

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
BUDGET WORK SESSION
MAY 18, 2015
5:00 P.M.

The Council of the City of Ruidoso Downs met in a Budget Work Session on May 18, 2015. Mayor Pro Tem Morales called the meeting to order at 5:00 p.m. and asked Dakota Crouch to lead the Pledge of Allegiance. Mayor Pro Tem Morales asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Miller
Councilor Morales

Councilor Perry
Councilor Ritter

Carol Virden, City Clerk/Treasurer informed Mayor Pro Tem Morales there was a quorum.

Also present:

Mary Castaneda, Finance Director
Christopher Rupp, Police Chief
Steve Dunigan, P & Z Director
Dakota Crouch, Associate Director HMAW

APPROVAL OF AGENDA

Mayor Pro Tem Morales entertained a motion for Approval of Agenda.

Councilor Ritter moved to approve the Agenda. Seconded by Councilor Perry.

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

INTRODUCTION OF FISCAL YEAR 2015-2016 BUDGET

Mary Castaneda, Finance Director said if you will open your books to the front there is a Table of Contents. During our Budget Committee meetings three different scenarios were proposed so there are three different proposals that was suggested during those meetings. Behind Tab 1 is the first scenario showing a \$1.25 raises for all employees who did not receive a raise. All of the scenarios include the insurance increase which is 8% higher than last year. Our gross receipts are currently sitting at 20% below what they were last year so

we're down about \$187,000 than last year. All tabs have the DFA recap sheets. The second tab is the salary sheet with no raises. It was suggested that because there was a decrease in salary position for the Planning & Zoning and a removal of a position in the Courts department so those have been submitted into that scenario. The third tab has the DFA recap sheet and the salary sheet that Public Works requested and they're all different amounts. It's all reflected on the spreadsheet plus the \$1.25 for those who did not get a raise. On the first recap sheet you will see the General Fund is in the red \$61,843. The second recap sheet shows the General Fund in the black \$63,176. The third recap sheet shows \$89,275 in the red. It also shows the Water Department \$41 in the red.

Mayor Pro Tem Morales told the other Councilors to jump in with both feet whenever you are ready.

Carol Virden, City Clerk/Treasurer said the City of Ruidoso Downs and other municipalities in the state are very fortunate that the general liability for law enforcement and other insurances that we pay were not increased at all.

Councilor Perry said on the self-insurance we are paying 90%. Have you looked at other communities and what they pay?

Carol Virden said Ruidoso is not in the New Mexico self-insurance fund.

Mary Castaneda said I believe it's 80/20 but I don't have documentation on that.

Councilor Miller said according to this the only way we stay in the black in the General Fund is no raises at all.

Mary said that is one option but realize that there are things in the budget that departments have asked for that are above and beyond the normal operations. There were some vehicles requested in some departments. It's up to you to decide what's needs to happen to make this balance. I have three different scenarios here because I didn't know how to give you one with all the variables. I gave you three different budgets but that doesn't mean you can't look at one budget and like this and move it to another. However you want to do it.

Mayor Pro Tem Morales said Judy, on the first tab is the employees who did not receive a salary increase. That's \$1.25. Two things to remember is that insurance went up 8% and gross receipts have gone down 20%.

Mary said that's correct however I did leave the revenues as stated last year. I did not decrease them by \$187,000 otherwise we would have been further in the red. I can do that if you'd like.

Mayor Pro Tem Morales said we just need to be very aware of the fact.

Councilor Miller asked if we are getting the tax on the food?

Mary said we are and that's being taken into consideration when we get the monthly distribution statement. She said I do have questions into Tax & Rev on this and why there was such a deficit. I was told that one of our filers was late in filing. I have put a request into DFA to see if they will look into it from their side and maybe get a better answer from Tax & Rev. I went all the way back to 2012 and our revenues coincide with 2012. I have called other agencies in the area and they are down about 7% or 8% but it doesn't come near our 20%.

Councilor Miller said I just read recently that Ruidoso's gross receipts were up.

Mayor Pro Tem Morales said it seems to me there is a problem with accounting somewhere especially when you look at the people shopping at Walmart and during holidays they are wall to wall. It seems to me it should be a lot closer.

Mary said those are the answers that I can give you that I know. That's what we have to date.

Councilor Ritter said I don't understand the loss in revenue and am trying to think of anything big that's gone out or any significant changes. It's not like we lost Walmart or the racetrack. That's a huge number. I'd go back to the accounting.

Councilor Miller agreed.

Mary said I am pushing. I really am.

After a long pause Mary asked Mayor Pro Tem Morales if she could make a suggestion? Maybe we could start with the tabs and go down each department the way they are listed. That will give us a starting point.

Mayor Pro Tem Morales said I think that's a good idea because I know Councilor Ritter hasn't had a chance to look at this. If you look at these budget worksheets there is a lot of stuff that couldn't be changed.

Councilor Miller asked what the \$40,000 is for insurance?

Mary said that's how much their insurance is. If you look behind tab one you'll see the salary sheet. At the top it says Judicial and then insurance. The insurance for the year for that department is \$43,744. It's like that on each of the tabs and salary sheets and then there are grand totals on each of those salary lines.

Mayor Pro Tem Morales asked Carol if we have always paid 90/10?

Carol said since I've been here yes.

Councilor Miller said for as long as I can remember because we didn't have the money to give higher wages and used that as an incentive.

After a long pause Mayor Pro Tem Morales asked Councilor's if they had any suggestions or thoughts?

Councilor Miller said we have to make some cuts somewhere so we can stay within our budget for the General Fund. Public Works is one department that has really cut back.

Carol asked if she could jump in? I would suggest that the Finance Director go through the General Fund on what the projected revenues, transfers, expenditures, and estimated balance will be either in the black or the red. Then you can take it back and starting with the court and the Budget Committee as well as the court, if you wish to, allow the courts to have what they actually cut back on. Pull out all three recaps and go that way.

Mary said the first one you should have is the \$1.25 for those who did not receive a raise. There are a variety of different raises for different personnel. Those are the differences in the three recap sheets. The reason the Water Fund is \$41 in the negative and that's because of the raises. The Public Works director asked for me to increase their revenues by 5% which I did and they are still \$41 in the red.

Councilor Miller said we need to look and see where we are losing money and try to fix those situations. If it's employees or what, I don't know.

Mary said we can go down each department and what their expenses are. We can do that by department. She started with tab one and with \$1.25 raise for the Court Administrator and Bailiff.

After a long pause Mary said I printed all three out because I didn't see any other way to explain it.

Councilor Ritter said if you take the budget in two and with the courts, it doesn't have the Bailiff so if you put that in with the raises you're going to save almost \$60,000 and that's salary and insurance. If we took the numbers off of three where we are a negative \$90,000 and then took the Bailiff position out that's already in number two that fixes almost 75% of it.

Mary said plus if you look at the changes in position in P & Z there's a large number there too.

Councilor Perry said with everybody at a \$1.25 raise that would almost take us back up.

Mary said yes.

Councilor Ritter said it seems to me to have so much payroll in the court system, and I've talked to two other judges. One is a retired municipal judge and the other is an active judge and they said are you kidding? For a standby Bailiff? If we have two hours of court I kind of look at it like we only need 20 hours of payroll. That's my opinion. If I'm an employer and it takes you two hours to do this I don't know why it takes you more than ten times that to prepare for it.

Virginia Armstrong, Court Administrator asked if she could comment.

Mayor Pro Tem Morales said yes and asked her to come up to the mic.

Harrold Mansell, Municipal Judge asked if he could come up there with her?

Mayor Pro Tem Morales said yes. We're not going to go on and on and on. Come up and speak your mind and then we'll move on.

Virginia said for one thing you're trying to do away with our Court Bailiff. When she was hired as a Court Bailiff she was hired as a transfer as a full-time employee. She was not transferred as a part-time employee. We don't only do 2 hours of court work a week. We have just completed our monthly report and this year to date we have already collected \$75,000 in revenues. That's low compared to what it's been in the past. Last year was less. This year it's up. The year before last it was higher than that. And, you're trying to say that you're trying to cut all of that and just give us two hours. Do you think that we just sit there and wait for the judge to come in and prepare for that. Do you know what we do during the day? I know Ron that you don't have any idea what we do during the day. We process warrants. We collect money from warrants. We process payments. We set up trials. People come in all the time to do stuff during the day. I don't think you have any idea. I don't know what judges you talked to or what municipal people you talked to but you have no idea exactly what court does.

Councilor Ritter said my comment was that for two hours of court you don't need a hundred hours of payroll.

Virginia said we have two hours of court for the judge to come in. We are full-time employees doing our work to collect money, processing warrants and show causes.

Councilor Ritter said I understand that. My comment was a general comment and wasn't an attack on you. My point is that the other judges I spoke to said for that amount of court time you don't need that many hours of man power to ready for it, process it, and take care of it.

Virginia said that's wrong. It sounds like you all are trying to get rid of the Bailiff. I don't think that's a very good idea because she was hired as a full-time employee as a transfer from another department.

Mayor Pro Tem Morales asked Judge Mansell if he would like to make any comments?

Judge Mansell said yes I would. I have been a judge for twenty-eight years and have also been a Council member and a Mayor Pro Tem and I have served this town thirty-eight years out of the forty-three years I have owned property here in Ruidoso Downs. As far as the income of the court we could double it easily. We had a meeting here about six months ago with Chief Rupp. It was agreed that penalty assessments would come through the court here unless they were the probable cause for going through Magistrate Court. I have also been told by some of the officers to my face that if they give someone a ticket and they choose to have a penalty assessment and they mention that they know me they would put the ticket in Magistrate Court. That goes to the state. I really don't think that any of you know how the situation works over here.

Mayor Pro Tem Morales asked Judge Mansell if he had anything else?

Judge Mansell said yes. I want to get raises for both of my girls and I want to keep both of them and they have to be in there.

Mayor Pro Tem Morales said it's going to be up to the Council. The one thing I will say regarding the Bailiff position was that we were ordered by court to keep that position open for eight years for Dana Terlecky. Dana Terlecky is no longer an employee of this municipality. We are out of that court order. The other thing and my understanding is that when Dixie Hipp was moved over from the Police Department to the Bailiff she was told that there was a possibility that the Bailiff position could be eliminated and she was okay with that. The thing is when we started that Bailiff position we lost the court case and we had no choice than to keep Dana employed for eight years. We did that and it's done. I don't know what the rest of the Council feels like but Dixie knew when she transferred that the position could end July 1st.

Judge Mansell said I was not aware of that.

Virginia said Ron Ritter this they are spending too much money on running the court. I could pick out other departments that are costing more.

Mayor Pro Tem Morales said we aren't going to talk about other departments, just the court as long as I'm here tonight.

Virginia said as far as the Bailiff position our budget has \$40,000 in it for that position. Donna knows and Mary knows that we are down to slim pickins. There is also revenues that are brought in with automation. The automation fund is \$29 for court costs and it goes

right back into the systems. From that fund what is reimbursed to the City that is put back into our budget pays for computers, desks, printers and things like that. The City pays but they are reimbursed from that fund.

Mary said that is already figured into the revenues. Just so we're clear, what happens in this fiscal year ends this fiscal year and then there's a new budget.

Virginia said I understand that. So, the money we had left over we asked for the raises and the Bailiff position and haven't heard one thing. We sent a memo over to City Hall so we could talk about that and haven't had a single response.

Mayor Pro Tem Morales said I there is some misconception about money left over. The budget for this year is balanced. You won't have money left over to use next year.

Judge Mansell said I think we could. I said we could double it.

Mayor Pro Tem Morales said we go fiscal year to fiscal year.

Virginia said it goes back into the General Fund so we can use it for something else.

Judge Mansell said this is the fourth time I've been in here and Councilor Ritter has made snide remarks about the court.

Mayor Pro Tem Morales said I beg to differ. I think Mr. Ritter is looking at the interests of the City and it has nothing personal to do with you.

Judge Mansell asked Mayor Pro Tem Morales if she had any other questions?

Mayor Pro Tem Morales said no.

Judge Mansell told Mary you can double. All you have to do is have the Mayor or someone to talk to the Police Department and get that straightened out.

Councilor Miller said I would like for her to verify what was said that she was told.

Donna Miller, Payroll and Personnel said she was told that the position may not be a position in the new fiscal year.

Mayor Pro Tem Morales said it's whatever the Council decides now. Is there any direction from Mary now?

Councilor Perry said we're going to have to make some changes for the right or wrong whether we like them or anyone else likes them. We have to get this budget straight. The

court has cut about everything they could. The Bailiff, that's going to help us a bunch. My opinion is that we have to do what we have to do and give everyone a \$1.25 raise.

Virginia said do you think I can run that court by myself?

Mayor Pro Tem Morales said you have part-time help.

Virginia said that's part-time and she can't run the court by herself. That's Tuesday's and Thursday's and she may or may not come back. I don't know. All I know is that means no vacation or sick time for me or we close the court.

Mayor Pro Tem Morales said I'm not going to get into it with you Virginia and I told you that before. That part-time person needs to be trained to fill in when you're not there. To fill in for vacations and sick days.

Virginia said she can't do it by herself. I can't do it by myself.

Mayor Pro Tem Morales said she's part-time help and needs to be trained to fill in when you're not there. You told me at a Council meeting that she was not trained to fill in when you're not there which led me to believe why do we have a part-time person that can't fill in when you're not there. I don't believe we need a Bailiff for forty hours a week to help you run the court.

Virginia said she's not just a Bailiff, she's under me. It's a busy court and I don't know if you believe that. Donna knows. She used to sit here and listen to what happens in court. There is no way I can run that court by myself. What happens if my part-time clerk is sick. Then what?

Mary asked Council if there was any direction or changes you want me to make?

Councilor Perry said that's what I think.

Mayor Pro Tem Morales said that was to eliminate the Bailiff position and a raise of \$1.25 for Virginia.

Councilor Ritter said I'm going back to my point that I think we're paying too much. Do we need part-timers? Do we need the courts open Monday through Friday 8:00 to 5:00? Can we afford that?

Mayor Pro Tem Morales said we have to have a Municipal Court and by statute since we've already had a Municipal Court we have to continue having a Municipal Court. My thought is we need to keep it open.

Councilor Ritter said well then do we need a part-time Court Clerk or do we need a part-time Bailiff? If you're saying that we need to continue it then my question would be is that second part-time person do they need to have more flexibility in what they can do?

Mayor Pro Tem Morales said I would think so, yes.

Councilor Ritter said if they could take care of all sides that would cover us. I don't think we need a hundred hours of payroll and I honestly don't think we need sixty hours of payroll. The part-time person needs to be more competent.

Mayor Pro Tem Morales said that's exactly what I'm saying. If you're going to have a part-time person then that person is going to have to fill in for all duties.

Councilor Miller said if I remember right the judge and a court clerk ran it for years.

Virginia asked and how busy were they then?

Councilor Miller said back in the 80's and 90's they were real busy. I remember the judge had one person for years and years and then got a part-time and then a Bailiff because of the court order.

Mayor Pro Tem Morales said we would have never had a Bailiff if it weren't for the court order.

Carol Virden, City Clerk/Treasurer said I believe when Grace was here your part-time court clerk was Gina. Then Grace moved to Los Lunas and Gina took over as full-time and that's when Peggy came in. Then Gina left and Peggy Brown moved into the full-time position.

Mayor Pro Tem Morales asked the Councilors if they have direction for Mary at this time?

Mary said per your instructions I'm going to go ahead and remove the Bailiff position and give Virginia \$1.25 raise and see where that puts us.

Councilor Miller asked if we can at least give the part-time three days?

Mary said right now from last year to current year she actually has more hours than part-time and Donna has to watch it very closely with the new law as far as offering the benefits and insurance.

Councilor Ritter asked how many hours part-time is?

Mary said it thirty-two.

Mayor Pro Tem Morales said okay Virginia, one more comment.

Virginia said the reason my part-time person with more hours was because now we have the Bailiff and we wouldn't need the part-time court clerk to put in as many hours as she was. The only reason we did that was because I was by myself.

Mary said so your direction is to remove the Bailiff and give the \$1.25 raise to Virginia, Court Administrator.

Councilor Ritter said under scenarios one and three you have the \$1.25 in there for the court clerk and the part-time clerk?

Mary said all part-times are not in there for the raises with the exception of the Transit drivers per the Mayor's request moving them from \$8.01 to \$9.00. That was the only difference in any of those.

Mayor Pro Tem Morales said now we can move on to Planning & Zoning.

Carol said I would like to go over the Election Fund. She said the Secretary of State put out an RFP for a new vendor for the tabloiders that are currently in most counties. What happened was the vendor charges \$1,500 to do the programming of the memory card and we are going to have to buy the vendor cards. The main office is in Denver but they do have an office in Albuquerque. It will be plus the purchase of two memory cards plus the purchase of the Federal roll paper and as well we will still be using the automated election services to print ballots. Rhonda Burroughs is going to put together a training for all the clerks in the county.

Mayor Pro Tem Morales said you're going to have to print two different ballots this year right?

Carol said no. Also because of the Mayoral election I'm going to have five precinct co-workers instead of the regular three. The cost of publication with the Ruidoso News is pretty big.

Mayor Pro Tem Morales said now we will go on to Planning & Zoning. She said Steve wants a new pick up.

Mary said behind tab number two there is a letter from Steve explaining different choices and then look on the salary sheet and see where the change is from on the difference of the position. It would be changing the Building Inspectors position from Building Inspector to Compliance Assistant. The difference in pay is about \$20,000.

Councilor Ritter said under those two positions is the Code Enforcement within Planning & Zoning.

Steve Dunigan, P & Z Director said yes.

Councilor Ritter asked Steve to explain the difference between a Building Inspector, Compliance Specialist, and Code Enforcer.

Steve said the budget I'm requesting is really the same as last year with a few notable exceptions. There are four scenarios. One is to do nothing and make no change. The reason that we're even having this discussion is that position is supposed to subsidize itself. We had great hopes for development far beyond what we had. If we didn't have that Building Inspector it would be at least good to have that compliance and control for structures only with no plumbing or electrician. The difference in the salaries would offset the loss of income. I also think it's wise of me to ask for a truck because of the condition of the vehicles we have now. We have a fifteen year old truck that the 4-wheel drive works only sometimes and the repair costs are increasing on it for the alignment and tires. We really need to replace this.

Mayor Pro Tem Morales said one thing I'd like to point out is that if you look at Steve's budget the only increase was a pick up and new carpet.

Councilor Ritter said in his letter he stated that we would hire. Does that imply that we don't have a Building Inspector today. I was hearing that we have one and reading that we don't have one.

Steve said we have had a Building Inspector since 2007.

Councilor Ritter said in your line items you have two S. Williams. Are they two different people?

Steve said no.

Donna Miller, Payroll/Personnel said what it is would be a step increase that an employee gets within a year.

Councilor Ritter said it looks to me like we don't need the Building Inspector and I don't know if we need the Building Compliance person but I don't know if I have a good argument against that position either. I question whether or not if for some reason that position became vacant whether we should fill it again.

Mayor Pro Tem Morales asked what?

Councilor Ritter said the Building Inspector and/or the Building Compliance person.

Mayor Pro Tem Morales said so you're saying to eliminate the Building Inspector?

Councilor Ritter said I like the Compliance Specialist and Assistant instead of the Building Inspector.

Mayor Pro Tem Morales asked for direction from Council.

Councilor Ritter said I would take that Compliance Position from number two and fit it into number one and three with the \$1.25 raise.

Mary asked if you are going to remove the Building Inspector are you going to offer him the position as Building Compliance? Would it be the \$12.25 plus the \$1.25?

Steve said it would be \$13.80.

Councilor Perry said I don't think we need to put the \$1.25 on that.

Councilor Miller said that would be \$13.50 with \$1.25.

Mary said that's what I'll go with.

Councilor Ritter said if he accepts the position then great. If he doesn't we may want to look if we even want to accept the position or take it out of the budget.

Councilor Miller asked Steve if they've talked about it?

Steve said we've had a discussion without any commitment. We felt we should at least give Scott a heads up about what could happen.

Councilor Miller said that would save you half of your truck almost.

Mayor Pro Tem said fifteen years is long enough. I'm surprised it's still running.

Mary said we are going to leave the truck in.

Mayor Pro Tem Morales said my thought is that when we return and go through the Fire Department, Police Department, and then do the Museum, Lodgers' Tax, Transit and be relatively simple.

Councilor Ritter said we should do the Fire Department because he's been here since 4:30 and we should accommodate him.

Mayor Pro Tem Morales said okay.

Councilor Ritter said I think Public Works is going to take some time.

Mayor Pro Tem Morales asked Councilors if they could do Dakota so he won't have to come back tomorrow?

Councilor Ritter asked what about the Police Department?

Chief Rupp said I'll be here tomorrow.

Mr. Kilroy said I'm with the Humane Society and have been with them about four years. He discussed the number of animals that come through the shelter per year. He said I'm not here asking for more money.

Councilor Miller and Councilor Ritter said they were doing a good job.

Mayor Pro Tem Morales said let's take a break. It was 6:57 p.m.

Mayor Pro Tem Morales said let's continue our Budget Work Session at 7:05 p.m. We will continue with the Museum. One thing I will tell you is Dakota had some requests and we went back and we went down on everything.

Mary said we chopped and then we chopped some more but we got him in the black.

Councilor Ritter asked under number two and number three are there any changes beside the \$1.25?

Mary said no.

Councilor Ritter said under the line item for Museum Director it's blank.

Mary said there is no Director. He is an Associate Director.

Mayor Pro Tem Morales said I do feel that Dakota and some of the stuff he mentioned during the Budget Work Sessions is that he does have some ideas of what he intends to do to hopefully raise revenues for the museum. He's going to work on membership and his suggestions were welcome.

Councilor Miller asked how many positions do you have now? Is it six with the part-time?

Dakota said we have four full-time and two part-time including myself. It's rough getting accomplished what we do but asking for another position is out of the question right now.

Councilor Ritter asked what are the hours for the museum?

Dakota said it's Thursday through Monday. We're in our office 8:00 to 5:00 and open to the public 9:00 to 5:00. He said the Quality of Life Gross Receipts Tax would help tremendously with our budget.

Councilor Miller said I would like to talk to you about more community things over there.

Mayor Pro Tem Morales said another we should look at is maybe raising the fees a little bit.

Councilor Perry asked how long it's been since we raised admission?

Dakota said it's been about a year.

Councilor Miller asked Dakota if he had any bus tours coming?

Dakota said there were a few already scheduled and I chose to honor those myself to come in and open the place and man the Gift Shop. On the budget I have asked for \$1.25 for those who qualify.

Mary said his employees are included in the \$1.25 raises including him.

Carol asked if we received the Letter of Commitment from the Hubbard Foundation for that \$100,000 for the next fiscal year

Dakota said I have not yet but as soon as I leave here I will track that down.

Carol said that will be part of the budget documents.

Dakota asked if we are looking specifically for next year?

Mary said yes, I had asked for that and for you to do that. That's a good question because I did not follow up on that.

Carol asked Dakota when he gets it to cc: it to John.

Councilor Miller said if you don't get it you're going to be in trouble.

Dakota said I'm hoping that some of these plans I have will increase revenues.

Councilor Perry said I wanted to ask Mary on that Humane Society if Massey ever brought those tickets for us?

Mary said he never did. He did say it was a lot less than five hundred to us but he never brought those tickets. The gentleman here said it was two hundred.

Mayor Pro Tem Morales said the next thing is the Fire Department. She said when Kenny came in for the Budget Work Shops for departments we said we need to cut and if you'll look at page one he had asked for \$10,000 in building maintenance and repair and he graciously cut \$8,000 instantly.

Councilors said he went down to the bare necessities.

Mary said he cut down a lot of that because he has Fund 29 for the Fire Protection Fund. This is for the General Fund and Fund 29.

Councilor Miller said that non-slick paint for the floor could be a liability and would save someone from getting hurt.

Councilor Miller said the Fire Department looks like it's done but the appearance of that building needs something done at some point.

ADJOURNMENT

There being no further business to attend to Councilor Perry moved to adjourn at 7:30 p.m. Seconded by Councilor Ritter.


Margie Morales, Mayor Pro Tem



Carol Virden, City Clerk/Treasurer