

CITY OF RUIDOSO DOWNS
CITY COUNCIL
BUDGET WORKSHOP
WEDNESDAY, MAY 14, 2014
5:00 P.M.
THE HUBBARD ROOM, CITY HALL
123 DOWNS DRIVE

The Council of the City of Ruidoso Downs met for a Budget Workshop on May 14, 2014. Mayor Williams called the meeting to order at 5:00 p.m. Mayor Williams asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Miller
Councilor Morales

Councilor Perry
Councilor Hood

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

Also present:

Christopher Rupp, Police Chief
Mary Castaneda, Finance Director
Cleatus Richards, Public Works Director
Janis Rowe, Associate Director/HMAW
Harrold Mansell, Municipal Judge

APPROVAL OF AGENDA

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

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

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

Mayor Williams stated the next item on the agenda was - Introduction of Fiscal Year 2014-2015 Budget.

Mary Castaneda, Finance Director asked the Councilors to open to the third page of their packet for the Recap Sheet. She said I'm going to start with the General Fund. When we

started this we met with the Budget Committee and they met with the Department Heads on May 2nd and May 5th and went through all of the budget and this is the end product of those meetings. After putting in all of the figures you will see in column K that we were still in the red. Cleatus gave up one of his positions in his department to bring us back into the black. He gave up a position that was there for heavy duty equipment operator. That's where I came up with the \$14,000. So, to start with I have budgeted revenues of \$3,287,369. Budgeted transfers through the various funds ending with a negative of \$32,820 with expenditures of \$3,240, 029 leaving us an ending balance in the black of \$14,520. She said our 1/12th requirement is 270,002. That figure shows in red on the side because we do not have a beginning cash balance. The 1/12th is based on the cash balance. As long as we're okay in this red on the ending from revenues less expenditures it's balanced.

Mary Castaneda, Finance Director said during our Budget Committee meetings if you turn to the Courts we were requested for some information. Do you have any questions?

Carol Virden, City Clerk/Treasurer said the information that was provided to you on the Court Administrator from different municipalities.

Councilor Morales said right here it says most towns with a population of less than 10,000 don't have a Court Administrator. They are Court Clerks. If you look at the sheet Ruidoso has the highest population and the highest salary range is \$32,907. Ruidoso Downs has a population of 2787 and the salary for the Court Administrator is \$35,000. First of all we have a population of less than 10,000 and they have a population of 8961 and our Court Administrator is paid more than theirs. All the others are Court Clerks.

Councilor Perry said except for Ruidoso.

Councilor Morales said Raton has 8,500 and they have a Court Clerk and she makes \$25,966.

Councilor Miller said look at Lovington. Their population is 9,633 and their Court Clerk makes \$22,000. By this information it shows that we are very generous in Ruidoso Downs.

Councilor Morales said with these comparisons that we got I can't see justification for from \$35,000 from this fiscal year to \$40,000 for next year. We don't have money to just be throwing around for that salary when you look at the comparisons. We can't take it away but I don't see increasing it at all. One of the things I looked up was the District Court Clerk in Alamogordo and their median salary is \$27,000 a year.

Councilor Hood said let me get up to par here. The judge asked for a \$5,000 raise for his Court Clerk right.

Mary Castaneda, Finance Director said yes.

Mayor Williams asked Mary is there was a consideration for a COLA for the rest of the employees?

Mary said yes. I took that into consideration and that's at the end of your book under that tab that says Salaries. Then you have tabs that say Current, 3% COLA, and Finance. If you flip to the 3% COLA the figures are in there. I did not insert them. We do not have the money. There are no funds. I created the spreadsheets and looked at the figures but we can't do the 3% COLA. The tab that says Finance I wanted to give three employees in City Hall a dollar raise because they are very low below what their job entails and what they do and we don't have the money for that.

Mayor Williams said with that in mind it would be difficult to give a raise to one employee and we're not giving raises to any other employees.

Judge Mansell asked to speak.

Mayor Williams said no because they are just discussing between the Council.

Councilor Hood said maybe we can come back at mid-term and look at it again to make adjustments.

Carol Virden, City Clerk/Treasurer said where the Court is on the General Fund it would behoove the Governing Body to allow the elected official Judge Mansell to speak on behalf of his department.

Judge Mansell said I have been judge for twenty-six years. I've lived here forty years and have even been on the City Council, judge, or Mayor Pro-Tem for thirty-eight years. One thing that is disheartening is that Virginia is in there by herself and we have one part-time girl and we have to get somebody for when she takes vacation we don't shut the court down. I went through the salaries and I think that you will find that the first half million dollars of the salaries is in five departments. Out of those five departments half of them live in government entities and Dale, I'm not counting him in the half a million even though he's up around \$70,000. You are comparing the Court with one Court Clerk and she does everything. I think you will find that out of those five employees, top salaried employees that none of them live in Ruidoso Downs. Half of them live in Lincoln County and Virginia has been here all of her life. She just got certified which is mandated by the State as a Court Interpreter. I simply can't understand your thinking or rationale on this. I can't imagine with Wal-Mart here that 78% of our income comes from gross receipts tax. Courts are not a profit making organization but we do have a lady in there that is a Court Administrator that probably makes as much money than anybody. You cannot compare oranges to apples such as District Court Clerks. Between Wal-Mart and Traffic Court is where we come from.

and there is probably five times as much work out of that Court Clerk than a District Court. There is no comparison.

Councilor Morales said I would differ with that judge. The Court Administrator handles citations, prepares citations and subpoenas. In District Court they not only handle traffic citations but also criminal, civil, probate, and family matters. It is comparing apples to oranges and I understand that part but the duties that they have are much more than municipal court. They have all different phases of the court system. Not just municipal. Not just traffic tickets. They do probate, civil, divorce, criminal but this is a municipal. In the court system we have municipal, magistrate, and district. I got my information off of the Internet for Alamogordo and their District Court median is \$27,000. I don't know if that's entry level but that's still a bigger court.

Judge Mansell asked how many?

Councilor Morales said how many what?

Judge Mansell said please don't tell me that a judge just has one working for him.

Councilor Morales said the judge only has one person working for him which is a TCAA. Now you do have a District Court Clerk Supervisor and two clerks but you have to weigh in the volume they have to do every day.

Judge Mansell said I think you will find the same thing in the \$5,000 that I'm talking about.

Councilor Morales said then what is this sheet that we have showing the comparable court clerks with populations bigger and smaller than ours?

Judge Mansell said more than one clerk. He said I can see that I'm not going to win so do what you want to do and I'll do what I have to do.

Councilor Miller said the information that we have here came from the New Mexico Municipal League.

Judge Mansell asked who got it?

Mary Castaneda, Finance Director said Donna Miller was asked to go to the Municipal League site and get the information.

Councilor Miller said when we have a question we go to the Municipal League.

Judge Mansell said so you are turning down the \$5,000?

Councilor Morales said we don't have any money. We can't even give COLA raises to the other employees. We can't justify that.

Judge Mansell said I read in the paper where museum employees were getting raises.

Councilor Morales said no one is getting raises.

Mayor Williams said what that was were the people in the museum promoted to a position and with that was a salary increase for the position.

Judge Mansell said a Court Clerk to a Court Administrator is an increase in position too.

Mayor Williams said you requested \$1.50 increase with that administrative upgrade two years ago and you were given the \$1.50 raise so as far as we know she has received the upgrade in salary for the position she is in right now.

Councilor Miller said every department that came in and spoke with us were willing to cut where they could and they did cut. I want them to know that I appreciate that they are all trying hard to save.

Mayor Williams asked if there were any departments that had increases from last year or decreases from last year? The reason I'm asking that is I'm looking at Finance/ Administration and their bottom line is about \$49,000 less than last year.

Mary Castaneda, Finance Director said there were a lot of cuts in there from all departments.

Mayor Williams said so they did come in with the mindset to cut.

Mary said even after the fact we were still in the red and I called two different Directors and it came down to Cleatus where he said you know what, we don't have the money so just remove the position. He used that to be able to get a salt truck.

Mayor Williams asked if there were any increases or decreases for the non-departmental entities?

Mary said no and the contracts remained the same and that was the library, humane society, and Boys & Girls Club.

Carol Virden, City Clerk/Treasurer said we have a couple of individuals here from the Humane Society that want to say something. Their request is for \$27,000.

Judith Gouch said we are here just to say thank you for your support. We are a small shelter. It's an old shelter but we have a young staff and it's clean. Any animal that comes in gets a name and our adoption rate is very high. Our intake to adoption percentage wise is one of the highest in the country. We're getting ready to build a new shelter and are ready to make a capital campaign but none of the money you give us will go into that. We have a brand new webpage so if you're interested in where your money is going and what our animals are you can find it in this packet. Our resale shop is very important for income.

Don Kilroy said I'm currently serving as the Vice-President of the Humane Society and asked how many animals were brought to us from Ruidoso Downs last year? That would be 255. It's \$106 an animal to get them in.

Carol Virden, City Clerk/Treasurer said Wendy always in June would email me a new contract for the next fiscal year and make sure the correct president of your board signs off on that.

Mary Castaneda, Finance Director said we will move on to Lincoln County Transit. Fund 25 is the transit and they have budgeted revenues of \$219,000 with budgeted transfers of \$14,992, expenditures of \$162,500 which would leave us in the black in the amount of \$41,508.

Councilor Miller said I corrected a lot of this in revenues from DOT.

Mary said she could look at that on page 41. She asked them to go to the third page on the salaries. This is including a manager that we do not have hired now that we need. It's gives us room to hire two more part-time and a manager and we're still in the black.

Carol Virden, City Clerk/Treasurer said we will be getting together with Ruidoso sometime in the near future. There will be several meetings to discuss a fixed route. We are very fortunate and blessed that I was sent some information on some shelters. I think there were ten and are readily viewed. They will fit very nicely in Ruidoso Downs.

Mayor Williams said we don't really have anyone right now to go out and enhance that and talk to the market to get other avenues that could be brought it. This person would have time to do the marketing and scheduling and grant writing, dispatching. Allowing the drivers to drive. Right now Emma is driving and dispatching and doing everything else. She has two jobs besides.

Councilor Miller said I'm glad to hear that Ruidoso is getting involved.

Carol Virden, City Clerk/Treasurer said there is a possibility of combining with Zia Trans.

Mary Castaneda, Finance Director said I want to go to the Museum Fund now. It is Fund 36 and starts on page 60 in your book. We have budgeted revenues of \$258,400. Budgeted transfers in of \$25,000 and \$160,000 comes from the General Fund. The rest of that comes from the Lodgers' Tax. Budgeted expenditures of 394,215 which leaves us a balance in the black of \$24,185. With that balance that came into the black was discussed in the budget meetings that they had that open position for the museum exhibit tech. That one position would be eliminated and moved to if I understood correctly. That would be reflected through the salaries on that last tab. It is also on page 3 of Current.

Councilor Morales asked if the museum pursues any type of grants? It seems to me that there are many.

Councilor Miller said it could be used as our convention center and I'm wondering if we put that in the name of it if we could get some grants. There might be state money for that.

Mayor Williams asked what other revenues are there?

Mary said that line would remain open for revenues to come in that were unforeseen and wouldn't go into these preset categories.

Carol Virden, City Clerk/Treasurer said about the museum being used as a convention center. We have had several discussions about a name change to include Ruidoso Downs Hubbard Museum of the American West and Convention Center. That's a major stepping stone that we need to take care of in order to seek economic development grant money. Our Economic Development Board has not received any grant money in two years. Their regulations have changed extremely where Ruidoso Downs could not fit. We cannot and do not have the funds to hire an Economic Development Director. As far as regular grant for the museum, and I'm not going to talk about the Hubbard Foundation because they can get all the grants they want because they are a 501-3C. I do not know of any grants out there for city-owned facilities. She said the Mayor may want to direct the Finance Director to research that.

Councilor Morales said if by chance there were a little bit of money out there it would be worth it.

Mary Castaneda, Finance Director said to go back to the Recap Sheet and look at the Sewer Fund and it would be on page 77. We have \$788,500 in budgeted revenues. Transfers in of \$36,333 and then our budgeted expenditures of \$823,083. That leaves us \$1,750 in the black.

Carol Virden, City Clerk/Treasurer said this does not include where two years ago the Council voted on an increase in sewer and water rates reflecting the Consumer Price Index. Those will be on the final budget though.

Mayor Williams asked on the Sewer Fund what are the revenues?

Mary said on page 77 the first line of revenues is the 1/8th percent on the gross receipts tax. I looked at the average of two years of gross receipts and then it's 1/8th percent of that and designated to that fund so that's where you get the \$44,000. There are Inspection Fees, Sewer Sales on the utility billing and then sales tax on those services. There are also Connection Tap Fees. The expenditures include the Wastewater Treatment Plant expenses that we have with the Village of Ruidoso.

Carol Virden, City Clerk/Treasurer said we are still required to spend a million dollars within a five-year period and that is on page 80.

Mary said on page 80 that first line that says R & R Project was set at \$100,000. She said Cleatus was awesome to work with on making changes.

Mayor Williams said this Director is always out there trying to save us and find money.

Councilor Morales asked where the Settlement Agreement is on these?

Mary Castaneda, Finance Director said they would move on the Water Fund. On the Recap Sheet and on page 55 I have budgeted revenues of \$471,000 and no Transfers. There are budgeted expenditures of \$470,293 and leaves an ending black balance of \$707.

Councilor Morales said a lot of the benefits like insurance have gone up.

Carol Virden, City Clerk/Treasurer said the biggest increase is the Public Employees Retirement Act.

Councilor Hood asked how much?

Mary said it was from 9.15 to 9.55 and that's for the regular municipal plan to employees. Police went from 18.5 to 18.9 and the Fire went from 21.25 to 21.65.

Councilor Morales said that is a big part of our budget.

Carol Virden, City Clerk/Treasurer said we will do our best and our Department Heads will stay within our budget. We are going to have to live with what is budgeted.

Mary Castaneda, Finance Director said we will go over Lodgers' Tax on page 34. We have budgeted revenues of \$75,000 with Transfers going out \$39,500. Budgeted expenditures of \$21,600 leaving the balance on the promotional side of \$13,900. Non-Promotional we have budgeted revenues of \$112,500 and Transfers going out \$89,250. Budgeted expenditures of \$23,250 leaves a zero balance.

Carol Virden, City Clerk/Treasurer said all organization that the Governing Body has approved in previous years are the same requested rate with no increases.

Mary said on page 57 there is a new one under promotional and that is for the Ruidoso Gymnastics Association and that is for advertising their event during Aspenfest for \$500.

Mary Castaneda, Finance Director asked if there were any questions about funds that they didn't go over.

There were no questions, only compliments to Mary, Carol and the Mayor for their hard work.

Carol Virden, City Clerk/Treasurer said I do want to go through Fund 22, Judicial Education and that comes through the Court. We have an ordinance in place for that. Court Automation we also have an ordinance for that. Then we have the Correction Fund Fee that is attached to that. EMS and that's a grant that the Fire Department always applies for.

Mary said Street Improvements is part of the gross receipts percentage allotted for that and there are two other funds that account for that total.

Carol continues and said Fire Protection and that's a state grant that is very specific. Law Enforcement Protection Fund and that's a grant that comes through the state and those are more specific. Infrastructure, we do get GRT's for those. The GO Bond where we put out the for the Wastewater Treatment Plant. We have the CDBG and Colonias grant specifically for the Agua Fria Subdivision.

Mary said on the CDBG grant there are zero revenues and zero expenditures because that grant is in progress and hopefully we will have signed document and figures for the final budget but I don't know so otherwise it will remain zero.

Carol Virden, City Clerk/Treasurer said the Preliminary Budget will be on the agenda for the May 27th Council Meeting and is due at the Department of Finance by June 1st at 5:00 p.m. Mary will be driving it up to Santa Fe that week.

Mayor Williams asked if there were any questions from the public?

Wayne Williams said listening to the Budget Committee it seems to me that if you lose Wal-Mart or tourism you won't have anything. For this city to depend solely on those sources of income strikes me as being living on the edge of a sword. I would suggest that there is a piece of property down here that would make a good industrial site and too you already have a well down to the aquifer but you can only take out so much. If you could get the

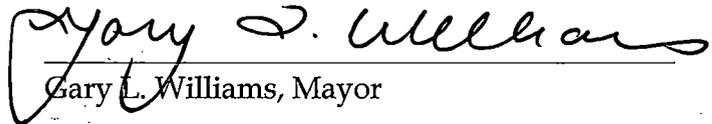
water rights you could take out more and won't have to drill a new well. The Council needs to be looking forward to the future.

Virginia Armstrong from the Municipal Court had some questions for the Finance Director and was asked to speak to her in the office at some point.

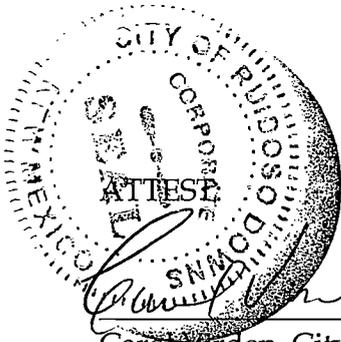
ADJOURNMENT

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

Councilor Morales moved to adjourn at 6:33 p.m. Seconded by Councilor Perry.



Gary L. Williams, Mayor



Carol Virden, City Clerk/Treasurer