, and one other street. We're going to have to cut that back in order to stay within the budget. The couple that I just read off will probably be included in this year's application.

Mayor Williams said that Colonias funding is for the wastewater collection system in Agua Fria.

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

Mayor Williams stated the next item on the agenda was – Discussion and Possible Action – Agenda Briefing Memorandum – Job Description Changes, Promotions and Salary Increases and Uniform Allowance Restored.

Ray Pawley, Independent Consultant, Hubbard Museum said I've submitted a request for promotions, salary increases, and uniform allowance for the remaining four and a half months of this fiscal year of 2013-2014. My justification is that Janis's performance as the

central supervising employee at the HMAW is exceptional. The City needs to retain Janis as long as possible and certainly through her retirement month of February. She is a pivotal player in the fundraising event for the museum and will stay on board until August if we can meet her salary needs. As for Teresa Dunlap she has single-handedly turned the Gift Shop around as a revenue-generating entity for the museum and the City. She has a proven record of performance competence that exceeds that of the previous Gift Shop Managing program in terms of merchandise selection, mark up strategy, bar coding, and attention to customer needs. The HMAW and CORD in my opinion needs to retain her services. The uniform allowance, the employees at the museum are in the face of public to as great extent as any other CORD services where this allowance is paid and need to be compensated for maintaining a favorable appearance. The attendance this past January has exceeded the attendance of the four previous January's. I'm hoping that's not a hiccup but I would be delighted.

Mayor Williams entertained a motion to approve Agenda Briefing Memorandum – Job Description Changes, Promotions and Salary Increases and Uniform Allowance Restored.

Councilor Miller asked if then we could discuss it?

Mayor Williams said yes.

Councilor Miller moved to approve Agenda Briefing Memorandum – Job Description Changes, Promotions and Salary Increases and Uniform Allowance Restored. Seconded by Councilor Hood.

Councilor Miller said I asked Carol to give me some totals about how much more it would be to do this and I suppose this is it, the total and how much it would add to it.

Mary Castaneda, Finance Director said I didn't have time to put a spreadsheet together because I've been out of town. The total cost he had was about \$60,000 - \$65,000 and with taxes it would be approximately \$9,500 to \$10,000 with payroll taxes in it.

Councilor Miller asked it that would be monthly or for the rest of the fiscal year?

Mary Castaneda, Finance Director said that would be for the rest of the fiscal year. The situation with this is that through a previous meeting with the Museum Advisory Board it came to light that in our budget and the revenues we have we budgeted \$175,000 coming from the Hubbard Museum from the fundraiser. Mr. Donaldson told us that only \$100,000 would be from the Foundation which creates a \$75,000 reduction we must make on both sides. We have to balance that on each side of the equation so that is what it's coming to.

Carol Virden, City Clerk/Treasurer said we have provided each Council member with a fiscal year report for the month of January. The museum has at July 1st a balance of \$57,219.50. Total revenues for the month of January is \$3,771.46. Expenditures for the

month of January is \$26,074.15 which leaves an ending cash balance of \$34,916.81. The \$3,023.42 is what she asked Mary?

Mary Castaneda, Finance Director said actually the revenues for January are \$6,794.88 and so the \$3,000 we see over here is added to the bottom of that balance which brings that balance to \$37,940.23.

Councilor Miller said and we have not collected the other \$50,000 from the Foundation yet?

Carol Virden, City Clerk/Treasurer said the Foundation will contribute their amount out of the \$100,000 on a quarterly basis. So, it's \$25,000 every quarter.

Councilor Miller said I did talk to Robert Donaldson a little bit and he told me he could not do this fundraiser without Janis Rowe. I think we have to have the fundraiser. This is not an enterprise fund. It does not make money and we knew that when we took it on. What happened is the money was spent too fast and too furious throughout the years. We have to make this up and it's not a crime to use some of our funds from the General Fund. Most cities have to do that. I don't know why we couldn't put \$10,000 more into this. It's our only recreational and tourist type thing we have and if we don't bring people in and keep them here they're not going to spend money here and that goes to our taxes too. The museum is going up and up and thank you Mr. Pawley and all of you that work there. I'm very proud of it and I don't see why the City cannot put a little money into it. I would like to see Janis be Associate Manager because she is doing the job now and thirty hours a week is not enough for Teresa to do everything she needs to do there. And, another thing is they are City employees and are being treated a little bit different. Other City employees are getting this clothing allowance. To me, I like to be fair and they are a City department. We took it on and we're responsible. In a couple of years we can talk to the State about taking it over. Right now we're responsible for this and that's how I feel. I know there are probably people who disagree and I know it's more work for both of you but to me we have to keep it. We have good employees and have to keep them satisfied. We need to find a way and keep who we have there.

Councilor Holman said I think there are two sides to this equation. The entire thing is extremely difficult. This is almost a lose/lose thing. On one side of the equation there would be a part of the negative side. I think we do need to look at can we afford it? I've been thinking about this off and on for several days. It comes down sometimes to whether we like it or not of can we afford it? In a minute we want to look at the other side of the equation of can we not afford to do some things and in addition to can we afford it and we've just heard some figures that are not good. The other thing I have a concern about on the promotions with a raise is that it hasn't been too long that we turned down a request from one of the departments for a raise for an employee and we turned that down. I'm concerned about the possibility of this coming up to haunt us in litigation which apparently we are heading that way. Whether or not that is going to hurt us really bad if we are in litigation and if it goes that far. I think we need to find out that before we make a decision

and I don't know whether Alex or John are prepared to tell us or not but I'd sure hate to be in a court situation and this topic come up because we're back to treating everyone equal.

Alexandra Bobbit, City Attorney said in terms of issues with litigation we are already there. The suit has been filed and we have responded. We are now working with that. In terms of it being a conflict between this situation and the previous situation that really comes down to several factors. For instance the museum has its own separate fundraising. There are private funds being given to a public funds and that's not the situation in the other case. I don't want there being a fear because it wasn't approved in one situation that it can never be approved. I think this situation has a lot of different factors to it that wouldn't be relatable to the other situation. Should there be something presented to try to make it comparable to the current litigation that is something I feel we would be able to show distinct characteristics that differ the situation from another. She said the Councilors should do what they think is right and how this situation works. Again, every case and situation is different and should something come up we will deal with that.

Councilor Holman said I feel like all of the Councilors should be aware of my concerns and it sounds like none of us have to worry about that aspect. I was concerned about that.

Councilor Miller said this person in question her wages were cut twelve and a half percent and she has more duties now than she ever did. I was just asking if we could put her back to where she was until the next budget. It's not an increase in salary really.

Carol Virden, City Clerk/Treasurer said first and foremost it is the responsibility of the Finance Department to provide the facts of the finances for every single department whether it be the General Fund, museum, or transit. Mary is here to tell you what is available and what the additional cost would be for the next five months. It is the fiscal responsibility of this Governing Body, by law, it is your responsibility. You are responsible for the finances. We're just here to bring the information to you. Second of all, if the Council chooses to go this route it's not going to take place immediately Mr. Pawley because we would have to do what is called a mid-year budget adjustment to increase the expense side of the museum with I guess I heard him say a transfer from the General Fund and that takes a resolution. That resolution has to be approved by the Governing Body and Department of Finance and Administration as well.

Councilor Holman said on the uniform allowance as I recall was voluntarily given up by the employees and that is accurate. I have a problem there of treating everyone the same that even though they did this voluntarily apparently Mr. Pawley is telling us he would like that reinstated in order to treat all of your employees the same. Even though they did give it up voluntarily I think that should be reinstated Council so that all of our employees are treated the same. I might add, and I've said this before, I don't think any of the employees except for the uniformed employees like the Fire Department and Police Department should have a uniform allowance but we do. I concur with Councilor Miller that we need to do it with everybody. He said as far as this fundraiser Council I don't think we're going

to be able to make a decision. Either way we go there are some real negatives with it. We have to have the fundraiser as Councilor Miller has said and we've been told that Robert Donaldson made the statement that they cannot do that without the help from the museum personnel this year anyway. On the other side I wish the two employees would wait until we can have a new budget and go from there. I hear what's being said that they need this to be done right now but if they could wait because we've already set our budget. I think what I've been hearing is that our General Fund is not in good shape.

Mayor Williams asked for clarification on that.

Mary Castaneda, Finance Director said it is in good shape.

Councilor Holman said these are things that are coming out and we need to know. I'm in hopes that the two employees will hang in there with what they are doing at this point and get through until we have new budgets and then start over.

Councilor Hood asked how long Janis has been at the museum.

Carol Virden, City Clerk/Treasurer said since 2005.

Councilor Hood asked when it was that we cut the museum.

Carol Virden, City Clerk/Treasurer said it was November 2012. It was at the recommendation of the previous Director at that time.

Councilor Hood asked how does this compare to that time if you give them what Mr. Pawley wants tonight? What were they making at that time? Do you have an estimate?

Carol Virden, City Clerk/Treasurer said not off the top of my head. I know Councilor Miller asked for a spreadsheet and I apologize but a lot was going on today. Mary just got back. Mary lost a family member and she didn't get in until 1:00 this morning so I did tell her to come in at noon. There was a spreadsheet done by Terri prior and I think that was given to the Council. We can get that information first thing tomorrow morning and we can disseminate that to each of the Councilors and put it back on the agenda or postpone Item F under New Business for the February 24th Council Meeting and then you can have a clearer look of what the numbers will actually be. Teresa in the Gift Shop is on a part-time basis and always has been on a part-time basis.

Councilor Hood said I know they've had their money and hours cut and I would just like to know how much it compares to the last time.

Councilor Miller said I really do have a concern that we start planning our budget in April and then finalize it in May. Our summer season is starting the end of May and here we are and the budget won't go into effect until July 1st. We are with a Gift Shop clerk or assistant

with only thirty hours and we are going to get a lot busier. I know she has enough work to fill forty hours there. She's alone now and doing it all herself. Right now Janis helps her on her days off and then that leaves Janis's work too. We need to do something before that summer season starts to help them unless one of us wants to volunteer one day a week to help them out. I care enough that I will.

Councilor Holman said I think what Councilor Hood said has merit. We are raising the question of whether or not we want the museum to perhaps become a second rate outfit which I don't think we want. For one thing it might affect the Hubbards and they have been very generous.

Councilor Miller asked the other Councilors if they want to postpone until the next meeting so they can review the numbers?

Carol Virden, City Clerk/Treasurer said we can do a comparison spreadsheet taking in fiscal year 2011-2012 with all the salaries at that time and then take it from the time the Council reduced employees' salaries by twelve and a half percent with the uniform allowance up until February and then do another spreadsheet with the increases that Mr. Pawley would like from now until the end of the fiscal year. We can present to you as well the actual revenues from July 1 to the end of February with the actual expenses from July 1 to the end of February. Because we have yet to do the mid-year budget adjustments we have to reduce the museum's budget revenue side by \$75,000. We'll show all that and it will give you a clearer picture of what you're able to do from Mr. Pawley's request on the 24th.

Mary Castaneda, Finance Director said I can do it up to January because we haven't closed the books for February yet.

Mayor Williams said with discussion by Council and the uncertainty of the numbers the original motion was stated. If you want to modify it you can with a postponement until February 24, 2014.

Councilor Miller said I would like to amend my motion to postpone discussion and possible action on this memorandum for Council to review further revenue and expenditure numbers. Seconded by Councilor Hood.

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

OTHER BUSINESS

(Items are for discussion only - no action will be taken)

Mayor Williams stated the next item on the agenda was – Updated Financial Status Report – Hubbard Museum of the American West and Lincoln County Transit.

Mary Castaneda, Finance Director said on Lincoln County Transit I got the reimbursements in for November and December. Those reimbursements should come in at \$50,378.59. At the end of December I have estimated figures after those reimbursements we should have a positive balance of \$33,854.97. With the museum the bottom line balance is \$37,940.23.

Carol Virden, City Clerk/Treasurer said we haven't received those reimbursements yet. Mary has been doing the reimbursements and I have been doing the other side of the transit as far as reporting to DOT and the drivers for specific federal reports that are required.

PUBLIC INPUT

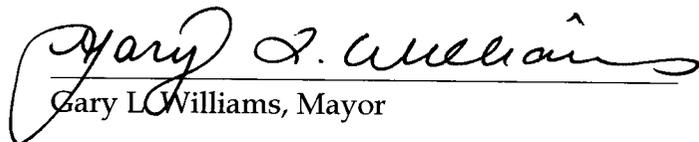
Mayor Williams stated the next item on the agenda was – Public Input.

Pam Williams said I just have questions as much as anything about transit and is anyone running it? Are we doing the stops and has everyone agreed or are we out there running amok? I'm real curious because the last time it was in the hole and everyone just got up and walked out. I thought well are you all going to do anything or are you just going to ignore it and hope it goes away or are you just going to let it float along like it has since it started. This is the way we started the museum, the transit and we're just going to let it go and see if they can't buck this. We do have a lot of other stuff too and this is the citizens and they are part of the equation. It's not about how powerful everybody is.

ADJOURNMENT

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

Councilor Miller moved to adjourn at 5:15 p.m. Seconded by Councilor Holman.



Gary L. Williams, Mayor



Carol Virden, City Clerk/Treasurer