

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION SPECIAL MEETING MINUTES
12:00 P.M., COMMISSION CHAMBERS
JULY 30, 2018**

**RICHARD BOSS, MAYOR
AL HERNANDEZ, COMMISSIONER
NADIA SIKES, COMMISSIONER
JOSH RARDIN, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**JASON BALDWIN, MAYOR PRO-TEM
DUSTY WRIGHT, COMMISSIONER
MAGGIE PALUCH, CITY MANAGER
PETRIA SCHREIBER, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER / ROLL CALL /

Mayor Boss called the meeting to order at 12:00 p.m. Roll Call was taken by the City Clerk. City Clerk Hughs announced there was a quorum present.

APPROVAL OF AGENDA

Commissioner Hernandez moved to approve the agenda.
Commissioner Sikes seconded the motion. Motion carried with a vote of 7-0-0.

CONSENT AGENDA

1. Consider, and act upon, the approval of Resolution No 2018-33 amending the Preliminary FY 2018-2019 Budget with carryover fund balances and adopting the Final Budget for 2018-2019. *(Wendy Robinson, Internal Control Analyst)* (Roll Call Vote Required)

2. Approve the Investment Report for the quarter ending June 30, 2018, in accordance with the City of Alamogordo Investment Ordinance. *(Katie Josselyn, Acting Finance Director)*

3. Consider, and act upon, Resolution No 2018-40 DFA Quarterly Report for the period ending June 30, 2018. *(Katie Josselyn, Acting Finance Director)* (Roll Call Vote Required)

Mayor Boss asked to remove Item #1 from the Consent Calendar.

Mayor Pro-Tem Baldwin moved to approve items 2 and 3 of the consent calendar.
Commissioner Rardin seconded the motion.
Roll call vote was taken.
Motion carried with a vote of 7-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

1. Consider, and act upon, the approval of Resolution No 2018-33 amending the Preliminary FY 2018-2019 Budget with carryover fund balances, and adopting the Final Budget for 2018-2019. *(Wendy Robinson, Internal Control Analyst)* (Roll Call Vote Required)

Human Resources Director Josselyn recognized the Finance staff. She made a correction under revision #14. She said down at that very bottom of the page, it has General Fund and there is a transfer to 12 Internal Services, and then it says 12, and then the description is Community Services with fund 32. The correction is that it should read Internal Services and the fund is fund 12. She said all the numbers are correct, we just got our documentation off a little bit there.

Commissioner Rardin said we have a lot of big changes from what they tentatively approved. He asked if these are changes from that budget to the final budget. She answered correct. He said he sees a lot of big numbers in those columns, the first one under general fund 11 you have a \$34,000 decrease. He said he wanted some of these things explained, they don't have to today, but if they could get the

Commissioner Josselyn gave some explanations of what some of those large numbers are. HR Director Josselyn said she can explain some of those. She said when they do this last revision for the year there are a lot of large numbers. There are carryovers of big projects and different things. She said what you are seeing in this revision #2 where you pointed this \$34,000, they did the preliminary budget back in May. She said Human Resources rolled salary and benefits to Finance in May for their presentation of the preliminary budget. When they did the very last roll of the salary and benefits to finance, there were some changes. She said anything that happened since the last time we gave Finance information showed up, so for Finance that \$34,000 in particular, we had some change of staffing some tenured people moved to other departments and we budgeted those people at the starting of the range. Those are the kind of things that are going to show up in this revision.

Mayor Boss asked if some of the big numbers that changed regarding revenue were grants that we didn't know for sure that we were going to get and now we're far enough into the fiscal year that we know that we have them and we've adjusted them back to the budget, correct.

HR Director Josselyn said that is correct, and also any of the projects that rolled over. We also rolled over some salary and benefits from last year, so any of those that rolled over, that funding went back to fund balance at the end of FY18, so then you see the funding come back into budget.

Mayor Boss said this happens every year, every single year we see this. HR Director Josselyn said yes.

Commissioner Hernandez commented that he knows we have had a lot of changes the last couple of weeks and he was going to support this today. He said normally he wouldn't in this situation because he hasn't had time to really go through this and ask questions. He said he knows it is not City staff's fault, but being honest he has not had time to completely go through this. He is not completely comfortable doing that, but he does have a lot of confidence in our staff.

HR Director Josselyn said any questions you might have, please follow up with us and we'll be glad to answer any questions you have.

Commissioner Rardin said he is along the lines with Commissioner Hernandez, he is going to support it because he knows that we are in a time crunch and we need to have this done today and submit this tomorrow, he believes. He stated that he does have some questions. He said you look in the total revised fund 11, it is showing that we got estimated revenue of \$17,692,740, but then we got transfers out of \$7.3 million and then budget expenditures of \$16 million. He said if he did his math right, that puts us in a \$4.6 million deficit in fund 11 alone. He asked if that made sense. He was a little concerned with that because if he read his book right in budget it shows it at \$2.7 or \$3.1 or something like that. He said he does not remember the number exactly right off the top of his head. He described to HR Director Josselyn where he was looking in the agenda packet.

HR Director Josselyn said so what you are saying is you take all those numbers and get to the net amount, that you are coming up with a negative number. Commissioner Rardin said yes, like \$4.6 million. He said if you add all that together and subtract it back out we are actually spending a little more than \$4.5 million more than we are bringing in.

HR Director Josselyn said the ins and outs of pluses and minuses can get really confusing on these reports.

Commissioner Rardin said staff didn't need to give them an explanation today, staff could give them an explanation at a later time. He said on our revisions, if you would, anything over \$5,000 worth of a change, if we could just get an explanation as to why they are changing that drastically. He said he knows it has to do with fund balances, roll overs and that kind of stuff.

HR Director Josselyn asked Commissioner Rardin if he took into account that we had a beginning cash balance of \$10 million. He answered he did. He said essentially it is deficit budgeting, we may not spend all that through the end of the fiscal year. He said still we are stewards of the public's money.

HR Director Josselyn asked if he wanted a detail explanation for anything outside of \$5,000. He answered yes. Commissioner Hernandez asked if he wanted it detailed. Commissioner Rardin said just kind of what it is. He said there is just a lot of big numbers here on this revisions 2 and 3. Commissioner Hernandez asked if he wanted if it was a rollover or transfer out. Commissioner Rardin said yeah, it does not need to be 100 percent detailed.

City Manager Paluch asked Commissioner Rardin for clarification, if he wanted just the revisions or if he wanted the Resolution figures. She said there is a big difference between the two. He explained that he wanted it on the revisions.

Commissioner Payne asked Commissioner Rardin if he was looking at the revision or the Resolution. He answered he was looking at the revisions.

HR Director Josselyn said the revision numbers are carried over to the Resolution documents. Commissioner Rardin said yes, the Resolution is what it is, we have to support it today so that we don't break the law.

Commissioner Payne asked Commissioner Rardin to clarify what he is looking at. He explained to her what he was looking at. He said that's the money that they can spend anywhere. It is not nailed down and we are spending an awful lot of it. He said we need to use the money that's supposed to be tied to certain things first before we start spending our money that we can spend anywhere. He said it is just a large amount and that is the reason he is asking.

Commissioner Rardin moved to approve.

Commissioner Hernandez seconded the motion.

Roll call vote was taken.

Motion carried with a vote of 7-0-0.

Commissioner Hernandez said with all the changes and everything that has happened in the last few weeks, he has been in this situation before where you are short staffed, some of the main players are gone, so he understands the difficulties in getting to where we are at today. He also understands how important it is to acknowledge the people that get us there. He thanked everybody involved in getting this to the Commission today and helping us get through this.

HR Director Josselyn told Commissioner Rardin she thinks maybe where those numbers are coming up off, is do you see it has an audited beginning cash balance and estimated revenues and there is transfers in and transfers out. The net cash transfers that is the net of the transfers in and out, so you don't use all of the numbers. She said it would be the unaudited beginning cash balance plus estimated revenues then the net cash transfers minus the budgeted expenditures gives you the \$6 million.

Commissioner Rardin said he understands that, but still we are spending out of that \$10 million that we have in cash reserves. HR Director Josselyn said she sees his point. Commissioner Rardin said we've already got \$10 million cash sitting in the bank but we are dipping into that to balance the budget and he is just kind of concerned with that.

City Manager Paluch told the Commission not to forget that this is the Budget and we don't necessarily spend that amount and all of the personnel. The way that we have to budget is if somebody would hypothetically come into the city and they would take full benefits and so that is why at the end of the year the HR department has a very substantial salary savings because a lot of people don't take those benefits or people start at a lower rate than somebody that was a tenured employee.

Commissioner Rardin said he understands. He said we are stewards of the public's money and we got to be careful of the recurring costs that we incur every budget year. Every time we give a raise or health insurance goes up, it is just a recurring costs that compounds over the years. We just need to be careful.

Commissioner Rardin moved to adjourn at 12:19 p.m.

Commissioner Hernandez seconded the motion.

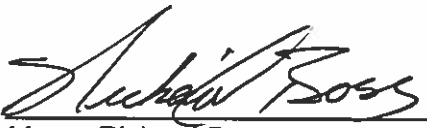
Motion carried with a vote of 7-0-0.

ADJOURNMENT



ATTEST:


City Clerk Rachel Hughes


Mayor Richard Boss

(Prepared by Eric Barraza, Deputy Clerk)

Approved at the Regular Meeting held on August 14, 2018.