Alamogordo City Commission

NOTICE OF MEETING

Regular Meeting Agenda

May 11, 2021 - 6:30 PM

The Commission Meeting will be a VIRTUAL MEETING with City Commission and City staff participating through video. The link is: https://www.youtube.com/channel/UCTTgU3xsQBqlyRaME7TaYrQ/live

Richard Boss .... Mayor
Nadia Sikes .... Mayor Pro-Tem, District 2
Jason Baldwin .... District 1
Susan Payne .... District 3
Josh Rardin .... District 4
Sharon McDonald .... District 5
Dusty Wright .... District 6

Brian Cesar .... City Manager
Petria Bengoechea .... City Attorney
Rachel Hughs .... City Clerk

MISSION STATEMENT as Adopted by the City Commission on March 24, 1995.

The City of Alamogordo is a Municipal Corporation that exists solely for the purpose of providing the best possible services to our customers, the citizens of Alamogordo. We are committed to providing these services with honesty, integrity, compassion, fairness, and a commitment to excellence.

We are committed to the long-term financial stability and responsible growth of the City and all decisions will be driven by our commitment to provide the best services possible in a financially sound and responsible manner given the economic realities facing the City.

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the bulletin board located in the east/west lobby of the City Hall and in the glass case located outside a the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: http://ci.alamogordo.nm.us within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: http://ci.alamogordo.nm.us

The Mayor and City Commission request that all cell phones be turned off or set to vibrate. Members of the audience are requested to step outside the Commission Chambers to respond to or to conduct a phone conversation. The Alamogordo Commission Chambers is wheelchair accessible. Other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 575-439-4100.

CALL TO ORDER & ROLL CALL

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENT

Residents must submit comments to the City Clerk prior to 3 p.m. on the day of the Commission meeting. Comments will be distributed to the Commission and the City Manager and will be included in the public record.

CITY MANAGER'S REPORT

REMARKS AND INQUIRIES BY THE CITY COMMISSION

CONSENT AGENDA (Roll Call Vote Required for an Ordinance or Resolution)

All matters listed under the Consent Agenda are considered to be routine by the City Commission and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. Approve the minutes for the April 27, 2021 Regular meeting. *(Rachel Hughs, City Clerk)*

2. Approve the statements related to the Executive Closed Session held on April 27, 2021. *(Rachel Hughs, City Clerk)*

3. Consider, and act upon, a request related to the Alamogordo Fire Department applying for the Firehouse Subs Public Safety Foundation Grant. *(Richard Adler, Fire Chief)*

ITEMS REMOVED FROM CONSENT AGENDA

NEW BUSINESS

4. Consider, and act upon, approval of the FY22 - FY25 Alamogordo Public Safety Officers Association (APSOA), contract for FY2022 - FY2025. *(Kim Torres, Deputy Human Resources Director*)

5. Consider, and act upon, Resolution 2021-15 for the acceptance and approval of the FY20 Audit. *(Alan D. "A.J." Bowers, CRI - Carr, Riggs & Ingram)* **(Roll Call Vote Required)**

6. Consider, and act upon, Resolution No. 2021-16 requesting interim approval from the Local Government Division of the Department of Finance & Administration, State of New Mexico, to adopt the Preliminary 2021-2022 Budget as of May 11, 2021. *(Evelyn Huff, Finance Director)* **(Roll Call Vote Required)**

7. Consider, and act upon, funding $30,000 for fireworks display for July 4th of 2021 and provide direction to staff on how Commission wants to proceed for future years in the MOU. *(Josh Rardin, Commissioner)*

8. Notification of Vacancies for Boards and Committees. *(Richard Boss, Mayor)*

EXECUTIVE SESSION (Roll Call Vote Required)

9. Adjourn into Executive Closed Session in compliance with 10-15-1(h)(7) NMSA (as amended) to discuss threatened or pending litigation: update on TRD lawsuit and possible KOA lawsuit regarding encroachment on City property. **(Roll Call Required)**

ADJOURNMENT

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/4/2021 **Report No:** 1.

Submitted By: Rachel Hughs

Subject: Approve the minutes for the April 27, 2021 Regular meeting. *(Rachel Hughs, City Clerk)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve the minutes.

Background: This is required by the Open Meetings Act.

CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 P.M., VIRTUAL MEETING
April 27, 2021

RICHARD BOSS, MAYOR	**NADIA SIKES, MAYOR PRO-TEM**
SHARON McDONALD, COMMISSIONER	**JASON BALDWIN, COMMISSIONER**
JOSH RARDIN, COMMISSIONER	**BRIAN CESAR, CITY MANAGER**
DUSTY WRIGHT, COMMISSIONER	**PETRIA BENGOECHEA, CITY ATTORNEY**
SUSAN PAYNE, COMMISSIONER	**RACHEL HUGHS, CITY CLERK**

CALL TO ORDER / ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Boss called the meeting to order at 6:30 p.m. Roll Call was taken by the City Clerk. Commissioner Baldwin was absent. City Clerk Hughs announced there was a quorum present. The Invocation was given by Commissioner Payne, and the Pledge of Allegiance was led by Mayor Pro-Tem Sikes.

APPROVAL OF AGENDA

Commissioner Payne moved to approve the agenda.
Commissioner Wright seconded the motion.
Motion carried with a vote of 6-0-0.

CITY MANAGER'S REPORT

City Manager Cesar made the following comments:

1. City Manager Cesar said the Commission received an email last week stating that their budget books were in their mailboxes, and Budget Hearings started next Tuesday evening at 6:30 p.m.

2. City Manager Cesar said today he had gone up to Bonito Lake to check on conditions from the forest fire (Three Rivers Fire). As of 4:00 p.m. today, the fire remained at 6,100 acres with no burn structures or injuries. The Forest Service said that last night the fire had crested into the South Fork of Bonito Watershed, but it slowed down when it hit the Little Bear fire scar. Burn scar aided, as well as overnight and morning snow and rain which had proved beneficial in helping to fight the fire. As of 1:45 pm it was reported that snow was still falling with accumulation in the higher elevations and light drizzle in the lower elevations. The majority of the evacuations had been lifted. There was no immediate threat to the campground or to the lake itself. The areas within the Bonito Watershed that had burned during the Three Rivers Fire were at the very high elevations and located at the furthest distance from our watershed. If conditions remained the same as they were right now, there should be very minimal impact as we hit the monsoon season. Of course, this was all subject to change when the moisture went away, and the winds came back. This fire had started at just 30 acres, and within four hours it was at 4,000 acres.

3. City Manager Cesar said tonight was Fire Chief LeClair's last Commission Meeting, and his last day at the City was this Friday. Starting next Monday, Fire Chief Adler would be on his own and that was also the week of Budget Hearings. He wanted to thank Chief LeClair for his time and service to the City.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Commissioner Payne made the following comments:
Commissioner Payne said she was going to miss Chief LeClair and thanked him for his service.

Commissioner Payne commented that she was a little disappointed because staff had spent hours and hours setting up so that the Commission could meet in person and yet most of them were not here. She recognized that both Mayor Pro-Tem Sikes and Commissioner McDonald had previously stated that they would not attend in person, and she appreciated that. However, for the rest of them that were pretty vocal about meeting in person, we (she and Mayor Boss) were here at the Civic Center, and staff had spent tax dollars and a lot of time to try to figure it out and it was really disappointing that the others were not here to also meet in person. All this work had been done and it seemed kind of pointless.

Mayor Boss made the following comments:
Mayor Boss said he wished to thank Chief LeClair for his service to the City and wished him a happy retirement. He also wanted to welcome Chief Adler and thought it was super that we were getting someone from Holloman Air Force Base.

CONSENT AGENDA (Roll Call Vote Required for an Ordinance or Resolution)

All matters listed under the Consent Agenda are considered to be routine by the City Commission and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

1. Approve the minutes for the April 13, 2021 Regular meeting. *(Rachel Hughs, City Clerk)*

2. Approve the statements related to the Executive Closed Session held on April 13, 2021. *(Rachel Hughs, City Clerk)*

3. Consider, and act upon, a new land lease at the airport for Preflight LLC of area E-12B3 to construct a hangar. *(Jim Talbert, Airport Manager)*

4. Approve grant funding from Thrive of Southern New Mexico for the Alamo Senior Center for the Home-delivered Meals program for FY22. *(Magdalena Morales, ASC Manager)*

5. Consider, and act upon, acceptance of grant agreement from USDOT Federal Aviation Administration to Alamogordo-White Sands Regional Airport in the amount of $13,000.00 for Covid-19 related operational expenses. *(Jim Talbert, Airport Manager)*

6. Consider, and act upon, Resolution 2021-14 requesting written approval from the Local Government Division of the Department of Finance and Administration, State of NM for the revised budget numbers computed as of April 27, 2021 *(Evelyn Huff, Finance Director)* (Roll Call Vote Required)

Mayor Pro-Tem Sikes moved to approve items 1, 2, 3, 4, 5, and 6 of the Consent Calendar.
Commissioner Payne seconded the motion.
Roll Call Vote was taken.
Motion carried with a vote of 6-0-0.

UNFINISHED BUSINESS

7. Consider, and act upon, Resolution 2021-10 to Increase Convenience Center rates on water bills. *(Larry Garner, Public Works Director)* (Roll Call Vote Required)

Public Works Director Garner said the tipping fees at the landfill for members was $15.97, and for non-members was $25.28. This fee went up 2 percent every year. It was important to note that our landfill was the cheapest in the State as far as tipping fees were considered. We had people from all over the State and even from Texas who came to tip at our landfill because of those costs. In 2019 the Convenience Center hauled approximately 763 loads. These were in 40 cubic yard dumpster roll-off containers, which constituted about 4,385 tons of solid waste which cost the City $69,363 in tipping fees for that year. In 2020, the Convenience Center hauled approximately 798 loads, for a total of 4,980 tons, which cost the City $80,307 in tipping fees. The tipping fees at the landfill and the Convenience Center were recorded by physical year, and not fiscal year. Starting in 2021 so far, the Convenience Center had hauled 240 loads and was projected to haul 960 loads. This had not shown any sign of slowing down and had increased a little bit. Staff was confident this would continue and would constitute about 5,777 tons, costing the City $92,265 in tipping fees for the year. These tipping fees were not the only thing that was a cost to the Convenience Center. It did not take into consideration the operational costs which included the personnel to drive the transports including benefit costs, mileage costs, and wear and tear costs on the transports. The Convenience Center was located 20+ miles from the landfill, which meant that they were looking at a round trip of 40+ miles to get a container out there, dump it, and come back. The fuel was cheaper in 2020. In 2019 we used 4,266 gallons of diesel, costing the City $11,687. There was also a 500-gallon tank at the site which the vehicles there used, bringing the total cost for diesel for that year to $13,615. In 2020 we used 5,852 gallons of diesel, and the total cost for diesel that year was $15,740. The estimated average paid out for that in 2019 was $2.62 per gallon for diesel and $2.46 for regular. In 2020 it was $2.42 for diesel, and $1.78 for regular. So far this year we had used 1,763 gallons of diesel fuel, costing us $708. The estimated average was $2.72 for diesel and $2.30 for regular. We expected those prices to continue to rise. The new backhoe, which was a 2019, was paid for by a rebate the City received from the 2020 landfill budget. The Convenience Center did not have the funding to pay for such a piece of equipment at that time, so the rebate worked out well. This was a very necessary piece of equipment because it smashed the trash down, moved the roll-off containers, and cleaned the pits out. The transport, which was a 2020 model, was the last piece of equipment bought. Part of the reason we were able to buy it was because we were able to take the older vehicle, which was no longer safe, and use it as a trade-in. That knocked off a considerable amount from the price of the new transport. They did need two transports out there to keep up with the amount of solid waste they delivered out to the landfill. We currently had two transports, one being the new transport we got on the trade-in, and the other was a 2004 Mack Truck. However, the 2004 Mack was breaking down more than it was up. If they had two drivers and two reliable transports on the road all the time, they would not have a problem with keeping up. As a result of not being able to do that because the Mack was often down, we wound up having to rely on Southwest Disposal. If they went just a couple of hours without transport because the vehicles were down for servicing, it was a heavy impact on the Convenience Center and put them behind schedule. If both were down for several days, it put them several weeks behind. The 500-gallon fuel tank at the Center would usually last a year for all the equipment there, but last year it had to be refilled because of the exponential increase in waste. Also, the newer equipment required another kind of fuel called “Def Fluid”. It came in 55-gallon drums and was not cheap. In 2020 we had to buy two drums, and we were slated to buy three drums in 2021. We currently had ten of the 40 cubic yard roll-offs and five of the 30 cubic yard roll-offs, all from the late 1990’s. They were constantly having to be repaired so they could be hauled. That was just another cost to the operations as any holes and dings needed to be constantly welded to make transport safe. Other equipment included a pre-crusher compactor. Last week that piece of equipment went down, and we had to hire a specialized contractor to fix it. We also had a 2004 Chevy utility truck; a 2001 Sweeper, a 2002 Forklift, a 2002 Pup Trailer, a 2012 Chipper, a 2019 Ford utility truck, and a truck scale. The truck scale was extremely expensive to fix. We recently had it recalibrated and brought up to current operational standards. At the last meeting Commissioner Baldwin had mentioned a 20-year equipment replacement plan. Our consultant for the landfill and the Convenience Center was Joe Lewandowski, and he currently was developing such a plan. Once that plan was finished, he would distribute it to the Commission if they would like.

Public Works Director Garner said regarding the annual CPI increase, staff still recommended that remain in the approval of the Resolution. If they could obtain the $1.00 increase, it should bring things back into alignment. The annual CPI increase would help to keep things aligned for future years and was totally transparent to the public and the Commission, and it would not allow staff to increase the budget more than what was needed. There was an automatic riser in both the Southwest Disposal contract and with the landfill tipping fees, which directly affected this budget. Increasing with the CPI would allow the Convenience Center to continue to serve the citizens of Alamogordo which was their goal.

Commissioner Rardin said regarding the budget figures for Fund 86, for the past four years expenditures were relatively the same, within a couple thousand dollars of each other. However, revenues varied greatly between $200,000 and $400,000 of each other. He asked where was the discrepancy in the revenues. Finance Director Huff said especially in 2020, they had highlighted that one cell for $177,000. Commissioner Rardin said he did not have that sheet provided to him. They had $2.2 million in revenues in 2019, $2.4 million in 2020, and $2 million projected for 2021 and 2022. However, the expenditures remained almost the same. He asked where was the discrepancy in that. Finance Director Huff said in 2020 they did see a deposit in from the rebate for the landfill for $77,000. That was a one-time shot in the arm of revenues for that. In the recap sheet they had, it went from actuals in FY2019 of $2.2 million, to actuals in FY2020 of $2.4 million. That was basically all that money which came in from the landfill. The $2.9 million in revenues was the current year's budgeted revenues. The monthly average revenue was about $190,000. She needed to point out that we used a modified accrual system which meant that when the bill was charged and sent out to the consumer, that amount was recorded on the revenue line. That did not necessarily mean that we got the cash in for that bill. So sometimes it overstated the revenue because it showed the revenue at the time it was accrued, and not when the bill was actually paid. With the pandemic we had a pretty good receiving rate as far as getting paid, but it had been going down as people were not paying their utility bills as regularly as they had been before. We were going to have to see an adjustment in between the actual amount that had been billed and the actual amount received. Commissioner Rardin said he still had a concern because of the adjusted cash balances. This increase would generate an additional $156,000 per year. Government was not supposed to make money. He could understand a twenty or thirty cent increase, but doing a whole dollar was something he had a problem with.

Commissioner Payne said she understood it was at $1.00 because it had been several years since they had done an increase. If they were to increase twenty cents per year over the past five years, that would equal $1.00. He asked how many years it had been since the last increase. Public Works Director Garner said 2016. Commissioner Payne said that was five years, and at twenty cents per year, it would be $1.00. She did not think $1.00 was unreasonable. She felt it put us where we should be in terms of the increase because we had not done it for the past five years. She felt it was a testament to the City and that we had been good stewards with the money. And being in the middle of a pandemic, she did not see it unreasonable at all. We all had a duty to maintain our City and to contribute to things like the Convenience Center. She did not think this was about making money at all. Mayor Boss also felt it was a fair and reasonable increase, especially with the cost of fuel going up.

Commissioner Payne moved to approve.
Mayor Pro-Tem Sikes seconded the motion.
Roll Call Vote was taken. Commissioner Rardin voted “nay”.
Motion carried with a vote of 5-1-0.

NEW BUSINESS

8. Consider, and act upon, award of Public Works Bid No. 2021-002 to CBKN Dirtworks, Inc. related to the Otero/Greentree Regional Landfill Cells No. 1 and No. 2 Closure project in an amount not to exceed $617,662.48, including NMGRT. ***(Bob Johnson, Engineering Manager)***

Commissioner Rardin said on the bid tabulation there were bids that were lower. He asked if we end up rejecting those. Engineering Manager Johnson said that was correct. Within the recommendation to award issued by the engineer, there were a number of issues with the low bidder and second low bidder documents. The low bidder was Sturgeon Services. They did not have the licensing required within our bid documents. In addition, they did not complete their subcontractor listing for both the surveying services and geotechnical services. This project was heavy on surveying as well as on dirt work testing. Sierra Valley Contractors was correctly licensed, but they did not list their surveying or dirt work testing services or subcontractors. Because these were allowance items estimated to be well above the $5,000 listing threshold, all bidders would have been required to list the geotechnical services and the surveying services. CBKN Dirtworks was the third low bidder. Their paperwork was in order and the engineer did contact their references and concluded that they were a responsible and responsive bidder capable of performing the work. They were out of Algodones, New Mexico. They had done work at other landfills in this region of the State. Commissioner Rardin asked what a straw wattle was. Engineering Manager Johnson said it was a tubular shaped glass which literally had straw in it, and it was designed to mitigate erosion. It moved erosion of water from where you did not want it to where you did want it. At the Indian Wells/White Sands Blvd. construction site, they were using fabric-covered looking tubular devices that were blocking inlets to the drain. Those were straw wattles.

Commissioner Payne said there was such a huge difference between the low bidders and the one selected. She asked if they go out to a rebid on this. Engineering Manager Johnson said it was within the

Commission's power to direct a rebid. He had been chairing bid openings since the mid-1980's, and this was one of the most unusual ones he'd ever been associated with because so many of the bidders, except for one, either did not complete their bid documents properly and/or were not properly licensed in accordance with the information we put out. That information was put out in several places as far as the licensing and the subcontractor listing requirements, which was in accordance with the State Subcontractor's Fair Practices Act. The bids were all over the map, and there was no competitive range whatsoever. He had no explanation for that, and it was highly unusual. Commissioner Payne said it was such a huge difference.

Mayor Pro-Tem Sikes said in looking at the numbers and the disparity between the numbers, she felt it would be a travesty for us to have to go with the amount of over $617,000 when we had the ability right now to rebid it with possibly more information so that the second round of bids would include all the information we required. It was like we were paying a penalty for people's mistakes, when perhaps we should just start the process over again.

Commissioner Payne asked if that was feasible. Engineering Manager Johnson said it was, and it would not take much effort on staff's part or on the contracted engineer's part to make it happen. There was very little involved in rebidding. There were some tweaks staff was going to make in our bid documents to provide more emphasis than we already had relative to licensing types, to filling out the subcontractor listing properly, and in changing the performance period on the project. It was currently a five-month project, and they had received a lot of unofficial complaints from some companies that did not bid on it, and from a couple of companies that bid, that five months was not sufficient time to move nearly 90,000 cubic yards of dirt along a designated haul route. The haul route was designated because you could not access Cells 1 and 2 any other way because of the steepness. There was a combination of factors which could be changed within our bid documents that while it may not necessarily bring a lower bid, it should bring in consistent bids.

Mayor Boss reviewed the varying bid amounts and noted that we had never seen one that out of line. Commissioner Payne asked if part of that had to do with the timeline concerns that had been mentioned. Engineering Manager Johnson said the contractors would have to mobilize more equipment to do the work in a shorter amount of time, and not a lot of contractors own more than one or two scrapers. A similar contract like this one was done in Roswell within five months and that contractor had brought on four scrapers. Those scrapers were very expensive pieces of equipment which were hard to maintain. Commissioner Payne asked if they would expand the timeline if they went back out to bid? Engineering Manager Johnson said they would expand it from 150 days or five months to 210 days or seven months.

Commissioner Wright said usually if someone bid that much lower than the others, maybe they were missing something or did not have the proper licenses or paperwork. He asked what the timeline was to put this back out to bid, as well as the cost of materials and fuel increases. Engineering Manager Johnson said the cost of fuel may fluctuate because it had been all over the map. There was no cost of materials because they were using existing materials from Cell 8 and moving it to cap Cells 1 and 2. The City was also providing the water via the tank which was located at the landfill. It was primarily just fuel and labor. The wage rates would not change because they were set at the beginning of the year. He did not see a whole lot of additional costs other than the fuels rates, which we could not control.

Mayor Boss said the agenda report had a recommendation from staff for approval and asked if he still felt that way. Engineering Manager Johnson said he did not, he felt like rebidding it would be the best. Mayor Boss said he would be in favor of that.

Commissioner Rardin asked where B&R Trucking and Crosstown Construction & Trucking were each located. Engineering Manager Johnson said one of them was out of Las Cruces and the other was out of Carlsbad. At least one of the two was not properly licensed, and neither one filled out their subcontractor listing. Commissioner Rardin said if we were to do this correctly, we would basically kick out every bid except the one for $617,663 and the one for $739,538. Engineering Manager Johnson said Mesa Verde had incorrectly completed their subcontractor listing. They had listed no bids received for both categories of work, and under the Subcontractor's Fair Practice Act you could only state that for one category of work. Commissioner Rardin said part of what concerned him was that the engineer's estimate was at $621,000 and they had received a competitive bid at $617,000. If they did put it back out for a rebid, we may increase our costs. A check had been done on CBKN Dirtworks' credentials and they all checked out. Engineering Manager Johnson said he had not understood this one. When we bid Cell 5 two or three years ago, we had four bids. It was a much larger project, but we had a competitive range then and not any issues. He had no clue as to why we had such skewed numbers and inappropriate bid documents. Commissioner Rardin asked if CBKN was the only company to have their bid documents correct. Engineering Manager Johnson said yes, they had everything correct. Commissioner Rardin asked if technically they would have been the only one that would not have been rejected. Engineering Manager Johnson said yes.

Mayor Boss asked for clarification that Engineering Manager Johnson was recommending that they rebid this. Engineering Manager Johnson said after having looked at it and having considered all the factors, it would be his opinion that it might be best to rebid this.

Mayor Boss moved that we do not approve Public Works Bid No. 2021-002, and that we direct staff to go back out to bid.
Commissioner Rardin seconded the motion.

Commissioner Rardin said we were the fiscal agent for Otero/Greentree Regional Landfill. He wondered if this would impact anything with any solid waste issues as well. City Manager Cesar said there would not be any issues with the landfill board. Operationally, Cells 1 and 2 were not used, and they were being capped off so we could take down the financial assurance which would save money for the members.

Mayor Boss called for the vote on the motion. **Motion carried with a vote of 6-0-0.**

9. Consider, and act upon, Resolution 2021-11, declaring 1113 Catalina, Alamogordo, New Mexico to be so ruined, damaged, and dilapidated that it is a menace to the public comfort, health, peace or safety and ordering its abatement. *(Petria Bengoechea, City Attorney, Jim LeClair, Fire Chief, and Richard Adler, Fire Chief)* (Roll Call Vote Required)

City Attorney Bengoechea gave a PowerPoint presentation (included in agenda packet backup).

Commissioner Rardin asked if we were going to just tear the house down and lien the property if we did not hear from the owners. City Attorney Bengoechea said all State law allowed us to do was to remove whatever issue we found with the property. Case law was very clear that we had to make it a flat piece of property to remove the danger. Once we did that, State law gave us the ability to file a lien on it. We would foreclose on the lien to try and recoup the costs. Commissioner Rardin said we would not recoup the cost because it was just a vacant lot in an old neighborhood. She said this one was a big lot.

Commissioner McDonald asked how long it would take to get the demolition done. City Attorney Bengoechea said a best-case scenario was that we had no written objection from the owners and we could proceed forward in ten days. We had monies budgeted for all three of these demolitions, but because of the structural integrity would have to contract it out. We suspected there was asbestos and lead paint. They would have to tent the house and sort of collapse it in as they had done in the past. It would depend on how fast we could get the bid documents out, award it, and then into the contractor's schedule. It was a priority for staff so we would do it as soon as we could. But if the owner filed an objection, it would wind up in District Court. That said, any of these three properties on the agenda tonight could turn into the next Sahara Apartments issue.

Commissioner McDonald said she thought in District 5, there were a couple of houses that had also been put in the same category and they were still standing. City Attorney Bengoechea said the ones in District 5 were going to be taken down by in-house crews and that was where the delay was because of other issues, such as water breaks, potholes, etc. These three tonight would all be contracted out for demolition because of the asbestos in the homes and the severe damage. She did not expect any of them to come down before the next fiscal year began. They had initially started working on these cases back in late 2019 and early 2020, and then Covid hit and slowed everything down. Also, we were changing requirements to now look only at targeting the most vacant dilapidated structures and there were several they were working with currently where the owners had come in once they were notified and were working to try and make them right.

Commissioner Rardin moved to approve.
Commissioner Payne seconded the motion.
Roll Call Vote was taken.
Motion carried with a vote of 6-0-0.

10. Consider, and act upon, Resolution 2021-12, declaring 2414 Telles, Alamogordo, New Mexico to be so ruined, damaged, and dilapidated that it is a menace to the public comfort, health, peace or safety and ordering its abatement. ***(Petria Bengoechea, City Attorney, Jim LeClair, Fire Chief, and Richard Adler, Fire Chief)*** **(Roll Call Vote Required)**

City Attorney Bengoechea said Chief LeClair and Code Enforcement Supervisor Baker had been working on this property for years and had done everything they could to try and gain compliance from the owner. The property had been into Municipal Court five or six times and it had been prosecuted through the Appellate Court into the District Court, and the City had been victorious each time. They had even tried to talk with the owner about putting chicken wire in the home to help keep the pigeons out, but he was not interested.

City Attorney Bengoechea gave a PowerPoint presentation (included in agenda packet backup). She noted that in Code Supervisor Baker and Lt. Fire Commander Stroop's report, they noted significant structural damage and staff did not believe the home could be saved at this time. However, the owner was convinced otherwise.

Commissioner Payne said if this owner had been in Municipal Court several times previously and asked why he had not done anything to this point. City Attorney Bengoechea said he had always paid the fines. When she had talked to him about fixing the roof, he stated it would be like throwing good money after bad money. He also believed he could spend $40,000 to $50,000 to completely fix the home, but that it was "not a priority right now". He felt no sense of urgency at this time. It was his mother's home which was purchased in the 1950's. He did feel he would fix it up but did not have the means to currently do so. He believed it was worth about $125,000 currently.

Commissioner Rardin said he had an investment property situated close to this property. He asked if anyone had a problem with him voting on this item or think it was a conflict of interest. The Commission did not have a problem with him voting.

Commissioner Rardin moved to approve.
Commissioner Payne seconded the motion.
Roll Call Vote was taken.
Motion carried with a vote of 6-0-0.

11. Consider, and act, upon Resolution 2021-13, declaring 704 Panorama, Alamogordo, New Mexico to be so ruined, damaged, and dilapidated that it is a menace to the public comfort, health, peace or safety and ordering its abatement. ***(Petria Bengoechea, City Attorney, Jim LeClair, Fire Chief, and Richard Adler, Fire Chief)*** **(Roll Call Vote Required)**

City Attorney Bengoechea gave a PowerPoint presentation (included in agenda packet backup).

Commissioner Rardin asked if the owners had signed for the letters sent to them or responded. City Attorney Bengoechea said they had all been signed for, except for the ones sent to vacant 704 Panorama. The others sent to the address of record had all been signed for. They believed the address was a motel, and they had been signed for by a postal carrier. No one had ever called on any of these three homes discussed at tonight's meeting, except for Mr. Trexler on the previous item.

Commissioner Rardin said this house looked like it was built in the late 1970's or early 1980's. It looked bad, but from being in the trade he thought they could replace the roof and board the doors up. The problem he had was it winding up being just a vacant lot in the neighborhood that would probably never get built on again. City Attorney Bengoechea said the neighbors were complaining about people going in and out of the house, using drugs, and stealing from them. There were needles in the backyard. So, this house was currently creating a menace for the neighborhood. City Manager Cesar said in the reports from staff, it noted that the front portion of the home had settled at least six inches, if not more.

Mayor Pro-Tem Sikes said we had gone through similar situations on all these houses tonight. The first picture of this home looked decent from the front, but it reminded her of the Rockwood Avenue house. It looked fine from the front, but horrible from the back. So, unless people saw the evidence, they were wondering why we were giving these locations priority. This was a serious matter to take over someone's property and to pass a Resolution to ultimately knock it down. If the owners had not personally signed for the letters, did we investigate and try to determine that they were not deceased or holed up somewhere in a nursing home. She asked if every avenue had been investigated to make sure that the people who owned it were still alive. City Attorney Bengoechea said staff did the best they could. She had received reports that some of the spouses who owned these homes were deceased and that there was only one remaining owner alive. She had done what she could to research them, using Google to search death records, etc. Staff did do that, and each time they sent letters out there was a request for someone to please call the City, even if it was not their property, and she usually did not get anything back. She believed that Ms. Fender, the wife from this property, was in town and that she had received the letters. She had spoken with the place she was currently living, and they believed she had received them as well. She also left voice messages on any phone number she had tried to call the owners at.

Commissioner Payne said it was incredibly unfair and disingenuous, especially with the Telles Avenue home, that the owner thought the neighbors should just have to put up with this because it was not a priority for him. She felt the City was doing all the neighbors a favor by tearing these houses down. She did not agree with Commissioner Rardin that no one would want to build on these empty lots. She thought it could happen, and we needed to be proactive in cleaning these areas up so that we could get people to take an interest in them. Let's face it that there were certain areas of town where if they had a home like this near them, they would be screaming even louder, and we would be listening. She felt we were absolutely doing the right thing with these homes. We had done everything we could on contacting these property owners, and how long did we allow this to go on and just let those homes sit there before we would take action for the good of the rest of the neighborhood. It was not fair to the neighbors and was just not good health wise.

Commissioner McDonald agreed with Commissioner Payne. She said she walked through her neighborhood and it was easy to spot these homes, where one day the door was closed and then the next day it was down. And then the next week the windows were out, etc. She could pick out about three in her neighborhood that were just left there for other people, such as squatters, to venture into. It had been frustrating looking at the length of time it took to get people to be aware that this was bringing down the value of everyone else's home in the area. She felt it was great that we were addressing some of these addresses. For one house she was seeing in her neighborhood, she could look all the way from the front door right through to the back yard. She knew there were houses that were equally bad on this side of town. She did not think we could really speak for the entire City of Alamogordo as to what would or would not be done. However, if we could just get some type of cost incentives for people to want to move here and build here, then that would be great. Everyone was a developer because they could use their abilities to build something which would be an advantage to the entire community, and it did not take big developers to do the job of building in town. There were other people who had the ability and could do it. If we took some of these houses that were in ruins down, that would give somebody an opportunity to build. City Attorney Bengoechea said if Commissioner McDonald would send her some addresses, then staff could put them on our list of houses to look at next. Commissioner McDonald said she would do that.

Commissioner Rardin asked if the bottles in picture Nos. 61 and 70 were CO_2 containers. Chief LeClair said yes, they were for soda machines.

Commissioner Rardin moved to approve.
Commissioner Payne seconded the motion.
Roll Call Vote was taken.
Motion carried with a vote of 6-0-0.

12. Appointments to Boards and Committees. ***(Richard Boss, Mayor)***

Mayor Boss read the openings and reappointed Rita Moyra Robuck to the Parks and Recreation Board for her fourth term; reappointed Stephen Butler to the Senior Volunteer Programs Advisory Council for his fifth term; and appointed Rebecca Miller to the Senior Volunteer Programs Advisory Council for her first term. No one was opposed.

EXECUTIVE SESSON (Roll Call Vote Required)

13. Adjourn into Executive Session in compliance with 10151(h)(7) NMSA (as amended) to discuss threatened or pending litigation potential lawsuit regarding encroachment issues at 24th Street and Canal. (Roll Call Required)

Commissioner Payne moved to adjourn into Executive Closed Session at 7:51 p.m.
Commissioner Wright seconded the motion.
Roll Call Vote was taken.
Motion carried with a vote of 6-0-0

ADJOURNMENT

____
Mayor Richard Boss

ATTEST:

____
City Clerk Rachel Hughs

(Prepared by Teresa Gutierrez, Deputy Clerk)
Approved at the Regular Meeting held on May 11, 2021.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 4/29/2021 **Report No:** 2.

Submitted By: Rachel Hughs

Subject: Approve the statements related to the Executive Closed Session held on April 27, 2021. *(Rachel Hughs, City Clerk)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: The statement is required per the Open Meetings Act.

Background: Approve the following statements authorizing them to be included in the minutes of May 11, 2021: “The Governing Body of the City of Alamogordo, New Mexico, hereby states that on April 27, 2021, a Closed Executive Session was held and matters discussed in the closed meeting were limited only to: Discuss Threatened or Pending litigation - Potential lawsuit regarding encroachment issues at 24th Street and Canal.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 4/27/2021 **Report No:** 3.

Submitted By: Richard Adler

Subject: Consider, and act upon, a request related to the Alamogordo Fire Department applying for the Firehouse Subs Public Safety Foundation Grant. *(Richard Adler, Fire Chief)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact: None

Recommendation: Staff recommends approval

Background:

The Firehouse Subs Public Safety Foundation supports improving the lifesaving capabilities of first responders and public safety agencies.

The Foundation accomplishes this by providing lifesaving equipment and prevention education tools to first responders and public safety organizations.

Agencies awarded the Firehouse Subs Public Safety Foundation Grant receive funds to aid in purchasing equipment.

- "$15,000-$25,000 is a guideline"
- Up to 600 applications accepted per application period. Only a limited number of grants will be awarded.

If awarded this grant AFD would use the award to purchase Personnel Protective Equipment (PPE).

Frequently Asked Questions & Tips

STOP HERE & PRINT THIS PAGE. You will not be able to return to this page.

Please Apply Early. Please **do not** contact area restaurants or Firehouse Subs Care Center with grant-related questions.

What does the Firehouse Subs Public Safety Foundation support?

Our Mission is to impact the lifesaving capabilities, and the lives of local heroes and their communities. This is accomplished by providing lifesaving equipment and prevention education tools to first responders and public safety organizations. All requests must fall within our Foundation's funding guidelines which can be found on our website via **firehousesubsfoundation.org/about-us/funding-areas**. See below for information regarding items that are not supported by our grants program.

Are there items that your Foundation does not support?

All requests must fall within our Foundation's funding guidelines which can be found on our website via **firehousesubsfoundation.org/about-us/funding-areas**. Examples of items that are not supported by our board of directors at this time include body cameras, building exhaust removal systems, crash data boxes, dash cams, drones and drone accessories, exercise equipment, goodie bags, guns/firearms/use of force equipment, riot gear, laser pointers (designators), inflatable bounce houses, license plate readers, Narcan, Philips FR3 AEDs, Pluggie the fire plug robot, Polar Breeze thermal rehabilitation systems, portable message signs, power load stretchers, radar detectors, recording devices, refurbished equipment, security systems, surveillance equipment, Sparky the Fire Dog robots and costumes, stop sticks, tasers, throw bots, traffic road barriers, TruNar analyzers, t-shirts & polos, etc. Note: Our organization is unable to accept requests for Scott SCBA Model AP50 at this time. All other Scott product requests are acceptable.

Is this grant only available for Fire Departments?

No. Law enforcement, EMS, public safety organizations, non-profits and schools are encouraged to apply for lifesaving equipment.

If my organization has received a grant award from Firehouse Subs Public Safety Foundation in the past, when can we reapply?

We ask that grant recipients wait a minimum of two years from the date of approval before reapplying.

Does the Foundation provide reimbursements for purchased equipment?

Our program DOES NOT provide reimbursements for purchased equipment. If your organization has already purchased the equipment and is requesting reimbursement, please DO NOT apply.

What are the most common reasons a grant application is marked incomplete?

- The requested equipment does not fall within the Foundation's funding guidelines
- Quote is missing vendor sales representative first and last name & vendor email address
- Quote is missing name & physical address of the applying organization, and a contact person from the organization
- Quote is not itemized
- Online quotes are not permissible
- Quote does not match the dollar amount or quantity requested in the grant application
- Quote includes item(s) that are not being requested in the grant
- Attachments that are not saved as .doc, .pdf, .jpeg or .xlsx
- Financials are outdated and/or do not include both revenues and expenses
- Alternate contact information is the same contact information as the main contact information

Can my organization submit multiple grant applications?

No, the Foundation does not accept more than one grant request per organization. The Foundation is unable to make exceptions to this rule.

Is the Firehouse Subs Public Safety Foundation grant a matching grant?

There are no matching funds involved in our organization's grants program.

If my request is more or less than $20,000 will it be denied?

$15,000-$25,000 is a guideline. Requests exceeding $50,000 will not be accepted.

What financial information should we provide?

Financials must show revenue and expenses and must include the name of your organization, city or county. One of the following options must be submitted:

- A recent - within one month - Balance Sheet which consists of Assets and Liabilities
- A recent - within one month - Profit & Loss Statement also called an Income Statement
- A current year annual budget showing projected income and expenses
- A previous year audit or 990

What is needed for the required vendor quote/bid attachment?

You must provide an official vendor quote with the following information for your grant request to be considered. Submitted quotes MUST meet the requirements below, please read carefully:

- Vendor sales representative first and last name must be included on quote
- Vendor email address must be included on quote
- The name & *physical* address of your organization must be included
- The first and last name of a contact person from your organization must be included
- Only one vendor quote can be submitted. Your application will be marked incomplete if more than one quote is submitted
- Quote must be itemized
- Online quotes will not be accepted
- Must be dated within six months of the application deadline
- Must contain only the item(s) pertaining to your grant request
- The total dollar amount and equipment quantities in the vendor quote *MUST MATCH* the total that your department is requesting
- Sales tax and freight charges are included, if applicable
- The cost of maintenance plans and extended warranties are not permissible
- Firehouse Subs Public Safety Foundation will not be responsible for restocking fees or costs related to errors within the submitted quote
- Firehouse Subs Public Safety Foundation will not be responsible for additional shipping costs or tax not included in the submitted quote

Note: When requesting a quote/bid from a vendor, we highly recommend sharing our quote requirements with the sales representative and making them aware the quote is for a Firehouse Subs Public Safety Foundation grant application.

What inventory information should I provide?

Please include a list of apparatus, vehicles and other specialized equipment. Submitted equipment inventory documentation must include the name of your organization. The lists we receive vary in length depending on the size and type of organization. (For example, include items such as vehicles, extrication equipment, breathing devices, and personal protective equipment/PPE)

If my department is located more than 60 miles from a Firehouse Subs restaurant, should I still apply?

Our Foundation mainly focuses its resources in areas served by Firehouse Subs restaurants. We recognize the need of rural and volunteer departments throughout the country, and will consider applications outside of the 60 mile guideline.

When can we expect to find out if our grant has been approved or denied?

ALL applicants will be notified of a decision regarding their application within two months of the close of the grant deadline. Please do not contact restaurants or the Firehouse Subs Care Center with questions regarding your grant.

Does Firehouse Subs Public Safety Foundation fund requests for "use of force"?

As per our guidelines, Firehouse Subs Public Safety Foundation does not accept grant requests for "use of force" items such as guns, tasers, riot gear, firearm simulators, or other use of force items.

Does the Foundation only work with specific equipment vendors?

No, the Firehouse Subs Public Safety Foundation does not endorse any specific equipment vendor or brand. It is up to the grant applicant to submit a quote/bid for the requested equipment which will include the brand and manufacturer. As needed, the Foundation's procurement team will evaluate pricing and reach out to other distributors of the same manufacturer and brand.

Does the Foundation fund requests for refurbished equipment?

No, our organization does not accept grant requests for refurbished or pre-owned equipment.

Does the Foundation fund requests for patent-pending equipment?

No, our organization does not accept grant requests for patent-pending products.

Does the Foundation accept requests for partial funding?

The Foundation does consider request for partial funding, however, the balance of funds must already be secured and outlined within your grant request. We ask that you include a note about the project and the secured funding as part of your organization's background/history attachment if submitting a request for partial funding.

If approved, what is required by the recipient?

Documentation must be submitted to verify that the grant award was received. More details will be provided if approved.

We are unable to provide any additional assistance due to the volume of applications received daily. For technical questions, please email **Foundation@FirehouseSubs.com**.

Firehouse Subs Public Safety Foundation Scholarships Program FAQs

How can an individual apply for a Firehouse Subs Public Safety Foundation scholarship?

The scholarship program is open to community members as well as Firehouse Subs employees planning to enroll in a part-time or full-time firefighter, law enforcement or emergency medical (paramedic or EMT) program at an accredited two- or four-year college, university or vocational-technical school for the upcoming academic year. Click **here** to learn more.

How can accredited schools apply for scholarship funding?

Accredited schools can apply for scholarship funding in support of firefighter, law enforcement or emergency medical (paramedic or EMT) programs by completing the online grant applications via **grants.firehousesubs.com**.

We are unable to provide any additional assistance due to the volume of applications received daily. For technical questions, please email Foundation@FirehouseSubs.com.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/4/2021 **Report No:** 4.

Submitted By: Kim Torres

Subject: Consider, and act upon, approval of the FY22 - FY25 Alamogordo Public Safety Officers Association (APSOA), contract for FY2022 - FY2025. *(Kim Torres, Deputy Human Resources Director*)

Fiscal Impact: $59,000 APD / $112,000 AFD
Amount Budgeted: $0.00
Fund:

Additional Fiscal Impact: Budget revisions will be processed to accommodate the expense of these changes.

Recommendation: Approve the APSOA contract as presented.

Background: The City and APSOA have met and agreed upon a four-year contract to be effective beginning June 28, 2021 through June 30, 2025.

Mayor Boss, Mayor-Pro-Tem Sikes, and Commissioners:

The information presented in the enclosed, includes a full version of the negotiated Agreement, including an Appendix A, between the City of Alamogordo and the Alamogordo Public Safety Officers Association. Below please find an explanation of the major changes to the contract that:

- Covers both Police (thru rank of Sgt.) and Fire personnel (thru rank of Lt.)
- Incorporates the approximate financial impact for those changes that have an impact on the budget for both APD and AFD
- Covers the next four years, effective June 28, 2021 through June 30, 2025

Section 9. Bereavement Leave

- Included "domestic partner" in the definition of a family member
- Total bereavement days increased from 4 days to 5 days (4th and 5th day is for those that must travel 500 miles or more for the death of an immediate family member)

The change to this section is consistent with the bereavement leave provisions outlined in the City's Employee Manual. It will bring consistency to employee benefits provided and support ease of benefit administration.

Approximate budget impact based on average usage in FY20: APD $1,000 and AFD $2,000

Section 13. Hours of Work/Work Period

- Change in shift from 11.5 hours to 12.00 hours for Police
- 45-minute paid meal break as time permits for Police

This change comes with a cost of approximately 52,000 for APD with the cost being minimally offset by overtime for lunch periods missed (approx. $2,000) and documented as overtime. 12-hour shift removes the possibility of missed lunch periods becoming overtime.

- Included language to accommodate Firefighter 24 hour shifts as agreed in an approved MOU effective 7.1.2018. (24 hours on, 48 hours off)

Section 19. Grievance and Arbitration Procedure

The Grievance procedures were updated to comply with New Mexico Legislative Bill HB-364.

Justification of Need

To gain an edge on the market and provide more recruiting incentive for officers to come to Alamogordo and stay is the objective with the Financial Section. Alamogordo invests heavily in providing the means for candidates to obtain their certifications. This is a benefit that some departments do not provide as they will only hire certified officers. Therefore, we invest in an employee's certification, then they move on to another department offering a higher wage. We want the newly certified employee to stay with us, rather than moving on. We also hope to attract certified officers, and therefore an aggressive contract was negotiated. Provided below is statistical information for both APD and AFD that I am hoping will better justify to you the need for the changes proposed in the tentative contract:

APD Recruitment Statistics

- Police Officers have not been fully staffed since the fall of 2013 when every position authorized was filled for approximately 2 weeks
- APD currently has 11 Police Officer and 2 Sergeant positions vacant
- Of the 29 terminations between January 1, 2019 and April 1, 2021, that were not due to retirement, 86% resigned voluntarily, most for more money with other departments in New Mexico and Texas
- During the same period of January 1, 2019 and April 1, 2021 there were 22 Police Officers hired
- Average tenure for Police Officers and Sergeants is 5.9 years, while the average for all City staff is 7.4
- Turn over - hard costs (staff time for exiting, interviewing, background check, pre-employment testing, employee costs for 3 months of OJT, PTO pay out, etc.) for the turnover of 1 Police Officer has an impact of > $31,000. Soft costs (loss of productivity, increased workload of others, lost productivity of vacant position, etc.) not included

AFD Recruitment Statistics

- Firefighters are currently fully staffed; however, AFD does have two Code Enforcement/Firefighter positions that are vacant and being advertised
- Of the 8 terminations between January 1, 2019 and April 1, 2021, 75% resigned voluntarily
- During the same period of January 1, 2019 and April 1, 2021 there were 7 Firefighters hired
- Average tenure for Firefighters and Lieutenants is 5.7 years, while the average for all City staff is 7.4
- Turn over - hard costs (staff time for exiting, interviewing, background check, pre-employment testing, employee costs for 3 months of OJT, PTO pay out, etc.) for the turnover of 1 Police Officer has an impact of > $28,000. Soft costs (loss of productivity, increased workload of others, lost productivity of vacant position, etc.) not included

Section 25. Financial Package

- F. Specialty pay for Firefighters added for Hazardous Materials Technician, Fire Investigator, Airport Rescue Fire Fighting, Technical Rescue and/or Air Management
- Removed SWAT as a specialty pay for Police – Program cancelled
- Increased Retention Incentive for Police from $3,600 to $5,000 for Certified Police Officers
- Bargaining unit members will be placed into the pay step tables as outlined in Appendix A of the contract based on their years of service. The step table includes the across-the-board increase proposed in the budget for all employees.

Financial Impact

ALAMOGORDO POLICE DEPT.		ALAMOGORDO FIRE DEPT.	
Step Table Placement/12 hr Shifts	$245,000	Step Table Placement	$161,000
Bereavement	$1,000	Bereavement	$2,000
Retention Incentive	$7,000	Specialty Pay	$10,000
.75 Already Included with Budget	$-94,000	.75 Already Included with Budget	$-61,000
Elimination of SWAT	$-100,000		
Budget Impact to General Fund	**$59,000**	Budget Impact to General Fund	**$112,000**

PREAMBLE

THIS AGREEMENT has been made and entered into between the CITY OF ALAMOGORDO (hereinafter referred to as the "Employer" or the "City") and the ALAMOGORDO PUBLIC SAFETY OFFICERS ASSOCIATION, an affiliate of the New Mexico Coalition of Public Safety Officers (“NMCPSO”) (hereinafter referred to as the "APSOA" or the "Association.")

The purpose of this Agreement is to establish wages, hours, and all other terms and conditions of employment for the employees in the bargaining unit described herein pursuant to the Public Employee Bargaining Act (“PEBA”), NMSA 1978, § 10-7E-1 et seq., as the same may be hereafter amended.

SECTION 1. SCOPE OF AGREEMENT AND RECOGNITION OF REPRESENTATIVE

A. The bargaining unit of employees covered by this Agreement includes:

(1) Police Department

All regular, full-time, non-probationary police officers through the rank of sergeant.

(2) Fire Department

All Regular, full-time, non-probationary firefighters and fire lieutenants.

B. The City recognizes the Association as the sole exclusive bargaining representative in all matters pertaining to wages, hours, working conditions, and other conditions of employment for the employees in the **bargaining** unit described in this “Agreement”.

SECTION 2. ASSOCIATION RIGHTS

A. The Association shall represent the employees in negotiations and in grievances related to this contract.

B. The Association shall be entitled to dues deduction upon presentation of dues deduction authorization cards signed by individual employees.

C. The Association shall be the exclusive bargaining representative during the term of this agreement in accordance with the Public Employee Bargaining Act, NMSA 1978, § 10-7E-1 et seq.

D. Association officials shall be provided with reasonable access to members of the bargaining unit to discuss grievances, work-related complaints and other matters related to employment relations as provided by Section 15 of the Public Employee Bargaining Act NMSA 1978, § 10-7E-1 et seq.

E. The Association may distribute information prior to or immediately following the daily briefing or at any other time or location not prohibited by law. City shall provide space for a bulletin board for the posting of official Association notices and other information, except religious, partisan, derogatory, or discriminatory notices. The bulletin board will not be used to criticize the Association, any Association policies, any Association officials, Management, Management policies or any Management employees or the City.

SECTION 3. ASSOCIATION MEMBERSHIP DUES DEDUCTIONS

A. Upon receipt of a voluntary authorization dues deduction card executed by an employee who is covered by this bargaining unit, the employee may have membership dues deducted by the City in accordance with the dues levied by the Association in accordance with its constitution and its by-laws. Employees may cancel their dues deduction authorization in accordance with Section 17 of the Public Employee Bargaining Act, NMSA 1978, § 10-7E-1 et seq. at the end of the first pay period following July 1st of each year this agreement is in effect, and for a period of ten (10) days following the end of such pay period.

B. The City agrees to forward to the Association all dues withheld pursuant to valid authorization cards. Dues withheld will be forwarded to the Association each pay period.

C. Should an issue arise as to the amount deducted, the City's only obligation is to present factual material as to the amount actually deducted. Any adjustment shall be handled strictly between the employee and the Association.

D. The Association shall indemnify, defend and save the City harmless against any and all claims, demands, suits or any other forms of liability that shall arise out of or as a result of any conduct taken by the City for the purpose of complying with this section.

The City agrees to provide the Association a list of employees in the bargaining unit upon request. The list shall include the employee’s name and position and any other information required by Section 15 of the Public Employee Bargaining Act, NMSA 1978, § 10-7E-1 et seq.

SECTION 4. INJURY LEAVE WITH PAY

For an on the job injury resulting in a disability lasting more than seven (7) calendar days, the employee becomes eligible for Worker’s Compensation Indemnity or may elect to use accrued PTO leave for the seven (7) days prior to Worker’s Compensation being paid by the provider. The employee will then be compensated at a rate not to exceed the difference between Worker's Compensation indemnity received and the employees’ base pay, less tax withholding, for a period not to exceed sixty (60) calendar days within one year from the date of the injury. In the event the temporary disability continues beyond this period, the employee then may use accrued PTO leave. If the injury is determined to be permanent, the employee shall be entitled to receive injury leave with pay until PERA disability payments begin, up to an additional sixty (60) calendar days. PTO leave is accrued during injury leave. Employees must at any time submit to certification by the City's designated physician that the employee's injury requires the employee be absent from work. As a condition of employment, the employee must cooperate with the City in any legal actions to recover damages, benefits, settlements, or in any court action.

A. Any employee injured in an accident arising out of and in the course of his/her employment or who has acquired an occupational disease as defined by the State of New Mexico Statute shall receive prompt medical attention at the City's expense under the Workers' Compensation Program.

B. Human Resources is in charge of medical referrals and the investigation, processing, and settlement of claims resulting from injury to an employee. The injured employee shall report all on-the-job injuries within twenty-four (24) hours to their immediate supervisor, if possible, but no later than the time required by New Mexico Workers' Compensation Act. Human Resources will make a report to the State of New Mexico Labor and Industrial Safety Commission and conduct a full investigation if necessary.

C. Following an injury that requires absence from work for more than three (3) calendar days, an employee must be cleared for return to work by Human Resources, as the City may require a medical examination of the employee by a physician designated by the City. Questions of compensability and settlement of claims from Worker's Compensation shall be referred to the Worker's Compensation Insurers.

D. The City agrees to continue paying the employer portion of medical benefits while employee is on injury leave with pay.

E. In the event an employee on-the-job suffers an on-the-job injury, which by its nature cannot heal within sixty (60) calendar days after release from a hospital, or contracts a potentially disabling disease or illness that would temporarily disable the employee beyond the sixty (60) calendar days established in paragraph one, the injury leave with pay may continue for an additional ninety (90) calendar days. An employee that refuses to participate in a City provided Inoculation Program shall not be eligible for the additional injury leave with pay for a disabling disease for which said Inoculation would provide protection.

F. The City agrees to provide light duty work only as the result of an on-the-job injury after a licensed physician's determination that the employee cannot return to his/her normal duties, and after that physician has defined the employee's limitations and abilities and declares the employee will be able to return to full duty after a specified period of time. Light duty shall be limited to two hundred ten (210) calendar days. Priority will be given to placing the employee within the Alamogordo Police Department or Alamogordo Fire Department, but may be any position within the City for which a vacancy exists. Such assignment will not result in the employee being paid at less than his/her current rate of pay.

G. The City agrees to provide light duty work only as the result of an off-the-job injury after a licensed physician's determination that the employee cannot return to his/her normal duties, and after that physician has defined the employee's limitations and abilities and declares the employee will be able to return to full duty after a specified period of time. Light duty shall be limited to sixty (60) calendar days in a COA fiscal year. Priority will be given to placing the employee within Alamogordo Police Department or Alamogordo Fire Department, but may be any position within the City for which a vacancy exists, without creating a new position for the injured employee. Such assignment will not result in the employee being paid at less than his/her current rate of pay.

Nothing in this section prevents the City Manager from extending the terms set forth herein based on medical information that indicates the extension will allow the employee to return to duty.

SECTION 5. LAYOFF AND RECALL

A. When it is necessary to have a reduction in the City's work force, employees will be laid off in reverse order of seniority within classification. Seniority for the purposes of Layoff and Recall is defined as full-time regular continuous employment with the City (date of hire) applied to the classification held.

B. Employees subject to layoff who have held a prior classification shall have the right to bump to that prior classification provided that the employee is still fully qualified to do the work and the employee has greater seniority in total City employment than the incumbent.

C. The City shall notify the affected employee(s) and the Association by letter at least thirty (30) calendar days prior to any reduction in force. The Association will be afforded the opportunity to meet with the City to discuss the circumstances requiring the layoff and any proposed alternatives. Employees laid off due to reduction in work force will be called back to work by classification in their seniority order.

D. Laid off employees have the responsibility of keeping the City informed as to their correct mailing address. The City will advise the employee to be recalled by certified or registered United States mail. A copy of such recall notice will be furnished to the President of the Association. An employee receiving notice of recall, will, within seven (7) working days, acknowledge receipt by certified or registered mail advising the Human Resources Director of the date he/she will be available for service, which available date must not be later than thirty (30) calendar days from the day the employee receives the recall notice. Employees failing to comply with this section forfeit their recall rights. It is understood that the City will have discharged its obligation of notification to laid off employees by having forwarded the recall notice as herein outlined. Employees shall retain seniority held at the time of layoff.

E. Employees on layoff status will be terminated one (1) year from the effective date of layoff if they have not been recalled.

SECTION 6. LEGAL PROTECTION

A. Should a public employee covered by this agreement be sued in a civil action for any allegations arising out of the course and scope of the bargaining unit employee's employment, the City will defend and indemnify the employee pursuant to the requirements of the New Mexico Tort Claims Act, Section 41-4-1 et. seq., NMSA, as amended.

B. It is understood by the parties that it is against public policy to defend a public employee in a criminal suit once the bargaining unit member is indicted for a criminal act.

C. In the event a public employee covered by this agreement is sued in a civil action in which punitive damages are alleged, and the employee was not personally served with the summons and complaint, it shall be the duty of the City to notify the employee in writing through delivery of a copy of the complaint within 10 days of receipt of the suit by the City Attorney. This provision shall only apply to suits filed after the effective date of this agreement.

D. Any public employee covered by this Agreement for whom the City provides a defense shall cooperate fully with the City for the duration of the litigation, including any and all appeals.

E. For the purpose of this section and agreement, the phrase "course and scope of duty" means the lawful acts in which the public employee covered by this Agreement is requested, required, or authorized to perform by the City.

SECTION 7. LOST OR STOLEN PROPERTY

A. Bargaining unit employees who have lost, damaged or have had City property stolen in the line of duty, regardless of the costs, will not be required to reimburse the City, with the exception of behavior deemed by the Department Chief to be negligent or blameworthy carelessness. Lost or damaged City Property, in the absence of negligence, shall be replaced by the City to the bargaining unit member.

B. The City will reimburse a bargaining unit employee up to the replacement cost for personal property (health aids such as prescription eyeglasses or contact lenses, false teeth, hearing aids, prosthesis, or any required equipment, as determined by the Department Chief), damaged in the line of duty as a result of a direct deliver of service.

C. The incident must not be determined to be due to the bargaining unit employee's own negligence.

D. All instances of lost, damaged, or stolen property will be reported to the bargaining unit employee's supervisor on duty, in writing, at the time of occurrence or before the end of the shift. Failure to notify the supervisor may negate any claim for replacement absent mitigating circumstances.

E. Where practicable, damaged property shall be presented to the Department for inspection, prior to replacement and shall be turned in for destruction at the time of replacement.

F. All members of the bargaining unit shall be responsible for the safekeeping of all equipment provided by the Department. Any member who fails to safeguard any such equipment or who willfully destroys the equipment may be charged for replacement on a fair "wear and tear" basis.

SECTION 8. PERFORMANCE EVALUATIONS

A. Any bargaining unit employee may review a negative performance evaluation through the chain of command up to the Department Chief.

B. The bargaining unit employee may document his/her point of view on any evaluation. Such documentation will be in writing and will be made a part of his/her personnel file.

C. Bargaining unit employees shall be required to sign the performance evaluation to acknowledge its receipt, but the bargaining unit employee's signature shall not be deemed to indicate that he/she concurs with the performance evaluation.

D. The bargaining unit employee's evaluation shall be completed as provided by Section 4-2 of the City's Employee Manual, as the same may be hereafter amended.

E. Personnel files for bargaining unit employees who are law enforcement certified shall be governed by Section 7 of the Peace Officer's Employer-Employee Relations Act, NMSA 1978, § 29-14-1 et seq.

SECTION 9. BEREAVEMENT LEAVE

A. The City shall allow up to three (3) consecutively scheduled work days of bereavement leave for bargaining unit members who sustain a death in their immediate family for the purpose of attending the funeral.

B. The amount of bereavement leave allowed up to the limits specified will be at the discretion of the Department Chief in each instance.

C. The "immediate family" for the purpose of this provision is defined as: spouse, domestic partner, children, brother, sister, parent, grandchild, grandparent, step, half, and in-law relatives of the same, and any other person deemed as immediate family at the recommendation of the Department Chief and upon approval of the City Manager.

D. Any member who must travel 500 miles or more one way will be allowed two additional scheduled work days of Bereavement Leave for a total of five consecutively scheduled work days during any one instance.

E. Should a covered employee take other leave to be present with an immediate family member and the family member passes during this leave, the employee may then utilize the bereavement leave retroactively.

F. For purposes of this section, intervening scheduled days off shall not be counted against the total bereavement leave allotment. By way of example, a patrol officer working the work shift of three days on, two days off and two days on who takes bereavement leave commencing with the second regularly scheduled work day of the three days on segment of the work shift would be allowed bereavement leave for the second and third regularly scheduled work days along with the first and second days of the next regularly scheduled two days on.

G. Employees may use additional PTO leave or leave without pay, at the option of the employee and with the Department Chief's approval. Documentation of death may be required.

SECTION 10. FAMILY LEAVE

Family leave will be administered in accordance with the Family Medical Leave Act and the City Employee Manual.

SECTION 11. EMPLOYEE PERSONNEL FILE

A. A copy of any material pertaining to an employee's performance or to disciplinary actions to be placed in the employee's personnel file must be presented to the employee for signature and review.

B. All employees shall be allowed to review the contents of their personnel file, during normal working hours (8:00 A.M. to 5:00 P.M.) Reasonable requests for copies of documents in the file shall be honored.

C. The personnel file kept by the Human Resources Office is the official employee file.

D. Departmental working files may be viewed upon request to the Department Chief.

E. Human Resources Department files are permanent records of an employee's performance with the City. Such files will not be purged, except as provided by law.

F. Personnel files for law enforcement certified personnel shall be governed by Section 7 of the Peace Officer's Employer-Employee Relations Act, NMSA 1978, § 29-14-1 et seq.

SECTION 12. DISCIPLINARY ACTION

A. Bargaining unit employees may be subject to discipline for any violation of the City's Employee Manual, or Department-specific rules (i.e. standard operating procedures).

B. Bargaining unit employees will be subject to disciplinary action only for just cause.

C. Disciplinary actions include written reprimands, demotions, suspensions, or terminations.

D. Bargaining unit employees may be subject to additional corrective action, including, without limitation, verbal warnings, verbal counseling, or written warnings, but such actions are not disciplinary in nature.

E. Any disciplinary action shall be subject to the grievance procedure provided in this Agreement.

SECTION 13. HOURS OF WORK/WORK PERIOD

A. Patrol Officers.

1. The normal work day for every patrol officer, through the rank of Sergeant, shall be twelve (12) hours. Regular hours of work each day shall be consecutive. It is understood that the beginning time for each 12-hour shift may be adjusted at the discretion of the shift supervisor upon five days' notice unless exigent circumstances warrant shorter notice. Scheduling errors by management do not constitute exigent circumstances.

2. The work period for every patrol officer, through the rank of Sergeant, shall consist of eighty-four (84) hours in a fourteen (14) consecutive day period.

3. The work schedule for all police officers, through the rank of Sergeant, assigned to patrol duties shall consist of a seven (7) day work schedule during a fourteen (14) day period. During the fourteen (14) day period, each officer shall work two (2) days on, two (2) days off, three (3) days on, two (2) days off, two (2) days on, and three (3) days off.

4. Police officers shall be divided among two different scheduling groups (Watch A and Watch B), each of which will maintain this same schedule but will start the repeating cycle on a different week.

5. Each patrol officer, through the rank of Sergeant, shall be permitted to take up to a 45-minute meal break while on duty, as time permits. Meal breaks shall be compensated and shall count as hours worked.

6. The following table exemplifies the above described schedule:

Patrol

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Work	**Work**	**Off**	**Off**	**Work**	**Work**	**Work**
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Off	**Off**	**Work**	**Work**	**Off**	**Off**	**Off**

B. **Specialty Positions**. The Department Chief shall recommend to the City Manager who shall be assigned to specialty and administrative positions. Only those specialty positions listed in Section 25 shall receive specialty pay.

C. **Non-Patrol Sergeants and Police Officers.** The work schedule for sergeants without patrol supervisory responsibility and non-patrol police officers shall be forty (40) hours comprised of either 8-hour or 10-hour shifts.

D. **Firefighters.** Work schedules will consist of periods of work with fixed starting and ending dates or times. The work schedule for all firefighters shall be:

1. 24 hours on, and 48 hours off. Firefighters work 4 or 5 days per pay period, as applicable.

2. The work period for all Firefighters through the rank of Lieutenant shall be either ninety-six (96) or one hundred twenty (120) hours with overtime being paid for hours worked over one hundred six (106) hours in a fourteen (14) consecutive day period.

E. Management reserves the right to make temporary changes to work schedules as necessary.

SECTION 14. FIREFIGHTERS SLEEP TIME

A. Normally scheduled sleep time will be 2200 hours until 0600 hours the following day for Firefighters and Fire Lieutenants except when there is a call for service.

SECTION 15. STANDBY TIME

A. Employees who are required by their supervisor and scheduled to be "on standby", meaning accessible by telephone or pager, and to return to duty when called, shall be compensated at the rate of one (1) hour of their usual pay for every twenty-four (24) hours on call. Duties actually worked in response to calls shall be compensated at regular time or overtime as applicable. When an employee is required to work overtime at hours not adjacent to the employee's normal work hours, a minimum of one-hour compensation will be paid.

B. Police officers assigned to the Criminal Investigations Division (i.e. Detectives) who are designated on standby time or on-call status shall be assigned to such status on a rotating weekly basis, and shall be paid seven (7) hours for each week the officer is on stand-by or on-call.

C. This section shall be construed and administered in accordance with the Fair Labor Standards Act, as the same may be hereafter amended, including 29 C.F.R. § 553.221.

SECTION 16. COURT TIME

Bargaining unit employees, who are called in Off Duty for actual court matters, including MVD hearings or pretrial conferences, will receive a minimum of one (1) hour of overtime or compensatory time at one and one-half (1½) their regulator rate. Bargaining unit employees will continue to be paid or accrue compensatory time at a rate of one and one-half (½) times their regular rate for all time required in court, MVD hearings or pre-trial conferences beyond one (1) hour. Court time shall be considered time worked for regular compensation and overtime compensation purposes.

SECTION 17. OVERTIME

A. "Time Worked" Defined: The following provision constitutes the understanding of the parties with respect to defining time worked for the purpose of determining the number of hours required for overtime compensation eligibility. "Time worked" for all members of the bargaining unit except Firefighters shall include all hours actually spent performing the duties of the assigned job, rounded up or down to the next quarter hour, and court time, but explicitly excludes PTO leave, holiday leave, compensatory time, disciplinary action, or workers' compensation. "Time worked" for Firefighters and Fire Lieutenants shall include all hours actually spent performing the duties of the assigned job plus sleep time, rounded to the next quarter hour, and explicitly excludes PTO leave, holiday leave, compensatory time, disciplinary action, or workers' compensation.

B. Police Officers. Except as provided below, members of the bargaining unit who are assigned to and perform the duties of a patrol officer, including those members who hold the rank of sergeant, shall earn overtime at one and one-half (1½) their regular rate of pay when working more than 84 hours in a 14 consecutive day period.

C. Specialty and Administrative Positions. Members of the bargaining unit assigned to specialty and administrative positions, including those members who hold the rank of sergeant, shall earn overtime at one and one-half (1½) their regular rate of pay when working more than 40 hours in a 7 consecutive day period.

D. Firefighters and Fire Lieutenant. Members of the bargaining unit who are assigned to and perform the duties of a Firefighter or Fire Lieutenant shall earn overtime at one and one-half (1½) their regular rate of pay when working more than 106 hours in a 14 consecutive day period.

SECTION 18. SAFETY PROGRAM

The City and the Association agree to use their best efforts to promote and provide a safe work environment. The City's Safety Committee will consist of equal union and management representation. Safety equipment and devices deemed appropriate by the City will be furnished and maintained by the City and all employees represented by Association agree to properly use said devices and equipment.

SECTION 19. GRIEVANCE AND ARBITRATION PROCEDURE

A. Upon agreement by both the City and the bargaining unit member, the bargaining unit member's representative shall be allowed to address the grievance/appeal on the bargaining unit member's behalf.

B. As a condition of employment, employees are required to appear as witnesses in grievance hearings when requested by the City.

C. Employees called as witnesses during time off shall be paid in accordance with the Fair Labor Standards Act (FLSA) by the City for the time spent at the hearing.

D. Grievance is defined as a misinterpretation, misapplication, or violation of a specific subsection of an article of this agreement. Disciplinary actions involving a written reprimand, suspension, or termination may also be grieved under this procedure.

E. The following are considered non-grievable:

   1. Lay-offs;
   2. Changes in policies and procedures;
   3. Performance evaluations;
   4. Promotions;
   5. Changes in duty stations or shifts;
   6. Matters mandated by City, State, and/or Federal law;
   7. Matters in which the City is without authority to act; and/or
   8. Other matters of inherent management rights, unless they are directly related or a direct consequence of a grievable matter.

F. The grievance must be in writing and shall include:

   1. Identification of the specific Article, subsection, and language in the Agreement that is alleged to have been violated;
   2. Identification of the action or inaction that generated the grievance;
   3. The management employee(s) involved in the alleged violations;

4. The date of the alleged violation;
5. The specific relief requested; "to be made whole" is not an acceptable specific relief and;
6. The grievance must be signed and dated by the employee and the employee's representative, if the employee elects to be represented.

G. "Working days" is defined as days the City administrative office are open for business.

H. Failure to submit a grievance within five (5) working days following the discovery of the act, or the condition which gave rise to the grievance, will constitute forfeiture of the right to file. Furthermore, any grievance determination not appealed to the succeeding level within the time limits expressed herein shall be considered as closed. When it is mutually agreed by the parties in writing, the time limits expressed herein may be extended. Either the Union or employee may drop the grievance at any Step.

I. Grievance Steps:

1. Step 1. The initial filing of a written grievance shall be with the Department Director or designee with a copy to the Human Resources Director, and shall occur within five (5) working days of the commission or omission of the act that generated the grievance.

2. Step 2. Within five (5) working days of filing the grievance with the Department Director, a meeting between the aggrieved employee and the Director will be scheduled at a mutually agreed date and time. The Director will have five (5) working days from the date of the meeting to respond to the aggrieved employee in writing. If the grievance is not resolved with the Department Director's decision, the grievance may be appealed to the City Manager or designee by filing the appeal in writing, to the Human Resources Director, within five (5) working days of the Department Director's decision.

3. Step 3. Within five (5) working days of filing the grievance with the City Manager, a meeting between the aggrieved employee and the City Manager will be scheduled. The City Manager will have five (5) working days from the date of the meeting to respond to the aggrieved employee in writing. If the grievance is not resolved with the City Manager's decision, within ten (10) working days, the grievant or representative may advance the grievance to arbitration. The grievant or representative, may submit a written request for an unrestricted regional list of seven (7) arbitrators from the Federal Mediation and Conciliation Service (FMCS) within ten (10) working days of City Manager or designee's decision. The request to the FMCS shall include notice to the City's Human Resources Director.

a. Within ten (10) working days of receipt of the list of arbitrators from FMCS, the parties shall meet to select an arbitrator. The parties will alternate striking names on the list until only one name remains. The remaining name shall be the arbitrator. The party to strike the first name shall be the grievant.

b. If an issue of arbitrability exists, the Arbitrator shall determine such issues through the filing of pre-hearing briefs prior to scheduling the hearing on the merits. If the Arbitrator determines the grievance to be arbitrable, the party who raised the issue of arbitrability shall file for another arbitrator panel to hear the merits of the grievance. Such request for a second panel shall be filed within five (5) workdays of receipt of the Arbitrator's decision on arbitrability.

c. The Arbitrator is limited to interpreting and applying the language in the agreement. The Arbitrator shall not add to, subtract from, or alter the Agreement in any way, nor shall the Arbitrator substitute his/her discretion for the City where such discretion is retained by the City.

d. The decision of the Arbitrator shall be final and binding on the parties and considered a decision under compulsory arbitration of the New Mexico Uniform Arbitration Act.

e. The Arbitrator's charges for services and expenses shall be shared equally by the parties.

f. Each party is responsible for its representation and witness costs.

g. This is the only grievance procedure available to the bargaining unit concerning the collective bargaining agreement and shall be the sole and exclusive method for resolving any and all claims arising from the alleged violation of this agreement or a grievance of disciplinary action where applicable.

J. For the details governing detailed procedures refer to the City of Alamogordo Employee Manual.

K. Any of the time limits outlined within the grievance process may be extended upon mutual agreement.

SECTION 20. INTERNAL AFFAIRS

To insure that investigations by the Internal Affairs Unit are conducted in a manner conducive to public confidence, good order, discipline, good management practices, and recognizing the individual rights of each member of the police department, any administrative investigation will be done in accordance to the New Mexico Peace Officer's Employer-Employee Relations Act, Sections 29-14-1 to 29-14-11 NMSA 1978, et seq., as amended for those bargaining unit members covered by the Act.

SECTION 21. PTO (PAID TIME OFF)

A. Except as otherwise provided in this agreement, Paid Time Off (PTO) shall accrue and be used in accordance with the City of Alamogordo Employee Manual.

B. Leave is any authorized absence, with or without pay, during regularly scheduled work hours, which is approved by the proper authority.

C. PTO is available to cover employees needs for time away from work for vacation, sickness, or to handle personal affairs.

D. Requests for leave will be approved, denied, and governed through the chain of command.

E. The charts below will serve as the accrual rates for PTO.

APSOA PTO ACCRUAL CHART

(1) 80 Hour Pay Period

Full Years of Service	8 Hour Schedule	Total Annual Hours	Accrual Per Pay Period	Carry Over Max	Conversion Max	Minimum Balance
0-5 Years	8	168	6.46	480	80	240
6 Years	8	176	6.77	480	80	240
7 Years	8	184	7.08	480	80	240
8 Years	8	192	7.38	480	80	240
9 Years	8	200	7.69	480	80	240
10-15 Years	8	208	8.00	480	80	240
16 Years	8	216	8.31	480	80	240
17 Years	8	224	8.62	480	80	240
18 Years	8	232	8.92	480	80	240
19 Years	8	240	9.23	480	80	240
20 Years & Up	8	248	9.54	480	80	240

(2) 80 Hour Pay Period

Full Years of Service	10 Hour Schedule	Total Annual Hours	Accrual Per Pay Period	Carry Over Max	Conversion Max	Minimum Balance
0-5 Years	10	168	6.46	480	80	240
6 Years	10	176	6.77	480	80	240
7 Years	10	184	7.08	480	80	240
8 Years	10	192	7.38	480	80	240
9 Years	10	200	7.69	480	80	240
10-15 Years	10	208	8.00	480	80	240
16 Years	10	216	8.31	480	80	240
17 Years	10	224	8.62	480	80	240
18 Years	10	232	8.92	480	80	240
19 Years	10	240	9.23	480	80	240
20 Years & UP	10	248	9.54	480	80	240

(3) 84 Hour Pay Period - Police

Full Years of Service	12 Hour Schedule	Total Annual Hours	Accrual Per Pay Period	Carry Over Max	Conversion Max	Minimum Balance
0-5 Years	12	252	9.69	690	120	350
6 Years	12	264	10.15	690	120	350
7 Years	12	276	10.62	690	120	350
8 Years	12	288	11.08	690	120	350
9 Years	12	300	11.54	690	120	350
10-15 Years	12	312	12.00	690	120	350
16 Years	12	324	12.46	690	120	350
17 Years	12	336	12.92	690	120	350
18 Years	12	348	13.38	690	120	350
19 Years	12	360	13.85	690	120	350
20 Years & UP	12	372	14.31	690	120	350

(4) 24 Hour Shifts – Firefighters

Full Years of Service	24 Hour Schedule	Total Annual Hours	Accrual Per Pay Period	Carry Over Max	Conversion Max	Minimum Balance
0-5 Years	24	328.61	12.64	800	120	324
6 Years	24	341.39	13.13	800	120	324
7 Years	24	354.09	13.62	800	120	324
8 Years	24	366.83	14.11	800	120	324
9 Years	24	379.56	14.60	800	120	324
10-15 Years	24	392.31	15.09	800	120	324
16 Years	24	405.04	15.58	800	120	324
17 Years	24	417.79	16.07	800	120	324
18 Years	24	430.52	16.56	800	120	324
19 Years	24	443.26	17.05	800	120	324
20 Years & UP	24	456	17.54	800	120	324

F. For non-shift employees, when a legal holiday that would have been a regular work day for the employee occurs during PTO, it shall not be charged as PTO leave but as a holiday. Hours worked in addition to the regularly scheduled workweek will not entitle an employee to additional PTO benefits. Pay period accrual is based on a regular schedule of work hours.

G. PTO requests shall be considered on a first-come first-served basis. Leave will be granted on the basis of the work requirement as a priority, but whenever possible on the wishes of the employee. If two or more employees submit a request for PTO at the same time for the same time period, approval will be granted on the basis of seniority by classification within the work unit and shift assignment, as staffing levels provide. Management has the discretion to approve the use of PTO to more than one (1) employee when more than one (1) employee requests the same days off.

H. Employees terminating either voluntarily or involuntarily are entitled to compensation for accrued PTO after five (5) years of employment up to 360 hours except under the conditions outlined in Section I.

I. Upon termination of employment for reasons not covered in Section H (death, retirement) an employee or their beneficiary will be paid for up to 480 hours accrued PTO upon their retirement date through PERA. Payment for unused PTO shall be at the employee's regular rate of pay at the time of termination.

J. The use of PTO upon resignation will be solely at the discretion of the Department Director.

Excess hours of PTO over the limits provided in Sections H and I above will be forfeited upon separation.

K. Advanced pay may be obtained by an employee per the City of Alamogordo Employee Manual.

L. Employees who donate PTO or request PTO Conversion(s), will do so in accordance with the City of Alamogordo Employee Manual.

SECTION 22. HOLIDAY PAY

A. The following days shall be observed as holidays for employees who work shift work:

New Year's Day – January 1st
Martin Luther King, Jr. Day – 3rd Monday in January
President's Day – 3rd Monday in February
Memorial Day – Last Monday in May
Independence Day – July 4th
Labor Day – 1st Monday in September
Veterans Day – November 11th
Thanksgiving – 4th Thursday in November
Day After Thanksgiving
Christmas – December 25th

For employees assigned to work shifts (Days, Swings, Nights) such as Patrol Officers, Patrol Sergeants, and Fire service personnel, for purposes of determining holiday pay, the observed holiday as listed above will be deemed to start at 0700 hours on the day of the observed holiday and end twenty-four (24) hours later at 0700 hours.

The following apply to all employees regardless of the scheduled hours:

B. When a holiday falls on a day that the employee is scheduled to work, the employee will receive the day off when the Department Chief determines this to be possible and the employee will be paid his or her regular hourly rate for the number of hours they were scheduled to work that day.

C. Except for employees assigned to work shifts, when a holiday falls on a day that the employee is scheduled to work and the Department Chief determines it is not possible for the employee to have the day off, the employee will be compensated for the entire time he or she works on the observed holiday at two and a half (2.5) times their regular rate of pay. For employees assigned to work shifts (Days, Swings, Nights) such as Patrol Officers, Patrol Sergeants, and Fire service personnel, holiday pay shall only be paid to an employee whose shift starts on or after 0700 hours on the day of the observed holiday and ends before 0700 hours on the following calendar day.

D. All employees not scheduled to work on the **actual** holiday, but who are called into work on the **actual** holiday, will be compensated at two and a half (2.5) times their rate of pay for all time worked, but for a minimum of one (1) hour on the actual holiday. For example, if Christmas Day is Sunday, December 25, the Detective Sergeant is usually off on Sunday and would receive holiday pay and the day off on Monday. If the Detective Sergeant is called out on Sunday, the actual Christmas holiday, they would receive two and a half (2.5) times their regular rate of pay for all time they work on the **actual** holiday.

SECTION 23. BILINGUAL PAY

A. Only those languages recommended by the Department Chief, and approved by the City Manager, as adding to the increased productivity and efficiency of the Department will be considered for Bilingual Pay.

B. Human Resources will establish the standards for certification of bilingual proficiency. Only those showing proficiency, established by Human Resources, will be given Bilingual Pay.

C. Employees receiving Bilingual Pay may be asked to test annually to assure continued proficiency.

D. Employees certified by Human Resources as meeting all of the above criteria will receive $.31 per hour during the time they are serving in that capacity. When they cease to serve in that capacity they will revert to their base pay level.

SECTION 24. EDUCATION INCENTIVE

Employees covered under the terms of this contract are not eligible for tuition assistance.

In lieu of this assistance, subject to the availability of funds, employees covered under the terms of this contract that possess a post-secondary degree in education, business, management, social sciences, criminal justice, etc. and that demonstrates a benefit to the City from an accredited university, or would meet the qualifications or requirements for other employment opportunities with the City will receive a financial incentive in December of each year. The determination for applicability of the degree will be at the discretion of Human Resources. Only one incentive will be paid per year based on the highest held degree that is applicable as determined by Human Resources.

The incentives are as follows:

Associates Degree $100/year
Bachelors Degree $250/year

In order to receive the educational incentive, a copy of the certified, original transcript confirming the degree must be provided to Human Resources prior to November 15th to qualify for the incentive. Proof of degree need only be provided upon initial implementation of the incentive for each employee.

SECTION 25. FINANCIAL PACKAGE

A. Wages/Salary

Bargaining Unit Members will receive an amount equal to any across the board increase approved by City Commission for non-represented employees beginning with Fiscal Year 2022 and for the remaining life of this agreement.

B. Specialty Pay. Effective the first day of the first pay period following ratification and execution of this agreement by both parties, Police Officers assigned to the specialty positions of detective, detective sergeant, training officer, narcotics agent, narcotics sergeant, field training officer (FTO), training sergeant, community relations officer, K-9 Officer, CIT (Crisis Intervention Officer) and school resource officer shall be advanced by 3.023% during the period of such assignment. No police officer, regardless of rank and regardless of the number of specialty assignments, shall receive pay for more than one (1) specialty assignment. The additional compensation shall be paid only during the period of such assignment. Police Officers receiving the Specialty Pay will be returned to their regular rate of pay based on their classification when the reassignment as a specialist is ended.

C. Benefits

1. **Group Health Insurance.** The City has group medical insurance plans that are offered to City employees. The employee will be advised of the plans at the employee orientation. The City will pay 60% of the group medical premiums on the plans offered by the City. The employee who chooses to participate in these plans will pay the remaining 40% of the cost of the plans.

2. **PERA Contribution.** The City shall continue to make the increased contribution for Members of the Association covered by PERA Municipal Police Plan 5 and Municipal Fire Plan 5 as specified in Resolution No. 2000-23.

3. **Recreational Facilities Benefit.** Service Benefits will be administered in accordance with the City of Alamogordo Employee Manual.

D. Recruitment Incentive Payments. In an effort to attract and retain certified police officers, the parties agree that those eligible Police Officers will be provided monetary incentives by the City as set forth herein:

1. Effective the first day of the next pay period following a certified police officer's first (1st) anniversary date or probation end date, whichever is later, with the City who held a current and valid certification as a police officer and who was previously certified and employed full-time as a certified police officer for at least one (1) year by a law enforcement agency, other than the Alamogordo Police Department, subject to the conditions contained herein, shall be eligible for a Recruitment Incentive totaling up to five thousand dollars ($5,000). Incentive to be paid in increments not exceeding $1,000 beginning the first day of the next pay period following a police officer's anniversary date or probation end date, whichever is later and each first day of the next pay-period following the police officer's anniversary

date, up to a maximum of five (5) years and $5,000.

2. To qualify for the Recruitment Incentive, the Police Officer must commit, in writing, to remain employed with the Alamogordo Police Department in the capacity of a Police Officer for a period of five (5) years.

3. No individual shall be eligible to receive the incentive if the individual was previously employed as a Police Officer with the City of Alamogordo unless at least thirty-six (36) months have lapsed from the last date of employment with the City, as measured on the date on which the individual submits an application for employment to the City. In no case shall a returning previously employed Police Officer be eligible to receive more than one Recruitment Incentive. If an eligible Officer terminates prior to receiving the full $5,000, the Recruitment Incentive not earned, will be forfeited and the officer will not be eligible for the remaining balance if re-employed.

E. Uniform/Equipment Allowance.

1. All bargaining unit employees, other than those assigned to the Detective Division, shall receive up to $150.00 annually in the form of a purchase order for the purchase of duty equipment. Purchase orders will be issued to vendors approved by the City for purchase of equipment.

2. Police Officers and Police Sergeants assigned to the Detective Division of the Police Department after ratification of this Agreement shall receive up to $200 in the form of a purchase order upon their initial assignment to Detective, and $150 in the form of a purchase order each year thereafter for the purchase of plain-clothes in lieu of issued uniforms.

3. All such clothing shall be subject to approval by the Police or Fire Chief as appropriate.

4. The Department shall continue to issue plain-clothes officers one uniform annually.

5. Purchase orders will be obtained for eligible employees each July.

6. No bargaining unit employee shall receive more than $150 annually for this purchase order, with the exception of the one-time, $200 initial purchase order to Detectives.

All equipment or gear directly paid for out of City funds shall remain the property of the City and shall be properly cared for by the individual to whom it is issued, and shall revert to the department upon the employee's separation from service, or upon replacement of the item.

F. Fire Fighters and Fire Lieutenants Specialty Pay

The following are considered specialty positions for Firefighters through the rank of Lieutenant:

1. Hazardous Materials Technician;

2. Fire Investigator;

3. Airport Rescue Firefighting;

4. Technical Rescue; and/or

5. Air Management (Self Contained Breathing Apparatus (SCBA) Specialist).

Effective the first day of the first pay period following ratification and execution of this agreement by both parties, Firefighters and Fire Lieutenants assigned to the specialty positions, shall be advanced by two (2) percent of their current hourly base rate during the period of such assignment. Firefighters and Fire Lieutenants who have more than one certification shall receive specialty pay of five (5) percent of their current hourly base rate during the period of such assignment. Specialty pay shall begin with the first day of the first full pay period following certification, or receipt of the official certificate to the City, whichever is later. The additional compensation shall be paid only during the period of such assignment. Firefighters and Fire Lieutenants receiving the Specialty Pay will be returned to their regular rate of pay based on their classification when the reassignment as a specialist is ended. To be eligible for specialty pay a Fire Fighter or Fire Lieutenant must be assigned to the specialty unit(s) by the Fire Chief.

SECTION 26. PHYSICAL FITNESS PAY

All employees covered by the agreement will be eligible for a physical fitness incentive based on base pay. The amount of the hourly incentive will be as specified in the charts outlined below. However, the maximum incentive amount is 4% of hourly base pay. The hourly incentive will become effective the first pay period after July 1, of each year or the first full pay period after the physical fitness test is passed if the member passes the test after the beginning of the fiscal year. This incentive expires on the last pay period of the fiscal year. The physical fitness testing is voluntary and the incentive will not be given to employees who do not satisfactorily complete the agreed upon standards. It is the intent of this Section that bargaining unit employees who have re-certified their physical fitness prior to the commencement of any succeeding fiscal year shall not have lapse in this incentive pay.

The City will conduct a minimum of one physical fitness test during the first quarter of each calendar year. Nothing herein prevents additional make up tests being done at the discretion of the Department Chief at any time during the year for any covered employees.

Any member of the Association who loses their physical fitness incentive pay as a result of a work-related injury shall be permitted to test within thirty (30) days of receiving the appropriate release from their attending physician. Provided the member satisfactorily completes the required standards, the member shall begin receiving the incentive the first full pay period after successfully passing the test. Exceptions as to the time limit may be allowed upon mutual agreement between the Association and the Department Chief.

Prior to testing, each member of the bargaining unit wishing to participate must provide a medical release authorizing participation in the physical fitness test. This medical release will be at the expense of the member and the medical release must have been acquired within the previous twelve (12) months from the test date. If a member experiences an event since they last received a medical release that could affect their ability to safely perform the test, a new medical release will be required.

The physical fitness test is on a two-tiered, pass-or-fail system and minimum standards are as follows:

The method for testing and each evolution will be agreed upon in writing between Department Chief and APSOA President prior to testing. The Physical Fitness testing standards will no longer include age and gender factors. Other requirement standards for this incentive are still under negotiation with the Association. See addendum for an example of the proposed elements. The Police Physical Fitness test will be developed by mutual agreement of the Police Chief and Association, and shall include 6-8 testing stations. Should an agreed upon test not be accomplished prior to January 1, 2017, the testing standard shall revert back to the testing elements previously provided for in this agreement.

The Physical Fitness testing standards for Firefighters and Fire Lieutenants shall be equivalent to the current Modified CPAT, subject to future changes as standards or needs require. The Modified CPAT must be completed successfully in seven (7) minutes to be eligible for a Tier 1 rate of two (2) percent Physical Fitness Pay incentive, and in six (6) minutes for a Tier 2 rate of four (4) percent Physical Fitness Pay incentive.

Compensation for Physical Fitness shall be as follows:

Tier 1: Two (2) percent increase of current hourly base rate.

Tier 2: Four (4) percent increase of current hourly base rate.

SECTION 27. SAVINGS CLAUSE

Should any part of this Agreement or any provision contained herein be declared invalid by any tribunal of competent jurisdiction, or any statute or regulation of the United States or the State of New Mexico, the validity of the remaining portions shall not be affected. Should this occur, the parties will immediately meet to negotiate a suitable provision to replace the provision held invalid.

SECTION 28. TERM OF AND ENTIRE AGREEMENT

A. It is understood and agreed by and between the parties hereto that this Agreement is the only existing Agreement between the parties and replaces any and all previous Agreements. The matters within this agreement may be only amended during the term of the agreement by mutual written agreement in the form of a Memorandum of Understanding (MOU).

B. The term of this Agreement shall commence on June 28, 2021 and shall remain in full force and effect until June 30, 2025 or until a successor Agreement is ratified by both Parties, whichever is later. In the event that the City and the Association fail to secure a successor Agreement prior to the expiration date of this Agreement, this Agreement shall remain in full force and be effective during the period of negotiation. Provided, however, no increases in compensation shall occur after June 30, 2025. The City will continue to provide the agreed upon duty gear, boot allowance and other benefits, such as health insurance coverage, during the period of negotiation.

C. The Association may seek an Economic reopener in the event of an unforeseen economic issue or concern on or about April 1, 2023.

D. Any Agreement provision by the Employer and the Association that requires the expenditure of funds shall be contingent upon the specific appropriation for wages and benefits by the Governing Body and the availability of funds.

IN WITNESS THEREOF, the parties have signed their names and affixed the signature of their authorized representatives on this _______ day of _______________, 2021.

CITY OF ALAMOGORDO NEW MEXICO	**ALAMOGORDO PUBLIC SAFETY OFFICERS ASSOCIATION**
____________________________	____________________________
Brian Cesar, City Manager	Rodney Scharmack, President, APSOA
ATTEST:	**APPROVED AS TO FORM:**
____________________________	____________________________
Rachel Hughs, City Clerk	Petria Bengoechea, City Attorney

APPENDICES

APPENDIX A – SECTION 25. FINANCIAL PACKAGE

THE CITY OF ALAMOGORDO

AND THE

ALAMOGORDO PUBLIC SAFETY OFFICERS ASSOCIATION

A. Effective June 28, 2021 and after ratification of this agreement by the Association and approval by the City Commission, bargaining unit members shall be placed into the appropriate pay scale provided below based on their corresponding year(s) service with the Department and without loss of pay should a bargaining unit members current base pay be above the pay rate in the pay scale below for the appropriate corresponding years with the Department.

B. The below pay scale includes the .50 cent across the board increase approved by Commission for June 28, 2021. It is not the intent of this section that bargaining unit employees will receive placement into the pay scale plus an additional .50 cent increase.

C. Placement into the pay scale is one time only and is not intended to provide movement for subsequent years of service.

D. Police Department

1. Police Officers

Step	**Years with Department**	**Pay**
P1	less than one year (probationary, non-certified)	$18.70
P2	1 year to 2 years (or start of certification)	$19.90
P3	2 years to 3 years	$20.18
P4	3 years to 4 years	$20.47
P5	4 years to 5 years	$20.76
P6	5 years to 7 years	$21.55
P7	7 years to 9 years	$22.37
P8	9 years to 11 years	$23.22
P9	11 years to 13 years	$24.11
P10	13 years to 15 years	$25.03
P11	15 years to 17 years	$25.99
P12	17 years to 19 years	$26.99
P13	19 years or more	$28.03

2. Sergeants

Step	Years with Department	Pay
S1	1 year to 2 years	$28.44
S2	2 years to 3 years	$28.85
S3	3 years to 4 years	$29.27
S4	4 years to 5 years	$29.69
S5	5 years	$30.12

3. Newly hired, Certified Police Officers may be placed into the pay scale appropriate to their verifiable years of Certified service with another Police Department at the discretion of the Chief after consultation with Human Resources, with ultimate authority being the City Manager, and with consideration given to internal equity. Certified service credit given for New Mexico certification or certification from another state.

E. Fire Department

1. Firefighters

Step	Years with Department	Pay
F1	less than one year (probationary)	$14.09
F2	1 to 2 years	$14.36
F3	2 to 3 years	$14.64
F4	3 to 4 years	$14.92
F5	4 to 5 years	$15.21
F6	5 to 6 years	$15.50
F7	6 to 7 years	$15.80
F8	7 to 8 years	$16.11
F9	8 to 9 years	$16.42
F10	9 to 10 years	$16.74
F11	10 to 11 years	$17.06
F12	11 to 12 years	$17.39
F13	12 to 13 years	$17.73
F14	13 to 14 years	$18.07
F15	14 to 15 years	$18.42
F16	15 to 16 years	$18.78
F17	16 to 17 years	$19.15
F18	17 to 18 years	$19.52
F19	18 to 19 years	$19.90
F20	19 to 20 years	$20.29
F21	20 to 21 years	$20.69
F22	21 to 22 years	$21.09
F23	22 to 23 years	$21.50
F24	23 to 24 years	$21.92
F25	24 years or more	$22.35

2. Fire Lieutenants

Step	Years with Department	Pay
L1	less than one year	$16.25
L2	1 to 2 years	$16.57
L3	2 to 3 years	$16.89
L4	3 to 4 years	$17.22
L5	4 to 5 years	$17.55
L6	5 to 6 years	$17.89
L7	6 to 7 years	$18.24
L8	7 to 8 years	$18.59
L9	8 to 9 years	$18.95
L10	9 to 10 years	$19.32
L11	10 to 11 years	$19.69
L12	11 to 12 years	$20.07
L13	12 to 13 years	$20.46
L14	13 to 14 years	$20.86
L15	14 to 15 years	$21.27
L16	15 to 16 years	$21.69
L17	16 to 17 years	$22.11
L18	17 to 18 years	$22.54
L19	18 to 19 years	$22.98
L20	19 to 20 years	$23.43
L21	20 to 21 years	$23.89
L22	21 to 22 years	$24.36
L23	22 to 23 years	$24.84
L24	23 to 24 years	$25.33
L25	24 years or more	$25.83

3. Newly hired Firefighters may be placed into the pay scale appropriate to their verifiable years of service and certifications held with another Fire Department at the discretion of the Chief after consultation with Human Resources, with ultimate authority being the City Manager, and with consideration given to internal equity.

CITY OF ALAMOGORDO

NEW MEXICO

____

Brian Cesar, City Manager

ALAMOGORDO PUBLIC SAFETY

OFFICERS ASSOCIATION

____

Rodney Scharmack, President, APSOA

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/4/2021 **Report No:** 5.

Submitted By: Evelyn Huff

Subject: Consider, and act upon, Resolution 2021-15 for the acceptance and approval of the FY20 Audit. *(Alan D. "A.J." Bowers, CRI - Carr, Riggs & Ingram)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Approve the resolution

Background: Consider and Act Upon Resolution 2021-15 Acceptance of FY 2020 Audit Summary.
Alan D. "A.J" Bowers from CRI will present an overview of the final statements for the FY2020 audit. The New Mexico Department of Finance and Administration requires the Annual Audit Report to be accepted by Resolution.

State of New Mexico

City of Alamogordo

Financial Statements and Supplementary Information

For the Year Ended June 30, 2020

CPAs and Advisors

CRIcpa.com

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Introductory Section

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City of Alamogordo
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INTRODUCTORY SECTION

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

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COMPLIANCE SECTION

State of New Mexico
City of Alamogordo
Official Roster
June 30, 2020

City Commission

Name	Title
Richard Boss	Mayor
Nadia Sikes	Mayor Pro-Tem
Jason Baldwin	Commissioner
Dusty Wright	Commissioner
Josh Rardin	Commissioner
Susan Payne	Commissioner
Sharon McDonald	Commissioner

Administration

Brian Cesar	Interim City Manager
Stephanie Hernandez	Assistant City Manager
Petria Bengoechea	City Attorney
Evelyn Huff	Finance Director
Rachel Hughs	City Clerk
Sue Ashe	Accounting Manager

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Financial Section

Carr, Riggs & Ingram, LLC
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

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INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City of Alamogordo (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2020, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the discretely presented component unit of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Net Position

As described in Note 2 to the financial statements, the prior year financial statements have been restated in the amount of ($2,754,758) in the internal service fund related to the allocation of a proportionate share of net pension and net OPEB liability and associated deferred outflows and deferred inflows to the fund and in the amount of ($3,813) in the custodial funds related to the implementation of GASB Statement No. 84 – *Fiduciary Funds*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 13 through 21 and the GASB required pension schedules, OPEB schedules, and notes to the required supplementary information on pages 106 through 114 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and supporting schedules, as identified in the table of contents, and other disclosures are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S Department of Housing and Urban Development and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules as identified in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and supporting schedules as identified in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and other disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 14, 2020

State of New Mexico
City of Alamogordo
Management's Discussion and Analysis
June 30, 2020

As management of the City of Alamogordo (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements of the City and additional information provided.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $168,406,376 (net position). The City's net position that is restricted for capital projects and other purposes is $37,868,836. The City's net investment in capital assets is $146,171,319. The City has an overall deficit of unrestricted net position as of June 30, 2020 of ($15,633,779).

- Change in net position for the year ended June 30, 2020 was an increase of $11,864,310 as a result of operations. The increase is primarily due to a reduction in expenses of 5% combined with an increase in revenues of 12%.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $13,081,265 or 115.23% of total general fund expenditures.

- The City's total debt outstanding at June 30, 2020 is $51,921,825.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements display functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and those functions that are provided by user fees (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include the joint utility fund, which provides water and sewer; the solid waste fund; the bonito lake fund; the golf course fund; the airport fund; the low rent public housing fund; and the home ownership fund.

The government-wide financial statements can be found on pages 24 through 27 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City has five governmental fund types: the general fund, the special revenue funds, capital projects funds, the debt service funds, and permanent funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the leisure services special revenue fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison schedule has been provided for the general fund and the leisure services special revenue fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 28 through 37 of this report.

Proprietary Funds. Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. The City has presented one major proprietary fund, the joint utility fund, presented within the financial statements. Data from the other nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 38 through 47 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 50 through 103 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, internal service funds, component unit, and fiduciary funds are presented immediately following the Required Supplementary Information. The combining nonmajor fund financial statements can be found on pages 120 through 165 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $168,406,376 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of $11,864,310 which increased net position in the current year as a result of operations.

The City net position reflects its investment in capital assets (e.g., land, buildings, other improvements, and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. This net position category of $146,171,319 reflects that the City has more net cost value than debt related to its capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Alamogordo's Net Position

	June 30, 2020			June 30, 2019			
Governmental Activities	**Governmental Activities**	**Business-type Activities**	**Total**	**Governmental Activities**	**Business-type Activities**	**Total**	**Percent Change**
Current and other assets	$ 54,939,798	$ 16,356,156	$ 71,295,954	$ 45,167,994	$ 17,149,817	$ 62,317,811	14.41%
Net capital assets	77,245,784	119,696,257	196,942,041	78,983,199	113,825,635	192,808,834	2.14%
Total assets	132,185,582	136,052,413	268,237,995	124,151,193	130,975,452	255,126,645	5.14%
Deferred outflows of resources	5,820,589	1,276,786	7,097,375	7,823,776	1,656,034	9,479,810	-25.13%
Total assets and deferred outflows of resources	$ 138,006,171	$ 137,329,199	$ 275,335,370	$ 131,974,969	$ 132,631,486	$ 264,606,455	4.05%
Current liabilities	$ 6,059,369	$ 7,564,560	$ 13,623,929	$ 4,986,434	$ 5,469,515	$ 10,455,949	30.30%
Long-term liabilities	60,330,480	25,847,114	86,177,594	64,365,560	27,829,538	92,195,098	-6.53%
Total liabilities	66,389,849	33,411,674	99,801,523	69,351,994	33,299,053	102,651,047	-2.78%
Deferred inflows of resources	5,916,129	1,211,342	7,127,471	4,569,693	843,649	5,413,342	31.66%
Net investment in capital assets	48,290,511	97,880,808	146,171,319	49,331,200	90,752,994	140,084,194	4.35%
Restricted for							
Capital projects	26,297,264	-	26,297,264	20,700,370	-	20,700,370	0.00%
Other purposes	11,571,572	-	11,571,572	8,234,996	-	8,234,996	0.00%
Unrestricted	(20,459,154)	4,825,375	(15,633,779)	(20,213,284)	7,735,790	(12,477,494)	25.30%
Total net position	65,700,193	102,706,183	168,406,376	58,053,282	98,488,784	156,542,066	7.58%
Total liabilities, deferred inflows of resources, and net position	$ 138,006,171	$ 137,329,199	$ 275,335,370	$ 131,974,969	$ 132,631,486	$ 264,606,455	4.05%

Changes in Net Position

The City's total revenues of $61,007,293 and expenses of $49,142,983 resulted in a change in net position of $11,864,310 as a result of City operations. Comparative information for changes in net position is shown on the next page.

City of Alamogordo's Change in Net Position

	June 30, 2020			June 30, 2019			
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Percent Change
Revenues							
Program revenues							
Charges for services	$ 3,325,143	$ 14,017,521	$ 17,342,664	$ 3,963,884	$ 13,900,861	$ 17,864,745	-3%
Operating grants and contributions	2,191,298	746,656	2,937,954	2,535,928	766,521	3,302,449	-11%
Capital grants and contributions	1,166,940	5,174,739	6,341,679	200,600	2,593,980	2,794,580	127%
General revenues							
Property taxes	4,440,523	-	4,440,523	4,266,463	-	4,266,463	4%
Other taxes	27,695,303	-	27,695,303	23,433,356	-	23,433,356	
Interest income	1,134,196	365,692	1,499,888	1,476,502	536,012	2,012,514	-25%
Transfers in (out)	(524,091)	526,737	2,646	(10,864,701)	10,866,719	2,018	0%
Miscellaneous income	510,805	224,343	735,148	733,056	67,544	800,600	100%
Gain from sale of assets	11,488	-	11,488	11,013	-	11,013	4%
Total revenues	39,951,605	21,055,688	61,007,293	25,756,101	28,731,637	54,487,738	12%
Expenses							
General government	10,046,397	-	10,046,397	9,863,172	-	9,863,172	2%
Public safety	10,103,095	-	10,103,095	10,860,131	-	10,860,131	-7%
Public works	5,023,880	-	5,023,880	6,062,644	-	6,062,644	-17%
Health and welfare	5,722,068	-	5,722,068	7,990,779	-	7,990,779	-28%
Culture and recreation	216,278	-	216,278	243,875	-	243,875	-11%
Interest and other charges	1,192,976	-	1,192,976	1,187,064	-	1,187,064	0%
Water and sewer	-	11,132,449	11,132,449	-	9,791,898	9,791,898	14%
Solid waste collection	-	2,106,171	2,106,171	-	2,060,638	2,060,638	2%
Bonito Lake	-	5,266	5,266	-	5,266	5,266	0%
Desert Lakes golf course	-	1,717,050	1,717,050	-	1,932,722	1,932,722	-11%
White Sands regional airport	-	580,773	580,773	-	570,528	570,528	2%
Public housing - rental program	-	1,274,633	1,274,633	-	1,261,193	1,261,193	1%
Public housing - home ownership	-	21,947	21,947	-	18,480	18,480	19%
Total expenses	32,304,694	16,838,289	49,142,983	36,207,665	15,640,725	51,848,390	-5%
Increase in net position	7,646,911	4,217,399	11,864,310	(10,451,564)	13,090,912	2,639,348	350%
Net position - beginning	58,053,282	98,488,784	156,542,066	68,504,846	85,397,872	153,902,718	2%
Net position - ending	$ 65,700,193	$ 102,706,183	$ 168,406,376	$ 58,053,282	$ 98,488,784	$ 156,542,066	8%

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $50,921,625, an increase of $8,832,767 in comparison with the prior year. Approximately 25.25 percent of this total amount, $12,859,537, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* for other purposes to indicate that it is not available for new spending.

The general fund is the chief operating fund of the County. The unassigned fund balance represents 115.23% of the total general fund expenditures or approximately 13 months of operating equity.

Budgetary Highlights

The final budget for the general fund's revenue increased by $1,777,958 from the original budget. Budget amendments to expenditures decreased the budget ($312,429) during the year within the general fund departments. The actual expenditures were $1,593,626 less than the final budgeted amounts, and actual revenues were $867,625 more than the final budgeted amounts. This resulted in a favorable budget variance of $2,461,251.

The final budget for the leisure services special revenue fund's revenue decreased by ($95,559) from the original budget. Budget amendments to expenditures decreased the budget ($13,223) during the year within the general fund departments. The actual expenditures were $447,790 less than the final budgeted amounts, and actual revenues were $785 more than the final budgeted amounts. This resulted in a favorable budget variance of $448,575.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2020, amounts to $77,245,784 for governmental activities and $119,696,257 for business-type activities (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, mechanized equipment, unscheduled property, and infrastructure within the governmental activities and the same categories within the business-type activities. The tables below shows the summarized capital assets of the City as of June 30, 2020.

Governmental Activities Asset Description	**Carrying Amount**	**Accumulated Depreciation**	**Net Position Balance**
Capital assets not being depreciated:			
Land	$ 10,399,278	$ -	$ 10,399,278
Construction in progress	7,770,131	-	7,770,131
Total capital assets not being depreciated	18,169,409	-	18,169,409
Capital assets being depreciated:			
Buildings and improvements	32,007,571	19,304,101	12,703,470
Mechanized equipment	14,252,069	8,886,366	5,365,703
Unscheduled property	4,861,457	3,628,260	1,233,197
Infrastructure	207,014,289	167,240,284	39,774,005
Total capital assets being depreciated	258,135,386	199,059,011	59,076,375
Total capital assets	$ 276,304,795	$ 199,059,011	$ 77,245,784

Business-type Activities Asset Description	**Carrying Amount**	**Accumulated Depreciation**	**Net Position Balance**
Capital assets not being depreciated:			
Land	$ 7,003,434	$ -	$ 7,003,434
Construction in progress	30,738,286	-	30,738,286
Total capital assets not being depreciated	37,741,720	-	37,741,720
Capital assets being depreciated:			
Buildings and improvements	33,394,747	20,312,358	13,082,389
Mechanized equipment	10,302,902	6,948,053	3,354,849
Unscheduled property	2,216,726	1,676,091	540,635
Infrastructure	100,513,303	35,536,639	64,976,664
Total capital assets being depreciated	146,427,678	64,473,141	81,954,537
Total capital assets	$ 184,169,398	$ 64,473,141	$ 119,696,257

Additional information on the City's capital assets can be found in Note 7 on page 78 through 81 of this report.

Long-Term Debt

At the end of the current fiscal year, the City had the following long-term debt outstanding.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 9,978,800	$ 10,456,600	$ 5,370,000	$ 5,370,000	$ 15,348,800	$ 15,826,600
Revenue bonds/loans	-	-	6,065,399	6,528,967	6,065,399	6,528,967
Other loans/notes payable	19,892,662	22,108,539	10,400,787	11,288,120	30,293,449	33,396,659
Bond discounts	(164,731)	(178,327)	-	-	(164,731)	(178,327)
Bond premiums	197,964	212,016	180,944	200,155	378,908	412,171
Compensated absences	1,060,189	940,016	276,667	238,092	1,336,856	1,178,108
Total long-tem debt	$ 30,964,884	$ 33,538,844	$ 22,293,797	$ 23,625,334	$ 53,258,681	$ 57,164,178

Additional information on the City's debt can be found in Note 8 on page 81 through 86 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Alamogordo was founded in 1898 as a terminal for the railroad. It is the county seat, and commercial and governmental center of Otero County, New Mexico. Located in the Tularosa Basin, the City of Alamogordo is surrounded by the Organ, San Andres, and Sacramento mountain ranges, and has a population of approximately 35,000 citizens, many of which are military or retirees. The City of Alamogordo is closely linked to both Holloman Air Force Base and White Sands Missile Range. Tourism and the New Mexico Film Industry also contribute to the local economy with White Sands National Monument and the NM Museum of Space History being popular attractions.

The following economic factors currently affect the City of Alamogordo and were considered in developing the 2020-2021 fiscal year budget.

- Gross Receipts Tax - During FY2021 the City of Alamogordo was extremely cautious in projecting the GRT proceeds. Already operating with the assumption of zero growth in tax revenue, the City also chose to assume a 25% monthly decrease in GRT proceeds due to COVID-19. This allowed the City to develop a balanced budget at the beginning of the year and not to have to make deep cuts later in the year.

- Goss Receipts Tax Increase - During the FY2021 budget process, the City of Alamogordo City Commission approved an increase of 0.125% to the unrestricted GRT portion. As of July 1, 2020, the combined GRT rate for the City of Alamogordo is 8.125%. This is estimated to increase General fund revenue by $701,200 per year.

- Salary and Benefits – In order to avoid salary compression caused by state mandated increases in the minimum wage, all City employees received a $0.50 an hour increase on July 1, 2020. Another $0.50 increase is scheduled for January 1, 2021 along with any positions that need to be increased to the new minimum wage of $10.50 per hour.

- Workers Compensation - The City's workers compensation modifier has risen to 1.53 for 2021, up from 1.38 in 2020. However, the New Mexico Self Insurer's Fund approved a 50% rate reduction for the FY2021 Worker's Compensation premiums.

- Spending Control – The City of Alamogordo has been very diligent in FY2020 and FY2021 in implementing spending controls especially in funds that had declining cash balances. The City has been using a "flat budgeting" model for two years, allowing funds to balance their budgets while increasing their reserves.

COVID-19 Impact

The City of Alamogordo has faced a significant impact from the COVID-19 pandemic.

The City was in the middle of the budget process when the initial stay at home order was issued. Adjustments were made to the budget re-projections for FY2020 and the new projections for FY2021. Revenues were adjusted down to account for decreased tax receipts in both the GRT and Lodger's Tax. A flat budgeting model was already being used, however departments were instructed to prepare where they would remove if they had to cut expenditures by 20%.

All part-time and seasonal positions were laid off as of May 1, 2020. All other departments have been working with modified schedules, including 50% staffing levels, teleworking and reassigning employees whose buildings have been closed. Per the City Manager's direction, City employees who were sent home to help mitigate the spread of COVID-19 have been paid through the administrative leave policy. Through October 2020, the City has spent over $1.1 million dollars on administrative leave for employees. The City will be able to offset some of that amount with funding received from the CARES Act through New Mexico DFA.

Several City departments have experienced a significant amount of revenue loss due to COVID-19. The Alamogordo Family Recreation Center, Sgt. Willie Estrada Memorial Civic Center, Alamogordo Public Library and Alamogordo Senior Center have been closed since March. This has made it impossible for them to achieve their budgeted revenue targets. Other departments including the Alameda Park Zoo and Desert Lakes Golf Course have seen decreased revenues due to attendance restrictions. All of these departments face possible future budget cuts if revenue possibilities do not increase.

Modifications have been made to several City facilities to accommodate the COVID safe practices mandated by the state. The City has procured as much personal protective equipment as possible and continues to compete for these limited resources. The City is awaiting finalization of FEMA funding to help offset some PPE related expenses.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1376 East Ninth Street, City of Alamogordo, NM 88310.

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Basic Financial Statements

State of New Mexico
City of Alamogordo
Statement of Net Position

June 30, 2020	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Otero-Greentree Regional Landfill
Assets				
Current assets				
Cash and cash equivalents	$ 12,773,800	$ 2,125,131	$ 14,898,931	$ 83,284
Investments	35,354,635	10,818,139	46,172,774	3,117,877
Receivables				
Taxes	4,843,028	-	4,843,028	-
Intergovernmental	374,955	3,634	378,589	-
Customer, net	-	2,078,173	2,078,173	53,151
Other, net	262,973	-	262,973	3,912
Inventory	147,346	517,455	664,801	-
Prepaid expenses	86,440	35,147	121,587	-
Internal balances	2,289	(2,289)	-	-
Total current assets	53,845,466	15,575,390	69,420,856	3,258,224
Noncurrent assets				
Restricted cash and cash equivalents	1,011,826	517,877	1,529,703	-
Restricted investments	82,506	174,551	257,057	975,911
Assets held for sale	-	88,338	88,338	-
Capital assets, not being depreciated	18,169,409	37,741,720	55,911,129	1,526,005
Capital assets, being depreciated	258,135,386	146,427,678	404,563,064	7,022,930
Less: accumulated depreciation	(199,059,011)	(64,473,141)	(263,532,152)	(3,962,311)
Total noncurrent assets	78,340,116	120,477,023	198,817,139	5,562,535
Total assets	132,185,582	136,052,413	268,237,995	8,820,759
Deferred outflows of resources				
Deferred outflows - pension	4,710,348	952,973	5,663,321	75,954
Deferred outflows - OPEB	578,490	122,132	700,622	9,651
Deferred outflows - extinguishment of debt	531,751	201,681	733,432	-
Total deferred outflows of resources	5,820,589	1,276,786	7,097,375	85,605
Total assets and deferred outflows of resources	$ 138,006,171	$ 137,329,199	$ 275,335,370	$ 8,906,364

The accompanying notes are an integral part of these financial statements.

June 30, 2020	Primary Government Governmental Activities	 Business-type Activities	 Total	Component Unit Otero-Greentree Regional Landfill
Liabilities				
Current liabilities				
Accounts payable	$ 1,313,499	$ 2,780,567	$ 4,094,066	$ 33,999
Accrued payroll	833,539	167,428	1,000,967	16,502
Deposits held in trust for others	21,532	611,214	632,746	4,142
Unearned revenue	19,427	1,861,228	1,880,655	6,491
Accrued interest	292,721	99,181	391,902	-
Long-term liabilities, current	3,578,651	2,044,942	5,623,593	10,002
Total current liabilities	6,059,369	7,564,560	13,623,929	71,136
Noncurrent liabilities				
Long-term liabilities, net of current portion	27,386,233	20,248,855	47,635,088	1,946,799
Net pension liability	25,012,484	4,388,147	29,400,631	374,154
Net OPEB liability	7,931,763	1,210,112	9,141,875	103,798
Total noncurrent liabilities	60,330,480	25,847,114	86,177,594	2,424,751
Total liabilities	66,389,849	33,411,674	99,801,523	2,495,887
Deferred inflows of resources				
Deferred inflows - pension	1,229,806	232,779	1,462,585	19,388
Deferred inflows - OPEB	4,686,323	978,563	5,664,886	83,395
Total deferred inflows of resources	5,916,129	1,211,342	7,127,471	102,783
Net position				
Net investment in capital assets	48,290,511	97,880,808	146,171,319	4,586,624
Restricted for				
Debt service	4,606,992	-	4,606,992	-
Capital projects	26,297,264	-	26,297,264	-
Special revenue	6,160,460	-	6,160,460	-
Permanent fund	804,120	-	804,120	-
Unrestricted (deficit)	(20,459,154)	4,825,375	(15,633,779)	1,721,070
Total net position	65,700,193	102,706,183	168,406,376	6,307,694
Total liabilities, deferred inflows of resources, and net position	$ 138,006,171	$ 137,329,199	$ 275,335,370	$ 8,906,364

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Activities

For the Year Ended June 30, 2020

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental activities				
General government	$ 10,046,397	$ 2,525,379	$ 464,644	1,152,106
Public safety	10,103,095	314,213	826,657	-
Public works	5,023,880	24,967	10,656	14,834
Culture and recreation	5,722,068	460,584	676,188	-
Health and welfare	216,278	-	213,153	-
Interest and other charges	1,192,976	-	-	-
Total governmental activities	32,304,694	3,325,143	2,191,298	1,166,940
Business-type activities				
Water and sewer	11,132,449	9,956,036	-	5,072,108
Solid waste	2,106,171	2,256,747	-	-
Bonito lake	5,266	-	-	-
Golf course	1,717,050	1,412,661	-	-
Airport	580,773	144,587	10,275	-
Low rent public housing	1,274,633	247,490	736,381	102,631
Home ownership	21,947	-	-	-
Total business-type activities	16,838,289	14,017,521	746,656	5,174,739
Total primary government	$ 49,142,983	$ 17,342,664	$ 2,937,954	$ 6,341,679
Component unit				
Otero - Greentree Regional Landfill	$ 2,901,463	$ 1,752,754	$ -	$ -

General revenues and transfers

Taxes

Property

Gross receipts

Gasoline and motor vehicle

Other

Investment income

Miscellaneous

Gain from sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Otero - Greentree Regional Landfill
$ (5,904,268)	$ -	$ (5,904,268)	$ -
(8,962,225)	-	(8,962,225)	-
(4,973,423)	-	(4,973,423)	-
(4,585,296)	-	(4,585,296)	-
(3,125)	-	(3,125)	-
(1,192,976)	-	(1,192,976)	-
(25,621,313)	-	(25,621,313)	-
-	3,895,695	3,895,695	-
-	150,576	150,576	-
-	(5,266)	(5,266)	-
-	(304,389)	(304,389)	-
-	(425,911)	(425,911)	-
-	(188,131)	(188,131)	-
-	(21,947)	(21,947)	-
-	3,100,627	3,100,627	-
(25,621,313)	3,100,627	(22,520,686)	-
-	-	-	(1,148,709)
4,440,523	-	4,440,523	-
26,521,852	-	26,521,852	-
628,146	-	628,146	-
545,305	-	545,305	-
1,134,196	365,692	1,499,888	127,248
510,805	224,343	735,148	25,521
11,488	-	11,488	-
(524,091)	526,737	2,646	(2,646)
33,268,224	1,116,772	34,384,996	150,123
7,646,911	4,217,399	11,864,310	(998,586)
58,053,282	98,488,784	156,542,066	7,306,280
$ 65,700,193	$ 102,706,183	$ 168,406,376	$ 6,307,694

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Balance Sheet - Governmental Funds

June 30, 2020	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund
Assets			
Cash and cash equivalents	$ 5,809,677	$ 9,212	$ 920,575
Investments	5,307,079	-	12,988,078
Receivables			
Taxes	2,560,052	-	677,368
Intergovernmental	-	-	-
Other, net	192,688	41,223	-
Prepaid expense	6,671	378	-
Due from other funds	5,499	-	-
Total assets	$ 13,881,666	$ 50,813	$ 14,586,021
Liabilities, deferred inflows of resources, and fund balances			
Liabilities			
Accounts payable	$ 95,925	$ 42,149	$ 337,097
Accrued payroll	577,409	102,231	-
Deposits held in trust for others	2,471	18,605	-
Unearned revenue	6,410	2,101	-
Due to other funds	-	-	-
Total liabilities	682,215	165,086	337,097
Deferred inflows of resources			
Unearned revenue - property taxes	111,515	-	-
Total deferred inflows of resources	111,515	-	-
Fund balances			
Nonspendable	6,671	378	-
Spendable			
Restricted	-	-	14,248,924
Unassigned (deficit)	13,081,265	(114,651)	-
Total fund balances	13,087,936	(114,273)	14,248,924
Total liabilities, deferred inflows of resources, and fund balances	$ 13,881,666	$ 50,813	$ 14,586,021

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 6,599,258	$ 13,338,722
16,021,860	34,317,017
1,605,608	4,843,028
374,955	374,955
16,924	250,835
189	7,238
-	5,499
$ 24,618,794	$ 53,137,294
$ 774,398	$ 1,249,569
95,251	774,891
456	21,532
10,916	19,427
3,210	3,210
884,231	2,068,629
35,525	147,040
35,525	147,040
189	7,238
23,805,926	38,054,850
(107,077)	12,859,537
23,699,038	50,921,625
$ 24,618,794	$ 53,137,294

The accompanying notes are an integral part of these financial statements.

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State of New Mexico
City of Alamogordo
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Amounts reported for governmental activities in the statement of net position are different because		
Fund balances - total governmental funds	$	50,921,625
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds		77,245,784
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the statement of net position		(1,374,629)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities		147,040
Deferred outflows of resources related to long term debt are applicable to future periods and therefore, are not reported in funds		
Deferred outflows of resources related to the advanced extinguishment of debt		531,751
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in funds		
Deferred outflows - pension		4,341,081
Deferred inflows - pension		(1,133,395)
Deferred outflows - OPEB		519,931
Deferred inflows - OPEB		(4,211,928)
Liabilities, including accrued interest, accrued compensated absences, bonds payable, loans payable, net pension liability, and net OPEB liability are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest		(292,721)
Current portion of accrued compensated absences		(909,182)
Bond discounts, net of accumulated amortization		164,731
Bond premiums, net of accumulated amortization		(197,964)
Current portion of long term debt payable		(2,518,462)
Long-term debt payable		(27,353,000)
Net pension liability		(23,051,636)
Net OPEB Liability		(7,128,833)
Net position - governmental activities	$	65,700,193

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2020	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund
Revenues			
Taxes			
Property	$ 3,372,539	$ -	$ -
Gross receipts	13,916,408	-	4,033,742
Gasoline and motor vehicle	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	57,944	-
State capital grants	-	-	-
Charges for services	2,444,887	285,708	-
Investment income	170,882	-	395,647
Miscellaneous	199,219	49,056	-
Total revenues	20,103,935	392,708	4,429,389
Expenditures			
Current			
General government	2,911,093	1,150,555	-
Public safety	7,889,453	-	-
Public works	1,238	9,771	48,061
Culture and recreation	-	2,195,783	-
Health and welfare	-	-	-
Capital outlay	550,760	71,936	1,531,446
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	11,352,544	3,428,045	1,579,507
Excess (deficiency) of revenues over expenditures	8,751,391	(3,035,337)	2,849,882
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	43,708	3,525,002	-
Transfers (out)	(6,227,615)	(580,303)	(1,092,625)
Total other financing sources (uses)	(6,183,907)	2,944,699	(1,092,625)
Net change in fund balances	2,567,484	(90,638)	1,757,257
Fund balances - beginning of year	10,520,452	(23,635)	12,491,667
Fund balances - end of year	$ 13,087,936	$ (114,273)	$ 14,248,924

The accompanying notes are an integral part of these financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,098,131	$ 4,470,670
8,571,702	26,521,852
628,146	628,146
545,305	545,305
699,494	699,494
19,813	19,813
1,433,860	1,491,804
1,147,127	1,147,127
339,180	3,069,775
532,731	1,099,260
31,339	279,614
15,046,828	39,972,860
1,087,609	5,149,257
805,998	8,695,451
1,412,396	1,471,466
2,158,887	4,354,670
257,840	257,840
2,020,787	4,174,929
2,693,677	2,693,677
1,048,050	1,048,050
11,485,244	27,845,340
3,561,584	12,127,520
11,488	11,488
4,825,443	8,394,153
(3,799,851)	(11,700,394)
1,037,080	(3,294,753)
4,598,664	8,832,767
19,100,374	42,088,858
$ 23,699,038	$ 50,921,625

The accompanying notes are an integral part of these financial statements.

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State of New Mexico
City of Alamogordo
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because		
Net change in fund balances - total governmental funds	$	8,832,767
Change in net position of the internal service funds, which are presented in the statement of activities as governmental activities but are not presented with the governmental fund financial statements		(1,106)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		
Capital expenditures		4,174,929
Depreciation expense		(5,912,344)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds		
Change in unavailable revenue related to property taxes receivable		30,147
Governmental funds report city pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense		
Contributions subsequent to the measurement date - pension		1,100,542
Pension expense		(3,818,359)
Contributions subsequent to the measurement date - OPEB		191,014
OPEB benefit		469,280
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		
Increase in accrued interest		(82,367)
Decrease in accrued compensated absences		30,834
Principal payments on debt payable		2,693,677
Amortization of bond discounts		(13,596)
Amortization of deferred loss on extinguishment of debt		(62,559)
Amortization of bond premiums		14,052
Change in net position of governmental activities	$	7,646,911

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund

	Budgeted Amounts			Variances Favorable (Unfavorable)
For the Year Ended June 30, 2020	**Original**	**Final**	**Actual**	**Final to Actual**
Revenues				
Taxes				
Property	$ 3,147,356	$ 3,230,117	$ 3,372,539	$ 142,422
Gross receipts	11,471,214	12,976,068	13,916,408	940,340
Charges for services	2,609,289	2,564,705	2,444,887	(119,818)
Investment income	84,694	84,694	118,338	33,644
Miscellaneous	93,255	328,182	199,219	(128,963)
Total revenues	17,405,808	19,183,766	20,051,391	867,625
Expenditures				
Current				
General government	3,299,526	3,355,743	3,061,639	294,104
Public safety	10,096,764	9,128,273	7,887,485	1,240,788
Public works	10,887	34,144	1,238	32,906
Capital outlay	-	576,588	550,760	25,828
Total expenditures	13,407,177	13,094,748	11,501,122	1,593,626
Excess (deficiency) of revenues over expenditures	3,998,631	6,089,018	8,550,269	2,461,251
Other financing sources (uses)				
Designated cash (budgeted cash increase)	2,742,538	930,862	-	(930,862)
Transfers in	800,000	293,708	43,708	
Transfers (out)	(6,741,169)	(7,019,880)	(6,227,615)	792,265
Total other financing sources (uses)	(3,198,631)	(5,795,310)	(6,183,907)	(138,597)
Net change in fund balances	800,000	293,708	2,366,362	2,322,654
Fund balances - beginning of year	-	-	8,755,893	8,755,893
Fund balances - end of year	$ 800,000	$ 293,708	$ 11,122,255	$ 11,078,547

Net change in fund balance (non-GAAP budgetary basis)	$ 2,366,362
Adjustments to revenues for taxes, grants and charges for services	52,544
Adjustments to expenditures for salaries and other expenses	148,578
Net change in fund balance (GAAP)	$ 2,567,484

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
Leisure Services Special Revenue Fund

For the Year Ended June 30, 2020	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variances Favorable (Unfavorable) Final to Actual
Revenues				
State operating grants	$ 6,000	$ 57,944	$ 57,944	$ -
Charges for services	455,132	295,301	285,708	(9,593)
Miscellaneous	26,350	38,678	49,056	10,378
Total revenues	487,482	391,923	392,708	785
Expenditures				
Current				
General government	1,323,230	1,242,880	1,175,074	67,806
Public safety	2,500	1,000	-	1,000
Public works	20,000	17,191	9,771	7,420
Culture and recreation	2,567,847	2,561,695	2,195,783	365,912
Capital outlay	-	77,588	71,936	5,652
Total expenditures	3,913,577	3,900,354	3,452,564	447,790
Excess (deficiency) of revenues over expenditures	(3,426,095)	(3,508,431)	(3,059,856)	448,575
Other financing sources (uses)				
Designated cash (budgeted cash increase)	4,011,406	4,132,345	-	(4,132,345)
Transfers in	3,889,000	4,010,000	3,525,002	
Transfers (out)	(585,311)	(623,914)	(580,303)	43,611
Total other financing sources (uses)	7,315,095	7,518,431	2,944,699	(4,088,734)
Net change in fund balances	3,889,000	4,010,000	(115,157)	(3,640,159)
Fund balances - beginning of year	-	-	124,369	124,369
Fund balances - end of year	$ 3,889,000	$ 4,010,000	$ 9,212	$ (3,515,790)

Net change in fund balance (non-GAAP budgetary basis)	$ (115,157)
No adjustments to revenues	-
Adjustments to expenditures for salaries and other expenses	24,519
Net change in fund balance (GAAP)	$ (90,638)

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds

	Business-type Activities - Enterprise Funds		
June 30, 2020	**Water and Sewer Fund**	**Nonmajor Enterprise Funds**	**Total Enterprise Funds**
Assets			
Current assets			
Cash and cash equivalents	$ 54,818	$ 2,070,313	$ 2,125,131
Investments	10,117,227	700,912	10,818,139
Receivables			
Intergovernmental	-	3,634	3,634
Customer, net	1,894,000	184,173	2,078,173
Other, net	-	-	-
Inventory	505,041	12,414	517,455
Prepaid expenses	5,636	29,511	35,147
Total current assets	12,576,722	3,000,957	15,577,679
Noncurrent assets			
Restricted cash and cash equivalents	450,006	67,871	517,877
Restricted investments	100,000	74,551	174,551
Assets held for sale	-	88,338	88,338
Capital assets, not being depreciated	31,185,276	6,556,444	37,741,720
Capital assets, being depreciated	113,484,803	32,942,875	146,427,678
Less: accumulated depreciation	(43,717,903)	(20,755,238)	(64,473,141)
Total noncurrent assets	101,502,182	18,974,841	120,477,023
Total assets	114,078,904	21,975,798	136,054,702
Deferred outflows of resources			
Deferred outflows - pension	619,316	333,657	952,973
Deferred outflows - OPEB	88,912	33,220	122,132
Deferred outflows - extinguishment of debt	201,681	-	201,681
Total deferred outflows of resources	909,909	366,877	1,276,786
Total assets and deferred outflows of resources	$ 114,988,813	$ 22,342,675	$ 137,331,488

The accompanying notes are an integral part of these financial statements.

Governmental Activities
Internal Service Funds
$ 446,904
1,120,124
-
-
12,138
147,346
79,202
1,805,714
-
-
-
-
-
-
-
1,805,714
369,267
58,559
-
427,826
$ 2,233,540

(continued)

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Net Position - Proprietary Funds

	Business-type Activities - Enterprise Funds		
June 30, 2020	**Water and Sewer Fund**	**Nonmajor Enterprise Funds**	**Total Enterprise Funds**
Liabilities			
Current liabilities			
Accounts payable	$ 2,499,459	$ 281,108	$ 2,780,567
Accrued payroll	121,511	45,917	167,428
Deposits held in trust for others	555,878	55,336	611,214
Unearned revenue	1,825,929	35,299	1,861,228
Accrued interest	99,181	-	99,181
Long-term liabilities, current	1,977,328	67,614	2,044,942
Due to other funds	-	2,289	2,289
Total current liabilities	7,079,286	487,563	7,566,849
Noncurrent liabilities			
Long-term liabilities, net of current portion	20,248,855	-	20,248,855
Net pension liability	3,141,498	1,246,649	4,388,147
Net OPEB liability	843,480	366,632	1,210,112
Total noncurrent liabilities	24,233,833	1,613,281	25,847,114
Total liabilities	31,313,119	2,100,844	33,413,963
Deferred inflows of resources			
Deferred inflows - pension	142,315	90,464	232,779
Deferred inflows - OPEB	694,910	283,653	978,563
Total deferred inflows of resources	837,225	374,117	1,211,342
Net position			
Net investment in capital assets	79,136,727	18,744,081	97,880,808
Unrestricted	3,701,742	1,123,633	4,825,375
Total net position	82,838,469	19,867,714	102,706,183
Total liabilities, deferred inflows of resources, and net position	$ 114,988,813	$ 22,342,675	$ 137,331,488

The accompanying notes are an integral part of these financial statements.

Governmental Activities
Internal Service Funds
$ 63,930
58,648
-
-
-
151,007
-
273,585
-
1,960,848
802,930
2,763,778
3,037,363
96,411
474,395
570,806
-
(1,374,629)
(1,374,629)
$ 2,233,540

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

For the Year Ended June 30, 2020	Business-type Activities - Enterprise Funds: Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues			
Charges for services	$ 9,956,036	$ 4,061,485	$ 14,017,521
Operating grants	-	746,656	746,656
Total operating revenues	9,956,036	4,808,141	14,764,177
Operating expenses			
Personnel services	2,939,503	1,104,539	4,044,042
Utilities	759,504	66,794	826,298
Contractual services	32,827	1,880,467	1,913,294
Supplies and purchased power	720,457	220,509	940,966
Repairs and maintenance	512,011	166,098	678,109
Depreciation expense	3,349,846	944,256	4,294,102
Miscellaneous expense	2,296,747	1,323,177	3,619,924
Total operating expenses	10,610,895	5,705,840	16,316,735
Operating income (loss)	(654,859)	(897,699)	(1,552,558)
Non-operating revenues (expenses)			
Interest expense	(521,554)	-	(521,554)
Investment income	334,751	30,941	365,692
Miscellaneous	25,803	198,540	224,343
Total non-operating revenues (expenses)	(161,000)	229,481	68,481
Income (loss) before contributions and transfers	(815,859)	(668,218)	(1,484,077)
Government contributions			
Capital grants	5,072,108	102,631	5,174,739
Transfers in	1,020,830	377,153	1,397,983
Transfers (out)	(614,309)	(256,937)	(871,246)
Change in net position	4,662,770	(445,371)	4,217,399
Net position - beginning of year, as originally stated	78,175,699	20,313,085	98,488,784
Net position - restatement (note 2)	-	-	-
Net position - beginning of year, as restated	78,175,699	20,313,085	98,488,784
Net position - end of year	$ 82,838,469	$ 19,867,714	$ 102,706,183

The accompanying notes are an integral part of these financial statements.

Governmental Activities
Internal Service Funds
$ 255,368
-
255,368
1,798,779
36,737
425,271
162,972
691,809
-
189,183
3,304,751
(3,049,383)
-
34,936
231,191
266,127
(2,783,256)
-
2,830,976
(48,826)
(1,106)
1,381,235
(2,754,758)
(1,373,523)
$ (1,374,629)

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds

For the year ended June 30, 2020	Business-type Activities - Enterprise Funds Water and Sewer Fund	 Nonmajor Enterprise Funds	 Total Enterprise Funds
Cash flows from operating activities			
Cash received from user charges	$ 9,619,687	$ 4,049,328	$ 13,669,015
Cash received from subsidy grants	-	904,024	904,024
Cash payments to employees for services	(2,636,935)	(988,575)	(3,625,510)
Cash payments to suppliers for goods and services	(2,830,812)	(3,547,978)	(6,378,790)
Net cash provided (used) by operating activities	4,151,940	416,799	4,568,739
Cash flows from noncapital financing activities			
Miscellaneous income	25,803	198,540	224,343
Transfers in (out)	406,521	119,075	525,596
Net cash provided by noncapital financing activities	432,324	317,615	749,939
Cash flows from investing activities			
Sales (purchases) of investments	1,540,412	200,733	1,741,145
Interest on investments	334,751	30,941	365,692
Net cash provided by investing activities	1,875,163	231,674	2,106,837
Cash flows from capital and related financing activities			
Acquisition of capital assets	(9,619,646)	(545,078)	(10,164,724)
Capital grants	5,074,021	184,966	5,258,987
Interest paid	(438,052)	-	(438,052)
Proceeds from issuance of long-term debt	3,207,212	-	3,207,212
Principal payments on bonds, loans, and notes payable	(4,558,113)	-	(4,558,113)
Net cash (used) by capital and related financing activities	(6,334,578)	(360,112)	(6,694,690)
Net increase in cash and cash equivalents	124,849	605,976	730,825
Cash and cash equivalents - beginning of year	379,975	1,532,208	1,912,183
Cash and cash equivalents - end of year	$ 504,824	$ 2,138,184	$ 2,643,008

The accompanying notes are an integral part of these financial statements.

Governmental Activities
Internal Service Funds
$ 260,843
-
(1,490,356)
(1,506,634)
(2,736,147)
231,191
2,782,150
3,013,341
(18,580)
34,936
16,356
-
-
-
-
-
293,550
153,354
$ 446,904

(continued)

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Proprietary Funds

For the year ended June 30, 2020	Business-type Activities - Enterprise Funds Water and Sewer Fund	 Nonmajor Enterprise Funds	 Total Enterprise Funds
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	$ (654,859)	$ (897,699)	$ (1,552,558)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	3,349,846	944,256	4,294,102
Noncash pension expense	389,620	134,401	524,021
Noncash OPEB benefit	(126,207)	(50,763)	(176,970)
Changes in assets, liabilities and deferred outflows of resources			
Receivables, net	(352,256)	140,668	(211,588)
Inventory	(85,747)	(1,187)	(86,934)
Prepaid expenses	3,085	(2,416)	669
Subsequent contributions-pension	(624)	(216)	(840)
Subsequent contributions-OPEB	(117)	(49)	(166)
Accounts payable	1,573,396	112,670	1,686,066
Accrued payroll expenses	24,041	9,871	33,912
Accrued compensated absences	15,855	22,720	38,575
Unearned revenue	-	3,572	3,572
Customer deposits	15,907	971	16,878
Net cash provided (used) by operating activities	$ 4,151,940	$ 416,799	$ 4,568,739

The accompanying notes are an integral part of these financial statements.

Governmental Activities
Internal Service Funds
$ (3,049,383)
-
318,720
(51,591)
5,475
3,706
(11,112)
(93,616)
(21,513)
6,744
5,416
151,007
-
-
$ (2,736,147)

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Fiduciary Net Position

June 30, 2020		**Custodial Funds**
Assets		
Cash and cash equivalents	$	11,109
Total assets	$	11,109
Liabilities		
Accounts payable	$	2,561
Total liabilities		2,561
Net position		
Restricted		8,938
Unrestricted (deficit)		(390)
Total net position		8,548
Total liabilities and net position	$	11,109

The accompanying notes are an integral part of these financial statements.

State of New Mexico
City of Alamogordo
Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020		**Custodial Funds**
Additions		
Court fees	$	35,413
Bond deposits received		1,000
Payments from other entity		1,000
Total additions	$	37,413
Deductions		
Professional services	$	38,116
Bond payments returned		3,500
Total deductions		41,616
Net increase in fiduciary net position		(4,203)
Net position - beginning of year, as originally stated		-
Net position - restatement (see note 2)		12,751
Net position - beginning of year, as restated		12,751
Net position - end of year	$	8,548

The accompanying notes are an integral part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alamogordo (the "City") was incorporated in 1898. The City operates under a Commission-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The City of Alamogordo is a body politic and corporate under the name and form of government selected by its qualified electors. The City may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity.

Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, and GASB Statement No. 80. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Discretely Presented Component Unit

Based upon the application of these criteria, the City has one component unit, the Otero-Greentree Regional Landfill which will be shown as a discretely presented component unit. The discretely presented component unit does not have separately issued financial statements. The Otero-Greentree Regional Landfill has been determined to be a component unit as a result of a joint powers agreement entered into during the fiscal year 1994, which should be presented as a discretely presented component unit. The purpose of the joint venture was to establish, finance and operate the landfill. The governmental entities involved in the JPA are City of Alamogordo, Otero County, Village of Cloudcroft, Village of Tularosa, Village of Corona, Lincoln City , Town of Carrizozo, Village of Capitan, Village of Ruidoso and Village of Ruidoso Downs. Each of the governmental entity signers has pledged their respective environmental services gross receipts tax revenues as financial support for the purpose of funding the acquisition of capital assets necessary for the operation of the landfill. The Otero and Lincoln County authorities have also agreed to a 50-50 joint ownership and operation of this enterprise.

It was mutually agreed and covenanted between the entities that:

1. The facility shall be known as the Otero-Greentree Regional Landfill;
2. Title to the facility shall be held in undivided-joint tenancy between the Otero and Lincoln Solid Waste Authorities;
3. The entities, through their respective Otero or Lincoln County Authorities, shall be joint owners of a co-equal undivided one-half interest in the assets and also shall be equally responsible for the debt;
4. The entities each agree to maintain an irrevocable, first, but not exclusive, pledge of 100% of their environmental gross receipts tax revenues for the life of the bond issue used for permanent financing;

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit (Continued)

5. The entities agree that tipping fees collected shall be used to pay principal and interest on the bonds and that the fee established shall be adequate to meet operations, maintenance and financing requirements;
6. The entities agree that the City of Alamogordo shall annually prepare a budget that shall be approved by the Otero and Lincoln County Solid Waste Authorities. Thereafter, the City will operate the Landfill in accordance with good business practice;
7. The governmental entities authorize the exercise of the following joint powers by the City acting as agent on their behalf:
    a. In accordance with the approved budget, to acquire, cause to be acquired, and maintain the necessary property, equipment and personnel for the landfill;
    b. To approve the issuance of revenue bonds;
    c. To enter into agreements for the services of managers, attorneys, appraisers consultants and employees; and
    d. To implement adopted policies regarding fees, rates and charges.
8. The landfill shall be a joint venture of the entities acting in a proprietary capacity.
9. Annually, the City of Alamogordo will provide a complete financial report on the operation to each participating entity.
10. The terms of this agreement are perpetual.
11. The agreement was originally signed on September 30, 1993, was amended on June 2, 1995.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Gross receipts taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The business-type activities column incorporates data from proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has one discretely presented component unit. While the Otero-Greentree Regional Landfill is considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major proprietary funds, each displayed in a separate column on their respective financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds in their respective financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental and proprietary funds as major based upon certain criteria.

The City reports the following major governmental funds:

The G*eneral Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund includes state shared gross receipts tax income fund and state shared gas tax income fund. The general fund also includes revenues and costs associated with community services, community development, and building codes.

The *Leisure Services Fund* is used to account for services and admission fee received by the various Community Services departments for administration, maintenance, and improvements of facilities. This fund was authorized by the City Commission.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *2004 Capital Outlay GRT Fund Capital Projects Fund Street Projects Improvement Loan Fund* is a capital project fund that is used to account for 1/4 of 1% gross receipts tax dedication adopted in 2004 to be used for construction, reconstruction or improvement of municipal streets, alleys, roads or bridges, including acquisition of rights of way. This fund was authorized by the City Commission.

The City reports the following proprietary fund as a major fund:

The *Water and Sewer Fund* is to provide funds for the operations and maintenance of water and sewer services. This fund is authorized by the City Commission.

Additionally, the government reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

Debt service funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Internal service funds account for the central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance; self-insurance for liability, auto, and other insurances; and deductibles related to insurance.

The *Permanent* Fund is used to account for resources legally held in trust to finance maintenance for the City's municipal cemeteries.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Custodial funds* are purely custodial and do not involve measurement of results of operations.

The government reports the following fiduciary funds:

The *Custodial Funds* account for the collection, holding, and reimbursement of jail bonds, judicial revenues and expenditures, and amounts held for use for the Army Corps of Engineers.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the City are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Unbilled receivables – An amount for unbilled revenue is recorded in the Wastewater System, Sanitation Services and Stormwater Utility funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage before year-end.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Otero County and remitted monthly to the City.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

Interfund Activities and Transactions

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Inventory

The City's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as expenditures at the time individual inventory items are consumed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Prepaid Expenses

Prepaid expenses include insurance and contract payments to vendors which reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide financial statements and fund financial statements.

Restricted Assets

Certain assets of the City are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Customer and developer deposit accounts – Deposited in non-interest bearing accounts and refunded upon termination of service with the City and satisfaction of all obligations due.

Bond and loan debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest incurred during the construction phase of capital assets of City is expensed as it is incurred.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	20-50
Mechanized equipment	3-10
Unscheduled property	10-50
Infrastructure	20-65

Deferred Outflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The City has one type of item related to long term liabilities that appears on the statement of net position, which is the loss on extinguishment of debt in the amount of $733,432.

The City has five types of items that qualify for reporting in this category related to reporting under GASB 68 and two types that related to reporting under GASB 75, which total $5,663,321 and $700,622, respectively, in the statement of net position. The amounts are further detailed in Note 11 and Note 12. These amounts are deferred and recognized as outflows of resources in future periods and will reduce the net pension liability and other post-employment benefit liability, respectively, in future periods.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The City has one item which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue - property taxes is reported only in the governmental funds balance sheet. The City has recorded $147,040 related to property taxes considered “unavailable”. In addition, the City has three types of items present on the statement of net position that qualify for reporting in this category related to reporting under GASB 68 and four types that related to reporting under GASB 75. The deferred inflows of resources total $1,462,585 and $5,664,886, respectively, in the statement of net position, and are further detailed in Note 11 and Note 12. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Accrued Payroll

Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2020, along with applicable FICA, Medicare, PERA, retiree health care, and other benefits expenses.

Compensated Absences

City employees are entitled to certain compensated absences based on their employment classification and length of employment.

Vacation Pay – Each employee of the City may accumulate a total of thirteen to twenty-six days of vacation per year. Employees may accumulate up to 240 hours of vacation and carry leave forward from calendar year to calendar year. Upon termination, employees will be paid up to 240 hours of accrued vacation pay leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in the governmental funds only if they have matured.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental or proprietary fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

Sick Leave – Each employee of the City may accumulate a total of thirteen days of sick leave per year. Sick leave can be carried forward from calendar year to calendar year. Upon separation of employment, an employee with five or more continuous years of service will be compensated for one third of the first 480 accrued sick leave hours for a total of 160 hours. Employees with less than five years of continuous service forfeit all accrued sick leave at separation of employment. Employees cannot donate sick leave at time of separation.

Unearned Revenues

Unearned revenues are comprised of payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the city as of June 30, 2020.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (“PERA”) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (“NMRHCA”) and additions to and deductions from NMRHCA’s fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance Classification Policies and Procedures

Fund Balances

The City has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the City’s highest level of decision-making authority is the City Commission. The formal action that is required to be taken to establish a fund balance commitment is the City Commission.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

For assigned fund balance, the City Commission or an official or body to which the City Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance **–** At June 30, 2020, the City had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of $7,238 as detailed on in Note 17.

Restricted and Committed Fund Balance – At June 30, 2020, the restricted fund balance on the governmental funds balance sheet totals $38,054,850 for various City operations as restricted by enabling legislation. The City presented no committed fund balance on the governmental funds balance sheet at June 30, 2020. The details of these fund balance items are located on the governmental funds balance sheet as detailed in Note 17.

Minimum Fund Balance Policy – The City's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the City holds cash reserves (as approved in the subsequent year's preliminary budget) of $1/12^{th}$ of the General Fund budgetary basis expenditures of $958,427 and the City's self-imposed reserve of $211,286 for the year ended June 30, 2020. As these amounts are an accumulation of resources and not a true restriction or commitment of expenditures, they are reflected within the unassigned fund balance of the general fund.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The City includes unspent debt proceeds in the amounts of $417,671 in the calculation of net investment in capital assets in the governmental activities

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for "special revenue, debt service, and capital projects" are described on pages 54-55 and 116-119.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Revenues and Expenditures/Expenses

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's major proprietary fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include the fair value of investments, allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, the estimate for landfill closure and postclosure costs, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2020 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

The City has implemented GASB issued Statement No. 84, *Fiduciary Activities*. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

The City has implemented GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which became effective immediately upon issuance by GASB in May 2020. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of Statements No. 89, 90, 91, 92, and 93 by twelve months and Statement No. 87 by eighteen months.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In January 2020, GASB Statement No. 92, *Omnibus 2020*, was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (This new effective date reflects the immediate implementation of GASB Statement No. 95.)

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this statement are effective immediately.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 14, 2022. Earlier application is encouraged.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32. The requirements of this Statement will exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application is encouraged.

The City is evaluating the requirements of the above statements and the impact on reporting.

NOTE 2: RESTATEMENT OF NET POSITION

The objective of a net position restatement is to accurately reflect prior period's net position and improve the relevancy and usefulness of financial information. The City restated net position in relation to a change in accounting principle to allocate net pension liability and net OPEB liability to the Internal Service Fund within the Governmental Activities. The effect of that restatement is as follows:

	Internal Service Fund
Net position - beginning of year, as originally stated	$ 227,741
Restatement for allocation of net pension and OPEB liability	(2,754,758)
Net position - beginning of year, as restated	$ (2,527,017)

The City restated net position for custodial funds in relation to a change in accounting principle for the adoption of GASB Statement No. 84 – *Fiduciary Activities*. The effect of that restatement is as follows:

	Police Court Bond Fund	State Judicial Fund	Total Custodial Funds
Net position - beginning of year, as originally stated	$ -	$ -	$ -
Restatement for GASB Statement No. 84 implementation	10,438	2,313	12,751
Net position - beginning of year, as restated	$ 10,438	$ 2,313	$ 12,751

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The City uses the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

1. Prior to June 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to July 20, the budget is legally enacted through passage of a resolution.

3. The State of New Mexico Department of Finance and Administration must approve the budget and any revision to the budget.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, the City Commission and the Department of Finance and Administration must approve any revisions that alter the total expenditures of any fund.

Formal budgetary integration is employed as a management control device during the year for all funds. A separate budget is prepared, and adopted by the City Commission, for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total by fund.

The budgets for all funds are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by City Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	**Final Budget**
Budgeted governmental funds		
General Fund	$ 3,998,631	$ 6,089,018
Leisure Services	(3,426,095)	3,508,431
2004 Capital Outlay GRT Fund Capital Projects Fund	1,761,639	4,675,578
Other governmental funds	(215,144)	5,029,096
Budgeted proprietary funds		
Water and Sewer Fund	1,082,830	13,826,837
Nonmajor proprietary funds	1,383,174	12,858,636
Internal Service Fund	2,923,098	3,190,569
Component unit		
Otero - Greentree Regional Landfill	787,787	2,670,937

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and Statements of Revenues, Expenses and Changes in Net Position – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2020 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 4: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2020.

Deposits of funds may be made in interest bearing or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance for accounts held by the City and pledged collateral for 100% of the deposit amount in excess of the deposit insurance for accounts held in the name of the City’s Housing Authority.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The City’s accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of $250,000 for demand deposit accounts and $250,000 for time and savings accounts.

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NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2020, $19,687,137 of the City's bank balance of $30,077,495 was subject to custodial credit risk. Of this amount, $12,390,912 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and $7,296,225 of the City's deposits was uninsured and uncollateralized at June 30, 2020.

The City utilizes pooled accounts for their funds. Cash and investments of the General, Special Revenue, Capital Projects, Proprietary Funds, and Agency funds are pooled and held in multiple accounts.

	Bank '34	Bank of the West	First National Bank	First National Bank Housing Authority**	First Savings
Amount of deposits	$ 250,000	$ 272,103	$ 13,277,542	$ 1,660,188	$ 3,268,888
FDIC/SIPC coverage	(250,000)	(250,000)	(250,000)	-	(250,000)
Total uninsured public funds	-	22,103	13,027,542	1,660,188	3,018,888
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	22,103	7,123,177	1,660,188	1,627,028
Uninsured and uncollateralized	$ -	$ -	$ 5,904,365	$ -	$ 1,391,860
Collateral requirement (50%)	$ -	$ 11,052	$ 6,513,771	$ 1,660,188	$ 1,509,444
Pledged securities	-	63,990	7,123,177	1,790,562	1,627,028
Over (under) collateralized	$ -	$ 52,939	$ 609,406	$ 130,374	$ 117,584

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

	Moreton Capital Markets*	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	Total
Amount of deposits	$ 8,640,358	$ 272,970	$ 1,397,824	$ 1,037,622	$ 30,077,495
FDIC/SIPC coverage	(8,640,358)	(250,000)	(250,000)	(250,000)	(10,390,358)
Total uninsured public funds	-	22,970	1,147,824	787,622	19,687,137
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	22,970	1,147,824	787,622	12,390,912
Uninsured and uncollateralized	$ -	$ -	$ -	$ -	$ 7,296,225
Collateral requirement (50%)	$ -	$ 11,485	$ 573,911	$ 393,811	$ 10,673,662
Pledged securities	-	40,971	1,231,747	2,768,305	14,645,780
Over (under) collateralized	$ -	$ 29,486	$ 657,836	$ 2,374,494	$ 3,972,119

*In addition to the regular FDIC coverage of $250,000 for cash accounts, the money market account (cash equivalent) at Moreton Capital Markets also includes $500,000 of insurance through the Securities Investor Protection Service (SIPC). The City's account at Moreton Capital is also insured by a supplemental policy which covers up to $99.5 million per SIPC qualified account.

** These accounts require 100% collateralization of the amount over FDIC Coverage per depository agreements with the United States Department of Housing and Urban Development.

The collateral pledged is listed on pages 168-171 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, city or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to the Statement of Net Position

Cash and cash equivalents per statement of net position	$	14,898,931
Investments per statement of net position		46,172,774
Restricted cash and cash equivalents per statement of net position		1,529,703
Restricted investments per statement of net position		257,057
Component unit cash and cash equivalents per statement of net position		83,284
Component unit investments per statement of net position		3,117,877
Component unit restricted investments per statement of net position		975,911
Cash and cash equivalents per statement of fiduciary net position		11,109
Total cash, cash equivalents and investments		67,046,646
Plus: outstanding checks		158,636
Less: outstanding deposits		(88,475)
Less: investments at Moreton Capital Markets		(35,309,406)
Plus: NMFA investment accounts		(1,106,470)
Plus: NMFA cash accounts		(611,731)
Less: New Mexi*GROW* LGIP		(5,600)
Less: petty cash		(6,105)
Bank balance of deposits	$	30,077,495

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Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Investments

The City's investments at June 30, 2020, include the following:

Investment Type	Weighted Average Maturities	Fair Value	Rating*
New Mexi*GROW* LGIP	25 day WAM (R) and 77 day WAM (F)	$ 5,600	AAAm
U.S. Treasury/Agency Bonds	1 to 10 years	6,512,894	A-1+
Fixed Income Securities	0 to 10 years	29,902,982	Not Rated
		$ 36,421,476	

* Based off Standard & Poor's rating

The City has presented certificates of deposit in the amount of $5,461,785 and $8,640,358 in money market accounts as investments in the statement of net position; however, these are classified as deposits for disclosure purposes.

Interest Rate Risk – Investments. The City has multiple investments in which the maturity date is greater than one year. The fair value of the securities exposed to interest rate risk is $36,421,476. These securities do not have call options. The City's policy related to interest rate risk with investments is to comply with the statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Maturity rates consist of the following as of June 30, 2020:

	Investment Maturities				
Investment Type	**Fair Value**	**Not subject to Interest Rate Risk**	**Less than 1 Year**	**1-5 Years**	**5+ Years**
New Mexi*GROW* LGIP	$ 5,600	$ -	$ 5,600	$ -	$ -
U.S. Treasury/Agency Bonds	6,512,894	-	2,621,964	3,890,930	-
Fixed Income Securities	29,902,982	-	3,753,339	25,649,075	500,568
Total investments	$ 36,421,476	$ -	$ 6,380,903	$ 29,540,005	$ 500,568

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The investment in the U.S. Treasury/Agency Bonds represent 17.88% of the investment portfolio and the Fixed Income Securities represents 82.10%. The City's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement - The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The City's investment of $5,600 with the New MexiGROW LGIP is valued at amortized cost and is not subject to fair market valuation.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

The City maintained a balance of $353,415,876 in investments at June 30, 2020 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Treasury/Agency Bonds	$ -	$ 6,512,894	$ -	$ 6,512,894
Fixed Income Securities	751,275	29,151,707	-	29,902,982
Total investments	$ 751,275	$ 35,664,601	$ -	$ 36,415,876

NOTE 5: RECEIVABLES

Receivables as of June 30, 2020, are as follows for the governmental activities:

	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes					
Property	$ 219,649	$ -	$ -	$ 68,708	$ 288,357
Gross receipts	2,340,403	-	677,368	1,433,407	4,451,178
Gasoline and oil taxes	-	-	-	103,493	103,493
Intergovernmental					
Federal operating grants	-	-	-	374,955	374,955
Other					
Charges for services	685,844	109,119	-	-	794,963
Allowance - uncollectable charges for services	(493,306)	(67,896)	-	-	(561,202)
Miscellaneous	941,378	-	-	207,065	1,148,443
Allowance - uncollectable miscellaneous	(941,228)	-	-	(190,141)	(1,131,369)
Totals	$ 2,752,740	$ 41,223	$ 677,368	$ 1,997,487	$ 5,468,818

In accordance with GASB Statement No. 33, property tax revenues in the amount of $147,040 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

NOTE 5: RECEIVABLES (Continued)

Receivables as of June 30, 2020, are as follows for the business-type activities:

	Water and Sewer Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Intergovernmental				
Operating grants	$ -	$ 3,634	$ 3,634	$ -
Customer				
Charges for services	2,232,704	216,772	2,449,476	-
Allowance - uncollectable charges for services	(338,704)	(32,599)	(371,303)	-
Other				
Miscellaneous	-	-	-	30,054
Allowance - uncollectable miscellaneous	-	-	-	(17,916)
Totals	$ 1,894,000	$ 187,807	$ 2,081,807	$ 12,138

Receivables as of June 30, 2020, are as follows for the component unit:

	Otero-Greentree Regional Landfill
Customer	
Charges for services	$ 70,323
Allowance - uncollectable charges for services	(17,172)
Other	
Miscellaneous	3,912
Totals	$ 57,063

NOTE 6: TRANSFERS AND INTERFUND BALANCES

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows:

Fund	Transfers Out	Transfers In
General	$ 6,227,615	$ 43,708
Internal Service	40,826	2,500,976
Corrections-Jail	259	38,866
Lodger's Tax - Promotional	1,749	6,695
Court Automation	18,427	15,513
Lodger's Tax- City	56,318	-
Court Administration	13,897	404,002
Leisure Services	580,303	3,525,002
1984 Gross Receipts Tax	1,123,563	-
Transportation Fund	142,613	628,236
1986 Gross Receipt Tax	913,617	-
ESGRT .0625%	396	
Reverse Osmosis PRJ RSV	136,581	136,581
99 GRT Flood Control	147	-
1994 and 1996 GRT Principle and Interest Fund	-	2,675,211
Municipal Infrastructure 0.0625	168,660	-
Community Development/Infrastructure Acquisition	36,368	370,499
1994 Gross Receipts Tax	1,142,610	-
Alamo Senior Center	2,379	507,591
Retired and Senior Volunteer Program	14,727	42,249
Water and Sewer	324,309	234,994
1977 JT W/S Principle and Interest	290,000	785,836
Solid Waste	132,414	-
Golf Course	79,841	290,799
Airport	44,573	86,354
Otero Greentree Regional Landfill	2,646	-
Self Insured	8,000	-
Liability Deductible	-	330,000
2004 Capital Outlay GRT	1,092,625	-
2012 GRT Refunding & Improvement Revenue Bond	27,540	-
Low Rent Public Housing	109	-
Total Transfers	$ 12,623,112	$ 12,623,112

NOTE 6: TRANSFERS AND INTERFUND BALANCES (Continued)

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances during the year ended June 30, 2020 is as follows:

	Due from Other Funds	Due to Other Funds
General fund	$ 5,499	$ -
H.I.D.T.A.	-	3,210
Low Rent Public Housing Fund	-	2,289
	$ 5,499	$ 5,499

NOTE 7: CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2020 follows. Land and construction in progress are not subject to depreciation.

Governmental activities	**Balance June 30, 2019**	**Additions**	**Transfers**	**Deletions**	**Balance June 30, 2020**
Capital assets not being depreciated					
Land	$ 10,345,152	$ 54,126	$ -	$ -	$ 10,399,278
Construction in progress	9,333,229	3,499,411	-	(5,062,509)	7,770,131
Total capital assets not being depreciated	19,678,381	3,553,537	-	(5,062,509)	18,169,409
Capital assets being depreciated					
Buildings and improvements	31,378,419	429,152	200,000	-	32,007,571
Mechanized equipment	13,755,717	679,445	34,365	(217,458)	14,252,069
Unscheduled property	4,767,027	228,235	(18,506)	(115,299)	4,861,457
Infrastructure	202,677,608	4,347,069	-	(10,388)	207,014,289
Total capital assets being depreciated	252,578,771	5,683,901	215,859	(343,145)	258,135,386
Total capital assets	272,257,152	9,237,438	215,859	(5,405,654)	276,304,795
Accumulated depreciation					
Buildings and improvements	18,082,857	1,021,244	200,000	-	19,304,101
Mechanized equipment	8,205,342	864,117	34,365	(217,458)	8,886,366
Unscheduled property	3,431,141	330,924	(18,506)	(115,299)	3,628,260
Infrastructure	163,554,613	3,696,059	-	(10,388)	167,240,284
Total accumulated depreciation	193,273,953	5,912,344	215,859	(343,145)	199,059,011
Net capital assets	$ 78,983,199	$ 3,325,094	$ -	$ (5,062,509)	$ 77,245,784

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to governmental activities as follows:

General government	$ 1,443,389
Public safety	4,101
Public works	3,466,064
Culture and recreation	998,790
Total	$ 5,912,344

During the year ended June 30, 2020 the governmental activities received transfers of fully depreciated vehicles from the business-type activities with a cost of $234,365. The governmental activities transferred a fully depreciated vehicle with a cost of $18,506 to the business type activities. As the book value of all assets was $0, these transfers were not recorded in financial statement transfers on the statement of activities.

Business-type activities	**Balance June 30, 2019**	**Additions**	**Transfers**	**Deletions**	**Balance June 30, 2020**
Capital assets not being depreciated					
Land	$ 7,003,434	$ -	$ -	$ -	$ 7,003,434
Construction in progress	25,895,050	9,536,177	-	(4,692,941)	30,738,286
Total capital assets not being depreciated	32,898,484	9,536,177	-	(4,692,941)	37,741,720
Capital assets being depreciated					
Buildings and improvements	32,395,639	1,199,108	(200,000)	-	33,394,747
Mechanized equipment	9,606,058	884,831	(34,365)	(153,622)	10,302,902
Unscheduled property	2,160,320	37,900	18,506	-	2,216,726
Infrastructure	97,313,654	3,199,649	-	-	100,513,303
Total capital assets being depreciated	141,475,671	5,321,488	(215,859)	(153,622)	146,427,678
Total capital assets	174,374,155	14,857,665	(215,859)	(4,846,563)	184,169,398
Accumulated depreciation					
Buildings and improvements	19,673,291	839,067	(200,000)	-	20,312,358
Mechanized equipment	5,421,528	759,428	920,719	(153,622)	6,948,053
Unscheduled property	2,552,719	59,950	(936,578)	-	1,676,091
Infrastructure	32,900,982	2,635,657	-	-	35,536,639
Total accumulated depreciation	60,548,520	4,294,102	(215,859)	(153,622)	64,473,141
Net capital assets	$113,825,635	$ 10,563,563	$ -	$ (4,692,941)	$ 119,696,257

The City recorded reclassified $955,084 of accumulated depreciation from unscheduled property to mechanized equipment to correct a prior year classification difference.

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NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to business-type activities as follows:

Water and Sewer Fund	$ 3,349,846
Solid Waste Fund	57,461
Bonito Lake Fund	5,266
Golf Course Fund	201,701
Airport Fund	375,101
Low Rent Public Housing Fund	304,727
Total	$ 4,294,102

Component unit	**Balance June 30, 2019**	**Additions**	**Deletions**	**Balance June 30, 2020**
Capital assets not being depreciated				
Land	$ 1,526,005	$ -	$ -	$ 1,526,005
Construction in progress	1,216,650	5,664	(1,222,314)	-
Total capital assets not being depreciated	2,742,655	5,664	(1,222,314)	1,526,005
Capital assets being depreciated				
Buildings and improvements	280,004	-	-	280,004
Mechanized equipment	3,363,598	769,880	-	4,133,478
Unscheduled property	123,285	-	-	123,285
Infrastructure	1,263,849	1,222,314	-	2,486,163
Total capital assets being depreciated	5,030,736	1,992,194	-	7,022,930
Total capital assets	7,773,391	1,997,858	(1,222,314)	8,548,935
Accumulated depreciation				
Buildings and improvements	144,214	5,907	-	150,121
Mechanized equipment	2,413,172	381,982	-	2,795,154
Unscheduled property	94,248	2,074	-	96,322
Infrastructure	799,494	121,220	-	920,714
Total accumulated depreciation	3,451,128	511,183	-	3,962,311
Net capital assets	$ 4,322,263	$ 1,486,675	$ (1,222,314)	$ 4,586,624

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2020 was charged to the component unit as follows:

Otero - Greentree Regional Landfill	$ 511,183
Total	$ 511,183

NOTE 8: LONG-TERM LIABILITIES

Governmental Activities

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
General obligation bonds	$ 10,456,600	$ -	$ 477,800	$ 9,978,800	$ 308,800
NMFA loans	22,108,539	-	2,215,877	19,892,662	2,209,662
Bond discounts	(178,327)	-	(13,596)	(164,731)	-
Bond premiums	212,016	-	14,052	197,964	-
Compensated absences	940,016	1,221,092	1,100,919	1,060,189	1,060,189
Total long-term liabilities	$ 33,538,844	$ 1,221,092	$ 3,795,052	$ 30,964,884	$ 3,578,651

General Obligation Bonds

At June 30, 2020, the City had four general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2020
Series 2011 GO Bond	8/1/2011	8/1/2020	0.50-3.35%	$ 1,350,000	$ 143,800
Series 2014A GO Bond	12/24/2014	8/1/2034	4.00-4.50%	6,000,000	5,595,000
Series 2014B GO Bond	12/24/2014	8/1/2034	2.00-4.00%	4,500,000	4,240,000

NOTE 8: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the general obligation bonds as of June 30, 2020, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 308,800	$ 384,261	$ 693,061
2022	165,000	374,144	539,144
2023	185,000	369,144	554,144
2024	215,000	362,744	577,744
2025	245,000	355,194	600,194
2026-2030	1,680,000	1,619,667	3,299,667
2031-2035	7,180,000	793,452	7,973,452
	$ 9,978,800	$ 4,258,606	$ 14,237,406

NMFA Loans

The City entered into seven loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service, with the exception of the two loans for fire trucks/pumpers, which are paid out of the state fire allocation. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2020
NMFA Flood Control 53	6/1/2011	6/1/2021	0.50-3.64%	$ 2,735,456	$ 252,662
NMFA Various Street Projects	6/1/2012	6/1/2031	0.27-3.96%	7,640,000	4,755,000
NMFA GRT Ref/Imp	6/1/2012	6/1/2027	0.200-3.520%	8,130,000	4,110,000
NMFA Ref/Flood/Nat	12/1/2016	6/1/2029	0.700-2.510%	6,870,000	4,570,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	5,150,000	3,970,000
NMFA Adv Ref & Defease	12/1/2016	6/1/2028	0.670-2.130%	2,770,000	2,235,000

NOTE 8: LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)

The annual requirements to amortize the NMFA loan as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 2,209,662	$ 466,540	$ 2,676,202
2022	2,250,000	425,741	2,675,741
2023	2,110,000	385,648	2,495,648
2024	2,100,000	343,517	2,443,517
2025	2,145,000	297,835	2,442,835
2026-2030	8,568,000	697,249	9,265,249
2031	510,000	20,196	530,196
	$ 19,892,662	$ 2,636,727	$ 22,529,389

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, compensated absences increased $120,173 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

Business-Type Activities

The proprietary funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2020:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
General obligation bonds	$ 5,370,000	$ -	$ -	$ 5,370,000	$ 245,000
Revenue bonds	6,528,967	-	463,568	6,065,399	473,767
NMFA loans	11,288,120	3,207,212	4,094,545	10,400,787	1,049,508
Bond premiums	200,155	-	19,211	180,944	-
Compensated absences	238,092	318,181	279,606	276,667	276,667
Total long-term liabilities	$ 23,625,334	$ 3,525,393	$ 4,856,930	$ 22,293,797	$ 2,044,942

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

General Obligation Bonds

At June 30, 2020, the City had one general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. This bond is liquidated by property tax revenues and paid out of the debt service fund. The general obligation bond is as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2020
Series 2017 GO Bond (2009 Escrow)	11/30/2017	8/1/2029	2.375-3.00%	$ 5,455,000	$ 5,370,000

The annual requirements to amortize the general obligation bond as of June 30, 2020, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 245,000	$ 143,975	$ 388,975
2022	440,000	133,700	573,700
2023	470,000	120,050	590,050
2024	500,000	105,500	605,500
2025	530,000	90,050	620,050
2026-2030	3,185,000	203,256	3,388,256
	$ 5,370,000	$ 796,531	$ 6,166,531

Revenue Bonds

At June 30, 2020, the City had one revenue bond outstanding. For the NMFA Refund Bond 1998 Bond, the City pledged gross receipt tax revenues in order to service the bonds. The revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2020
NMFA Refund Bond 1998	6/1/2012	6/1/2031	0.26-3.80%	$ 9,812,674	$ 6,065,399

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the revenue bonds as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 473,767	$ 199,371	$ 673,138
2022	485,137	188,000	673,137
2023	498,478	174,659	673,137
2024	512,885	160,253	673,138
2025	528,322	144,815	673,137
2026-2030	2,918,315	44,372	2,962,687
2031	648,495	24,643	673,138
	$ 6,065,399	$ 936,113	$ 7,001,512

NMFA Loans

The City entered into loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue derived from State-Shared Gross Receipts Tax to cover debt service. This revenue is not subject to intercept agreements. The NMFA loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2020
NMFA Drinking Water	5/1/2013	5/1/2032	1.75%	$ 4,805,293	$ 3,183,639
NMFA Westside	11/1/2006	5/1/2026	3.28-4.18%	730,453	287,689
NMFA Water-Wastewater	6/18/2009	6/1/2029	2.00-5.00%	5,340,000	-
NMFA WTB	6/1/2011	6/1/2030	0.00%	1,127,000	570,533
NMFA Drinking Water	5/1/2014	5/1/2025	2.00%	855,320	755,157
NMFA Desalination	5/1/2014	5/1/2035	2.00%	1,136,250	1,023,731
NMFA Refunding & Projects	12/1/2016	6/1/2025	0.670-1.350%	2,715,000	1,532,000
NMFA 2016 Jt Utility	12/6/2019	6/1/2029	1.19-1.64%	3,270,212	3,048,038

NOTE 8: LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)

The annual requirements to amortize the loan payable as of June 30, 2020, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2021	$ 1,049,508	$ 158,908	$ 1,208,416
2022	1,060,849	144,768	1,205,617
2023	1,077,516	129,879	1,207,395
2024	1,093,563	114,317	1,207,880
2025	1,114,990	98,113	1,213,103
2026-2030	3,614,309	280,401	3,894,710
2031-2035	1,148,389	66,535	1,214,924
2036-2037	241,663	6,365	248,028
	$ 10,400,787	$ 999,286	$ 11,400,073

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, compensated absences increased $36,646 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

Component Unit Activities

During the year ended June 30, 2020, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	$ 12,201	$ 10,053	$ 12,252	$ 10,002	$ 10,002
Post-closure liability	1,508,632	438,167	-	1,946,799	-
Total long-term liabilities	$ 1,520,833	$ 448,220	$ 12,252	$ 1,956,801	$ 10,002

Compensated Absences – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2020, compensated absences decreased $2,199 in the component unit from the prior year.

NOTE 9: RISK MANAGEMENT

The City's risk management activities are recorded in the Fleet Collision Self-Insurance Fund. The purpose of this fund is to administer general liability, auto liability, workers 'compensation, civil rights (errors and omissions/personal injury), emergency medical liability, law enforcement liability, foreign jurisdiction, underground storage tanks, and volunteers risk management function. The City covers its insurance needs through the New Mexico Self Insurers' Fund. The risk of loss transfers to the Self Insurer's Fund under this plan.

The City began providing self-insurance for the City-owned vehicles for property damage during the fiscal year ended June 30, 1996. The City accounts for this plan through its Fleet Collision Self-Insurance Fund.

All other insurance is provided by commercial insurance carriers in which the risk of loss is transferred to the Insurance Company.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2020, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the City of Alamogordo.

New Mexico Self-Insurers' Fund has not provided information on an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

State of New Mexico
City of Alamogordo
Notes to Financial Statements

NOTE 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

Governmental Funds		
Major Funds		
Leisure Service Fund	$	(114,273)
Total major funds	$	(114,273)
Nonmajor Funds		
Court Automation Fund	$	(959)
Court Administration Fund		(24,706)
Police Contingency Fund		(37,157)
H.I.D.T.A. Fund		(1,924)
Community Development/ Infrastructure Acquisition Fund		(10,955)
99 GRT Flood Control Fund		(31,376)
Total nonmajor funds	$	(107,077)
Total governmental funds	$	(221,350)
Internal Service Funds		
Internal service fund	$	(2,348,165)
Total internal service funds	$	(2,348,165)
Fiduciary Funds		
State judicial fund	$	(390)
Total fiduciary funds	$	(390)

There were no business type funds with a deficit fund balance as of June 30, 2020.

B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. There were no funds with expenditures in excess of budgetary authority for the year ended June 30, 2020.

C. Designated cash appropriations in excess of available balances. There were no funds that had designated cash appropriations in excess of available balances for the year ended June 30, 2020.

NOTE 11: PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the "Landfill"), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for PERA. As a result, a portion of the City's net pension liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2019 available at http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report.

Contributions. The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 43 of the PERA FY19 annual audit report at http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report. The PERA coverage options that apply to the City are: Municipal General Division. Municipal Fire Division and Municipal Police Division. Statutorily required contributions to the pension plan from the City were $1,467,559 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2019 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2019. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City`s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal General Division, at June 30, 2020, City of Alamogordo reported a liability of $16,613,363 for its proportionate share of the net pension liability. At June 30, 2019, Alamogordo's proportion was 0.9597 percent, which decreased from its proportion measured as of June 30, 2018, by 0.0515 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal General Division pension expense of $3,013,887. At June 30, 2020, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 498,100	$ 179,720
Net difference between projected and actual earnings on pension plan investments	559,825	-
Changes of assumption	740,781	40,918
Changes in proportion and differences between the City's contributions and proportionate share of contributions	566,550	531,277
City's contributions subsequent to the measurement date	870,553	-
Total	$ 3,235,809	$ 751,915

$870,553 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	$ (945,445)
2022	(471,252)
2023	(104,537)
2024	(92,107)
Total	$ (1,613,341)

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Police Division, at June 30, 2020, the City reported a liability of $8,648,338 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 1.1708 percent, which increased from its proportion measured as of June 30, 2019, by 0.0451 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal Police Division pension expense of $1,299,207. At June 30, 2020, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 361,302	$ 368,405
Net difference between projected and actual earnings on pension plan investments	270,062	-
Changes of assumption	490,556	22,003
Changes in proportion and differences between the City's contributions and proportionate share of contributions	209,454	187,928
City's contributions subsequent to the measurement date	396,172	-
Total	$ 1,727,546	$ 578,336

$396,172 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	(237,116)
2022	(276,312)
2023	(195,288)
2024	(44,322)
Total	$ (753,038)

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

For PERA Fund Municipal Fire Division, at June 30, 2020, the City reported a liability of $4,513,084 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportion was 0.6567 percent, which increased from its proportion measured as of June 30, 2019, by 0.0272 percent.

For the year ended June 30, 2020, the City recognized PERA Fund Municipal Fire Division pension expense of $651,543. At June 30, 2020, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 76,650	$ 142,617
Net difference between projected and actual earnings on pension plan investments	72,172	-
Changes of assumptions	123,827	7,141
Changes in proportion and differences between the City's contributions and proportionate share of contributions	302,437	1,964
City's contributions subsequent to the measurement date	200,834	-
Total	$ 775,920	$ 151,722

$200,834 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	$ (138,659)
2022	(194,931)
2023	(77,989)
2024	(11,785)
Total	$ (423,364)

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2018 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2018, actuarial valuation.

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investement expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50% annual rate first 9 years, 2.75% all other years
Mortality assumption	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic)

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Reduction & Mitigation	21.37	2.37
Credit Oriented Fixed Income	15.00	5.47
Real Assets to include Real Estate Equity	20.00	6.48
Multi-Risk Allocations	1.30	
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City's net pension liability in each PERA Fund Division that the City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

NOTE 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

PERA Fund Municipal General Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	$ 25,126,707	$ 16,613,363	$ 9,569,709

PERA Fund Municipal Police Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	$ 13,087,680	$ 8,648,338	$ 5,026,669

PERA Fund Municipal Fire Division	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	$ 5,981,244	$ 4,513,084	$ 3,309,894

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY19 PERA financial report. The report is available at http://www.pera.state.nm.us/publications.html.

Payables to the pension plan. At June 30, 2020 there were no contributions due and payable to PERA for the City.

NOTE 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Note: The City maintains audit responsibility for the Otero – Greentree Regional Landfill (the "Landfill"), which is presented as a discretely presented component unit. The City processes payroll for the Landfill, which includes expenditures for NMRHCA. As a result, a portion of the City's net OPEB liability and related deferred outflows and inflows of resources is allocated to the Landfill on the statement of net position.

General Information about the OPEB

Plan description. Employees of the City are provided with OPEB through the Retiree Health Care Fund ("the Fund")—a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority ("NMRHCA"). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act ("the Act") of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NOTE 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

Benefits provided. The Fund is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms. At June 30, 2019, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,179
Inactive and eligible for deferred benefit	10,916
Current active members	91,082
	154,177
Active membership	
State general	17,097
State police and corrections	1,830
Municipal general	17,538
Municipal police	3,159
Municipal Fire	1,966
Educational Retirement Board	49,492
	91,082

Contributions – Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer's participation in the Fund. Contributions to the Fund from the City were $253,327 for the year ended June 30, 2020.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the City reported a liability of $9,245,673 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2019. At June 30, 2020, the City's proportion was 0.28515 percent.

For the year ended June 30, 2020, the recognized OPEB benefit of $661,190. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 2,984,056
Net difference between projected and actual earnings on pension plan investments	-	85,963
Changes in proportion and differences between contributions and proportionate share of contributions	456,946	351,582
City's contributions subsequent to the measurement date	253,327	-
Difference between expected and actual experience	-	2,326,680
Total	$ 710,273	$ 5,748,281

Deferred outflows of resources totaling $253,327 represent the City's contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2021	$ (1,414,355)
2022	(1,414,355)
2023	(1,228,967)
2024	(767,865)
2025	(465,793)
Total	$ (5,291,335)

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.50% for PERA
Projected payroll increases	3.25% to 13.50%, based on years of service, including inflation
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: RP-2000 Combined Healthy Mortality Table with White Collar Adjustment (males) and GRS Southwest Region Teacher Mortality Table (females) PERA members: RP-2014 Combined Healthy Mortality

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return
U.S. core fixed income	20%	2.10%
U.S. equity - large cap	20%	7.10%
Non U.S. - emerging markets	15%	10.20%
Non U.S. - developed equities	12%	7.80%
Private equity	10%	11.80%
Credit and structured finance	10%	5.30%
Real estate	5%	4.90%
Absolute return	5%	4.10%
U.S. equity - small/mid cap	3%	7.10%

Discount Rate. The discount rate used to measure the Fund's total OPEB liability is 4.16% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2029. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.87%) was applied. Thus, 4.16% is the blended discount rate.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16 percent) or 1-percentage-point higher (5.16 percent) than the current discount rate:

1% Decrease (3.16%)	Current Discount Rate (4.16%)	1% Increase (5.16%)
$ 11,309,685	$ 9,245,673	$ 7,623,163

NOTE 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rates	1% Increase
$ 7,697,618	$ 9,245,673	$ 10,485,108

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2020.

Payable Changes in the Net OPEB Liability. At June 30, 2020, the City did not have amounts payable to the NMRHCA.

NOTE 13: CONTINGENT LIABILITIES

The City is party to various claims and lawsuits arising in the normal course of business. The City is insured through the New Mexico Self Insurers Fund. The maximum exposure of the City is not estimable as of June 30, 2020 for any open claims and lawsuits.

NOTE 14: COMMITMENTS

The City's commitments as of June 30, 2020 are as follows:

Contract	Project	Year Ending	Amount
Flood Control	EN0226	2021	$ 3,688,480
Utility Relocation Corps PH 8	EN1609	2021	166,200
SMP 2018	EN1803	2021	117,972
SMP 2018	EN1803	2021	403,712
Repair 10th Street Bridge	EN1904	2021	4,255
Dry Canyon Eval/Improvements	EN2002	2022	4,228
Upgrade Tech Standards	EN2005	2022	47,617
Upgrade Tech Standards	EN2005	2022	59,865
Survey Control Monuments	EN2006	2021	10,044
Repairs to Fire Station 2	FD2004	2021	24,074
Install Futsall Court	FUTSAL	2021	42,156
Zia Therapy Buses	GC2003	2021	81,297
Alta Vista Roofing	HP1701	2021	94,189
Alta Vista Sidewalks	HP1801	2021	377,493
Parks Amenities	NB1809	2021	40,624
Playground Shade Structures	NB1810	2021	95,897
1MG Desal - Capital Outlay	PW1406	2020	19,481
Bonito Lake Restoration	PW1501	Ongoing	9,706,163
Landfill Cell Closure	PW1515	2021	113,283
Griggs Detention Basin	PW1603	2021	62,768
DR4199 - Bonito Lake	PW1605	Ongoing	24,891
Scenic Dr Ext - WSB to RR	PW1606	Ongoing	3,950,001
Griggs Basin State Grant	PW1701	2021	501,957
Telemetry Expansion	PW1710	2021	87,400
West Side Est Eval/Repair	PW1803	2021	17,928
SMP 2021	PW2001	2022	662,734
Water Plan/Permit Update	PW2004	2022	31,580
Oregon School Repairs	PW2005	2022	9,147
Relocate 10" Reuse Line	PW2006	2022	51,834
Chip Seal/Reclaim Roads	PW2007	2021	276,213
Landfill Archaeological	PW2008	2021	48,341
Radio Read Program	UB2006	2022	445,035
Total commitments			$ 21,266,859

NOTE 15: OTERO – GREENTREE REGIONAL LANDFILL

State and Federal laws and regulations require the Regional Landfill to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the Regional Landfill is required to report a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimate of closure and post-closure costs was updated during the year ended June 30, 2019, and has increased by $438,167, for a balance of $1,946,799. The effect of this change in accounting estimate is that net position and the change in net position have decreased by $998,586, as of and for the year ended June 30, 2019.

The landfill currently holds a 95-acre permit. The permit is defined as land that may be disturbed. To date 58% of the landfill capacity has been used: 30 acres have been disturbed for solid waste disposal and 15 acres for landfill facilities. The landfill is averaging six years of use for every ten acres of land. The remaining acres should give approximately 14.6 more years of life before re-permitting is requested.

The landfill is required to set aside a predetermined amount of funds to cover any closure and post closure care. The City sets aside approximately $20,000 to $40,000 annually in investment. To date, the City has restricted $975,911 in investments for this purpose.

The estimated closure and post closure care costs were originally determined in 1998 when the landfill applied for the operating permit. The closure and post closure care costs are re-calculated annually to include inflation, actual landfill usage percentage, and any new regulatory requirements.

The Environmental Protection Agency (EPA) required the landfill to obtain a permit under 20 NMAC 2.70 Title V. This permit requires the landfill to monitor and report emission and particulates that are disbursed into the atmosphere. As the landfill continues to grow and monitoring requirements change, additional costs for closure and post closure care costs will need to be estimated in order for the City to accumulate the proper reserves and restrict sufficient funds to pay for the costs. As specified by 20.9.10.9 B NMAC, the owner of each solid waste facility shall establish a financial assurance mechanism for closure of the facility in compliance with 20.9.10.13 – 20.9.10.23 NMAC. The owner shall provide continued coverage for closure until released from financial assurance requirements by written verification issued by the secretary. The owner of a solid waste facility shall develop a detailed written estimate, in current dollars, of the cost of hiring a third party to close the largest area of the facility requiring closure under 20.9.6 NMAC.

NOTE 16: RESTRICTED NET POSITION

The government-wide statement of net position reports $37,868,836 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 54-55 and 116-119.

NOTE 17: FUND BALANCE

Fund balances on the modified accrual basis were classified as follows as of June 30, 2020:

	General Fund	Leisure Services Fund	2004 Capital Outlay GRT Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable					
Prepaid expenses	$ 6,671	$ 378	$ -	$ 189	$ 7,238
Restricted for:					
Government operations	-	-	-	1,613,697	1,613,697
Public safety	-	-	-	691,859	691,859
Public works	-	-	-	3,807,768	3,807,768
Culture and recreation	-	-	-	228,318	228,318
Health and welfare	-	-	-	8,981	8,981
Capital projects	-	-	14,248,924	12,079,716	26,328,640
Debt service	-	-	-	4,571,467	4,571,467
Permanent fund	-	-	-	804,120	804,120
Unassigned (deficit)	13,081,265	(114,651)	-	(107,077)	12,859,537
Total fund balances	$ 13,087,936	$ (114,273)	$ 14,248,924	$ 23,699,038	$ 50,921,625

NOTE 18: TAX ABATEMENTS

The City of Alamogordo had no tax abatements during the year ended June 30, 2020. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 19: CONCENTRATIONS

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the City is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 20: FEDERAL AND STATE GRANTS

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

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Required Supplementary Information

State of New Mexico
City of Alamogordo
Schedule of the City's Proportionate Share of the Net Pension Liability of PERA Fund
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

	June 30,		
Fiscal Year	**2020**	**2019**	**2018**
Measurement Date	**2019**	**2018**	**2017**
City of Alamogordo's proportion of the net pension liability			
Municipal General	0.9597%	1.0112%	0.9192%
Municipal Police	1.1708%	1.1257%	1.1898%
Municipal Fire	0.6567%	0.6295%	0.5694%
City of Alamogordo's proportionate share of the net pension liability			
Municipal General	$ 16,613,363	$ 16,122,270	$ 12,630,586
Municipal Police	8,648,338	7,680,700	6,610,256
Municipal Fire	4,513,084	4,029,335	3,257,791
	$ 29,774,785	$ 27,832,305	$ 22,498,633
City of Alamogordo's covered payroll			
Municipal General	$ 8,420,576	$ 8,862,304	$ 8,072,408
Municipal Police	2,515,241	2,469,059	2,452,647
Municipal Fire	842,919	831,512	690,057
	$ 11,778,736	$ 12,162,875	$ 11,215,112
City of Alamogordo's proportionate share of the net pension liability as a percentage of its covered payroll			
Municipal General	197.29%	181.92%	156.47%
Municipal Police	343.84%	311.08%	269.52%
Municipal Fire	535.41%	484.58%	472.10%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	70.52%	71.13%	73.74%
Municipal Police	70.52%	71.13%	73.74%
Municipal Fire	70.52%	71.13%	73.74%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,		
2017	2016	2015
2016	2015	2014
0.9228%	0.9651%	0.9957%
1.1819%	1.2572%	1.3996%
0.5710%	0.5622%	0.5592%
$ 14,743,243	$ 9,840,030	$ 7,767,529
8,720,409	6,045,322	4,562,544
3,809,151	2,901,616	2,334,097
$ 27,272,803	$ 18,786,968	$ 14,664,170
$ 8,519,979	$ 8,002,462	$ 8,370,704
2,350,723	2,460,929	2,789,369
665,639	637,580	646,276
$ 11,536,341	$ 11,100,971	$ 11,806,349
173.04%	122.96%	92.79%
370.97%	245.65%	163.57%
572.25%	455.10%	0.00%
69.18%	76.99%	81.29%
69.18%	76.99%	81.29%
69.18%	76.99%	81.29%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of the City's Contributions
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	**2020**	**2019**	**2018**
Contractually required contribution			
Municipal General	$ 870,553	$ 804,165	$ 846,350
Municipal Police	396,172	475,381	466,652
Municipal Fire	200,834	182,492	180,022
	$ 1,467,559	$ 1,462,038	$ 1,493,024
Contributions in relation to the contractually required contribution			
Municipal General	$ (870,553)	$ (804,165)	$ (846,350)
Municipal Police	(396,172)	(475,381)	(466,652)
Municipal Fire	(200,834)	(182,492)	(180,022)
	$ (1,467,559)	$ (1,462,038)	$ (1,493,024)
Contribution deficiency (excess)			
Municipal General	$ -	$ -	$ -
Municipal Police	-	-	-
Municipal Fire	-	-	-
	$ -	$ -	$ -
City of Alamogordo’s covered payroll			
Municipal General	$ 8,883,194	$ 8,420,576	$ 8,862,304
Municipal Police	2,068,783	2,515,241	2,469,059
Municipal Fire	917,050	842,919	831,512
	$ 11,869,027	$ 11,778,736	$ 12,162,875
Contributions as a percentage of covered payroll			
Municipal General	9.80%	9.55%	9.55%
Municipal Police	19.15%	18.90%	18.90%
Municipal Fire	21.90%	21.65%	21.65%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

2017		2016		2015
$ 770,915	$	813,658	$	764,235
463,550		444,287		465,116
149,397		144,111		138,036
$ 1,383,862	$	1,402,056	$	1,367,387
$ (770,915)	$	(813,658)	$	(764,235)
(463,550)		(444,287)		(465,116)
(149,397)		(144,111)		(138,036)
$ (1,383,862)	$	(1,402,056)	$	(1,367,387)
$ -	$	-	$	-
-		-		-
-		-		-
$ -	$	-	$	-
$ 8,072,408	$	8,519,979	$	8,002,462
2,452,647		2,350,723		2,460,929
690,057		665,639		637,580
$ 11,215,112	$	11,536,341	$	11,100,971
9.55%		9.55%		9.55%
18.90%		18.90%		18.90%
21.65%		21.65%		21.65%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer's Proportionate Share of the Net OPEB Liability of New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

	June 30,	
Fiscal Year	**2020**	**2019**
Measurement Date	**2019**	**2018**
City of Alamogordo's proportion of the net OPEB liability	0.28515%	0.29296%
City of Alamogordo's proportionate share of the net OPEB liability	$ 9,245,673	$ 12,738,940
City of Alamogordo's covered-employee payroll	$ 11,775,275	$ 11,677,559
City of Alamogordo's proportionate share of the net OPEB liability as a percentage of its covered payroll	78.52%	108.18%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	11.34%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

June 30,
2018
2017
0.28033%
$ 12,703,639
$ 11,677,559
108.79%
11.34%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	**2020**	**2019**
Contractually required contributions	$ 253,327	$ 252,470
Contributions in relation to the contractually required contribution	(253,327)	(252,470)
Contribution deficiency (excess)	$ -	$ -
City of Alamogordo's covered payroll	$ 11,857,608	$ 11,775,275
Contributions as a percentage of covered payroll	2.00%	2.00%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

2018
$ 250,375
(250,375)
$ -
$ 11,677,559
2.00%

See notes to required supplementary information.

State of New Mexico
City of Alamogordo
Notes to Required Supplementary Information

Public Employees Retirement Association (PERA) Plan

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA fiscal year 2019 CAFR available at https://www.nmpera.org/financial-overview/comprehensive-annual-financial-report.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2018 report is available at https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports. See the notes to the financial statements on page 100 which summarizes actuarial assumptions and methods effective with the June 30, 2018 valuation.

New Mexico Retiree Health Care Authority (MRHCA)

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in Note 1 of the NMRHCA fiscal year 2019 audit available at https://www.nmrhca.org/financial-audits/.

Changes of assumptions. The NMRHCA Actuarial Valuation as of June 30, 2019 report is available at https://www.nmrhca.org/actuarial-valuation-reports/. See the notes to the financial statements beginning on page 25 which summarizes actuarial assumptions and methods effective with the June 30, 2019 valuation.

Supplementary Information

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS

Corrections (015) – This fund accounts for fees imposed on individuals convicted of any offense relating to the operation of a motor vehicle. Funds must be used as specified by State law. This is also the fund where the City pays the County for prisoners at the Detention Center. NMSA 33-3-25.

Lodgers' Tax – Promotional (016) – To account for various promotional and tourism attraction programs. NMSA 3-38-15.

Court Automation (019) – This fund is to account for the collections and disbursement of penalty assessments to develop a statewide computer system for all Municipal Courts. This fund was authorized by the City Commission and 35-14-11 NMSA

Lodgers' Tax – City (020) – To account for revenues generated through the use of the Civic Center. NMSA 3-38-25.

D.A.R.E. Donations (021) – To account for revenues and expenditures designated for the educational programs provided by D.A.R.E. officers. This fund was authorized by the City Commission.

Court Administration (027) – To account for collections and disbursements associated with traffic violations. NMSA 33-3-25.

Police Contingency (028) – To account for revenues and costs associated with confiscated items and investigation programs. NMSA 7-12-15.

Fire Protection (033) – To account for revenues accumulated by the State from taxes for the operation, betterment, and maintenance of local fire departments. NMSA 59A-53-1.

H.I.D.T.A. (035) – This fund accounts for all grant monies, initiated at the federal level, for the Narcotics Enforcement Unit's projects and services.

Law Enforcement (036) – To account for revenues received from the State for the equitable distribution to Municipal and County Police and Sheriff's Department for maintenance and improvements. NMSA 29-13-3.

State Highway (037) – To account for a grant from the New Mexico State Highway and Transportation Department for the Keep Alamogordo Beautiful program. NMSA 67-15-1.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

SPECIAL REVENUE FUNDS (Continued)

Traffic Safety (038) – This fund is created to account for fees attached to each penalty assessment and traffic convictions under the State Motor Vehicle Code. The monies are used for public outreach programs, educational activities and programs to promote traffic safety in the entity's area. This fund was authorized by the City Commission.

1984 Gross Receipts (042) – To account for a one-quarter of one percent gross receipts tax used for the cost of maintenance and repairs of the City streets. NMSA 1978 7-1-6-9.

Transportation (044) – To account for the one-cent gasoline tax revenues used for local street and bridges capital items. NMSA 7-1-6-9.

Community Development/Infrastructure Acquisition (063) – This fund accounts for the project planning, budgeting, engineering and design, and project management for the city's capital projects.

Alamo Senior Center (071) – To account for grants and user fees to provide services for person 60 and over. (State Grant and City Ordinance)

Alamo Senior Center Gift (074) – This fund is created to account for donations and proceeds from fundraising events. Expenditures are restricted to building improvements or special events. This fund was authorized by the City Commission.

Retired and Senior Volunteer Program (075) – To account for grants used to recruit, train and place senior volunteers throughout Otero County. Domestic Volunteer Service Act of 1973; PL 93-113.

ESGRT 0.0625% (089) – To account for the Environmental Gross Receipts Tax that is used for the activities for the Convenience Center. NMSA 7019D-10.

DEBT SERVICE FUNDS

General Obligation (053) – The purpose of this fund is to account for servicing of principal and interest requirements on the 1990 General Obligation Sanitary Sewer Bonds and the 1996 General Obligation Sanitary Sewer Refunding Water Improvement Bonds. Property tax revenues secure these bonds. This fund was authorized by the City Commission.

1994 and 1996 GRT Principal (059) – This fund accounts for the servicing of principal and interest payments for any debt pledged with Gross Receipts Tax revenues.

1994 Gross Receipts Tax (069) – This fund serves as an income fund for ¼ of 1% Gross Receipts Tax Revenues which is pledged for repayment of the 1996 and 2002 Gross Receipts Tax Revenue Bonds. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

CAPITAL PROJECTS FUNDS

Economic Development Fund (105) –To account for projects which are not funded from specific revenue dedications. This fund was authorized by the City Commission.

Grant Capital Improvement (024) – To accounts for receipts and disbursements of grant funds for capital projects. This fund was authorized by the City Commission.

1986 Gross Receipt Tax (049) – This fund accounts for ¼ of 1% Gross Receipts Tax Revenues that are dedicated to the purpose of repair, upgrade, rehabilitate, replace and install water facilities outside of the City limits

Property Acquisition (050) – To account for funds used to acquire needed right-of-way and easements, as well as provide for expenditures involved in the disposition of City property and maintenance of City rental property. This fund was authorized by the City Commission.

Reverse Osmosis Project (054) – This fund is established to receive the monies that are being paid back to the GO Bond Fund which were borrowed to fund the covers and linings on the reservoirs at La Luz. This fund was authorized by the City Commission.

99 GRT Flood Control (056) – To account for bond proceeds for the purpose of paying for flood control. This fund was authorized by the City Commission.

Municipal Infrastructure (061) – To account for one-sixteenth of one-percent gross receipts tax dedicated for the payment of special obligation bonds used for repairs, maintenance and acquisition of infrastructure improvements. This fund was authorized by the City Commission.

Sidewalk Revolving Loans (114) – This fund provides the City with an accounting of loans financed through the City for qualified property owners for the replacement or repair of sidewalks, curb cuts and driveway ramps.

2012 GRT Refunding and Improvement Revenue Bond (119) – The fund is for the improvement of the revenue loan, "Quality for Life" and GRT bond refunding. This fund was authorized by the City Commission.

2014A GO Bond (121) – The purpose of this fund is to provide funds for the purpose of beautifying, improving, acquiring, constructing, equipping, and improving land and buildings for public parks and related recreational facilities. This fund was authorized by Ord. 1476 dated 11/18/2014.

2014B GO Bond – Streets (122) – The purpose of this fund is to provide funds for constructing, repairing, and otherwise improving streets and bridges. This fund was authorized by Ord. 1477 dated 11/18/2014.

State of New Mexico
City of Alamogordo
Nonmajor Governmental and Proprietary Fund Descriptions

PERMANENT FUNDS

Cemetery Perpetual (031) – This fund is established to account for the accumulation of funds for the future maintenance of the cemetery. This fund was authorized by the City Commission.

PROPRIETARY FUNDS

Solid Waste Fund (086) – This fund was established to provide funds for the solid waste services provided to the residents of the City, and related costs. This fund is authorized by the City Commission.

Bonito Lake Fund (088) – This fund was established to provide funds for the management and daily operations of the Bonito Lake watershed, recreation area, and part of the Bonito pipeline. This fund is authorized by the City Commission.

Golf Course Fund (090) – This fund was established to provide funds for the maintenance and daily operations of the Municipal golf course. This fund is authorized by the City Commission.

Airport Fund (091) – This fund was established to provide funds for the maintenance and daily operations of the Municipal Airport. This fund is authorized by the City Commission.

Low Rent Public Housing Fund (901) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

Home Ownership Fund (903) – This fund was established to provide funds to assist income eligible families with housing needs within the guidelines set forth by Housing and Urban Development (HUD). This fund is authorized by the City Commission.

INTERNAL SERVICE FUNDS

Internal Service Fund (012) – This fund was established to provide financing for activities of services provided in-house by the using department. The City currently provides central services for human resources, purchasing, fleet maintenance, management information systems, and facilities maintenance. This fund was authorized by the City Commission

Self-Insured Fund (096) – This fund was established to provide the primary insurance for liability and auto and other insurance protection provided for all functions is recorded within the internal service funds. This fund was authorized by the City Commission

Liability/Deductibles Fund (107) – This fund was established to provide for the liabilities and deductibles related to the insurance expenses of the City. This fund was authorized by the City Commission.

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

	Special Revenue			
June 30, 2020	**Corrections Fund**	**Lodgers Tax-Promotional**	**Court Automation Fund**	**Lodger's Tax-City Fund**
Assets				
Cash and cash equivalents	$ 10,557	$ 23,636	$ -	$ 825
Investments	-	171,692	-	38,740
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other, net	-	814	-	810
Prepaid expense	-	-	-	-
Total assets	$ 10,557	$ 196,142	$ -	$ 40,375
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 3,680	$ 974	$ 959	$ 3,804
Accrued payroll	-	1,203	-	3,658
Deposits held in trust for others	-	-	-	456
Unearned revenue	-	-	-	5,961
Due to other funds	-	-	-	-
Total liabilities	3,680	2,177	959	13,879
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	6,877	193,965		26,496
Unassigned (deficit)	-	-	(959)	-
Total fund balances	6,877	193,965	(959)	26,496
Total liabilities, deferred inflows of resources, and fund balances	$ 10,557	$ 196,142	$ -	$ 40,375

Special Revenue					
D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Fire Protection Fund	H.I.D.T.A. Fund	Law Enforcement Fund
$ 6,076	$ 331	$ 5,680	$ 393,829	$ -	$ 32,692
16,211	-	53,951	168,477	-	-
-	-	-	-	-	-
-	-	-	-	1,463	-
-	-	-	-	-	-
-	-	-	189	-	-
$ 22,287	$ 331	$ 59,631	$ 562,495	$ 1,463	$ 32,692
$ -	$ 5,347	$ 96,788	$ 10,154	$ -	$ 41
-	14,735	-	-	177	419
-	-	-	-	-	-
-	4,955	-	-	-	-
-	-	-	-	3,210	-
-	25,037	96,788	10,154	3,387	460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	189	-	-
22,287	-	-	552,152	-	32,232
-	(24,706)	(37,157)	-	(1,924)	-
22,287	(24,706)	(37,157)	552,341	(1,924)	32,232
$ 22,287	$ 331	$ 59,631	$ 562,495	$ 1,463	$ 32,692

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

	Special Revenue			
June 30, 2020	**State Highway Fund**	**Traffic Safety Fund**	**1984 Gross Receipts Fund**	**Transportation Fund**
Assets				
Cash and cash equivalents	$ 29,203	$ 30,041	$ 1,081,048	$ 552,452
Investments	114,686	48,270	-	-
Receivables				
Taxes	-	-	338,684	188,164
Intergovernmental	4,020	-	-	169,872
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	$ 147,909	$ 78,311	$ 1,419,732	$ 910,488
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 134	$ -	$ -	$ 407,642
Accrued payroll	-	-	-	21,107
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	134	-	-	428,749
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	147,775	78,311	1,419,732	481,739
Unassigned (deficit)	-	-	-	-
Total fund balances	147,775	78,311	1,419,732	481,739
Total liabilities, deferred inflows of resources, and fund balances	$ 147,909	$ 78,311	$ 1,419,732	$ 910,488

Special Revenue					Debt Service
Community Development/ Infrastructure Acquisition Fund	Alamo Senior Center Fund	Alamo Senior Center Gift Fund	Retired and Senior Volunteer Program Fund	ESGRT 0.0625% Fund	General Obligation Fund
$ 2,300	$ 7,231	$ 52,023	$ 382	$ 407,398	$ 942,316
-	-	89,511	-	2,686,185	-
-	-	-	-	84,671	68,708
-	80,938	-	13,886	-	-
-	13,690	-	1,500	-	-
-	-	-	-	-	-
$ 2,300	$ 101,859	$ 141,534	$ 15,768	$ 3,178,254	$ 1,011,024
$ 384	$ 9,344	$ 369	$ 1,857	$ -	$ -
12,871	31,858	-	4,930	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,255	41,202	369	6,787	-	-
-	-	-	-	-	35,525
-	-	-	-	-	35,525
-	-	-	-	-	-
	60,657	141,165	8,981	3,178,254	975,499
(10,955)	-	-	-	-	-
(10,955)	60,657	141,165	8,981	3,178,254	975,499
$ 2,300	$ 101,859	$ 141,534	$ 15,768	$ 3,178,254	$ 1,011,024

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2020	Debt Service: 1994 and 1996 GRT Principal Fund	Debt Service: 1994 Gross Receipts Tax Fund	Capital Projects: Economic Development Fund	Capital Projects: Grant Capital Improvements Fund
Assets				
Cash and cash equivalents	$ 69,510	$ 550,440	$ 343,225	$ 65,880
Investments	82,506	2,554,828	3,393,871	-
Receivables				
Taxes	-	338,684	163,342	-
Intergovernmental	-	-	-	104,776
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	$ 152,016	$ 3,443,952	$ 3,900,438	$ 170,656
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ -	$ -	$ 69,586	$ 84,213
Accrued payroll	-	-	-	4,293
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	69,586	88,506
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	152,016	3,443,952	3,830,852	82,150
Unassigned (deficit)	-	-	-	-
Total fund balances	152,016	3,443,952	3,830,852	82,150
Total liabilities, deferred inflows of resources, and fund balances	$ 152,016	$ 3,443,952	$ 3,900,438	$ 170,656

Capital Projects					
1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans Fund
$ 1,102,639	$ 85,010	$ 21,967	$ 19,843	$ 616,666	$ -
4,306,891	-	-	-	537,358	142,808
338,684	-	-	-	84,671	-
-	-	-	-	-	-
-	110	-	-	-	-
-	-	-	-	-	-
$ 5,748,214	$ 85,120	$ 21,967	$ 19,843	$ 1,238,695	$ 142,808
$ 78	$ -	$ -	$ 51,219	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
78	-	-	51,219	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,748,136	85,120	21,967		1,238,695	142,808
-	-	-	(31,376)	-	-
5,748,136	85,120	21,967	(31,376)	1,238,695	142,808
$ 5,748,214	$ 85,120	$ 21,967	$ 19,843	$ 1,238,695	$ 142,808

(continued)

State of New Mexico
City of Alamogordo
Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2020	Capital Projects: 2012 GRT Refunding and Improvement Revenue Bond Fund	Capital Projects: 2014A GO Bond Fund	Capital Projects: 2014B GO Bond - Streets Fund	Permanent Fund: Cemetery Perpetual Fund
Assets				
Cash and cash equivalents	$ 141,128	$ 129	$ 226	$ 4,575
Investments	552,463	89,813	174,054	799,545
Receivables				
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other, net	-	-	-	-
Prepaid expense	-	-	-	-
Total assets	$ 693,591	$ 89,942	$ 174,280	$ 804,120
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 27,825	$ -	$ -	$ -
Accrued payroll	-	-	-	-
Deposits held in trust for others	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	27,825	-	-	-
Deferred inflows of resources				
Unearned revenue - property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Spendable				
Restricted	665,766	89,942	174,280	804,120
Unassigned (deficit)	-	-	-	-
Total fund balances	665,766	89,942	174,280	804,120
Total liabilities, deferred inflows of resources, and fund balances	$ 693,591	$ 89,942	$ 174,280	$ 804,120

Total Nonmajor Governmental Funds
$ 6,599,258
16,021,860
1,605,608
374,955
16,924
189
$ 24,618,794
$ 774,398
95,251
456
10,916
3,210
884,231
35,525
35,525
189
23,805,926
(107,077)
23,699,038
$ 24,618,794

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

	Special Revenue			
For the year ended June 30, 2020	Corrections Fund	Lodgers Tax-Promotional	Court Automation Fund	Lodger's Tax-City Fund
Revenues				
Taxes				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	218,122	-	327,183
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	21,297	-
State capital grants	-	-	-	-
Charges for services	70,154	375	22,221	30,177
Investment income	-	5,336	-	1,874
Miscellaneous	-	235	-	10,691
Total revenues	70,154	224,068	43,518	369,925
Expenditures				
Current				
General government	-	215,371	35,744	-
Public safety	78,265	-	14,392	-
Public works	-	-	-	-
Culture and recreation	-	-	-	331,329
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	78,265	215,371	50,136	331,329
Excess (deficiency) of revenues over expenditures	(8,111)	8,697	(6,618)	38,596
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	38,866	6,695	15,513	-
Transfers (out)	(259)	(1,749)	(18,427)	(56,318)
Total other financing sources (uses)	38,607	4,946	(2,914)	(56,318)
Net change in fund balances	30,496	13,643	(9,532)	(17,722)
Fund balances - beginning of year	(23,619)	180,322	8,573	44,218
Fund balance - end of year	$ 6,877	$ 193,965	$ (959)	$ 26,496

Special Revenue					
D.A.R.E Donations Fund	Court Administration Fund	Police Contingency Fund	Fire Protection Fund	H.I.D.T.A. Fund	Law Enforcement Fund
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	14,834	-
-	-	-	743,582	-	61,778
-	-	-	-	-	-
3,731	14,229	2,985	-	-	-
504	-	1,678	6,452	-	-
-	-	348	-	-	-
4,235	14,229	5,011	750,034	14,834	61,778
-	351,823	-	3,202	-	-
5,528	54,880	3,860	479,431	16,758	30,351
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,140	-	58,788	-	-
-	-	-	43,827	-	-
-	-	-	2,579	-	-
5,528	418,843	3,860	587,827	16,758	30,351
(1,293)	(404,614)	1,151	162,207	(1,924)	31,427
-	-	-	-	-	-
-	404,002	-	-	-	-
-	(13,897)	-	-	-	-
-	390,105	-	-	-	-
(1,293)	(14,509)	1,151	162,207	(1,924)	31,427
23,580	(10,197)	(38,308)	390,134	-	805
$ 22,287	$ (24,706)	$ (37,157)	$ 552,341	$ (1,924)	$ 32,232

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the year ended June 30, 2020	Special Revenue: State Highway Fund	Traffic Safety Fund	1984 Gross Receipts Fund	Transportation Fund
Revenues				
Taxes				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	2,016,871	504,218
Gasoline and motor vehicle	-	-	-	628,146
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	464,644
Federal capital grants	-	-	-	-
State operating grants	10,656	-	-	-
State capital grants	-	-	-	349,253
Charges for services	23,977	13,996	-	4,406
Investment income	3,565	1,500	-	-
Miscellaneous	-	-	-	357
Total revenues	38,198	15,496	2,016,871	1,951,024
Expenditures				
Current				
General government	-	-	24,031	-
Public safety	559	6,152	-	91,073
Public works	16,849	-	-	1,234,399
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	573,274
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	17,408	6,152	24,031	1,898,746
Excess (deficiency) of revenues over expenditures	20,790	9,344	1,992,840	52,278
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	628,236
Transfers (out)	-	-	(1,123,563)	(142,613)
Total other financing sources (uses)	-	-	(1,123,563)	485,623
Net change in fund balances	20,790	9,344	869,277	537,901
Fund balances - beginning of year	126,985	68,967	550,455	(56,162)
Fund balance - end of year	$ 147,775	$ 78,311	$ 1,419,732	$ 481,739

Special Revenue					Debt Service
Community Development/ Infrastructure Acquisitions Fund	**Alamo Senior Center Fund**	**Alamo Senior Center Gift Fund**	**Retired and Senior Volunteer Program Fund**	**ESGRT 0.0625% Fund**	**General Obligation Fund**
$ -	$ -	$ -	$ -	$ -	$ 1,098,131
-	-	-	-	504,218	-
-	-	-	-	-	-
-	-	-	-	-	-
-	187,042	-	47,808	-	-
-	-	-	-	-	-
-	431,202	-	165,345	-	-
-	-	-	-	-	-
1,439	130,573	14,807	-	-	-
-	-	2,780	-	82,392	9
-	13,708	-	6,000	-	-
1,439	762,525	17,587	219,153	586,610	1,098,140
360,837	-	-	-	-	-
7,476	-	-	-	-	-
-	-	-	-	12,136	-
-	1,261,618	17,667	-	-	-
-	4,959	-	252,881	-	-
-	26,163	-	-	-	-
-	-	-	-	-	477,800
-	-	-	-	-	542,654
368,313	1,292,740	17,667	252,881	12,136	1,020,454
(366,874)	(530,215)	(80)	(33,728)	574,474	77,686
-	-	-	-	-	-
370,499	507,591	-	42,249	-	-
(36,368)	(2,379)	-	(14,727)	(396)	-
334,131	505,212	-	27,522	(396)	-
(32,743)	(25,003)	(80)	(6,206)	574,078	77,686
21,788	85,660	141,245	15,187	2,604,176	897,813
$ (10,955)	$ 60,657	$ 141,165	$ 8,981	$ 3,178,254	$ 975,499

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the year ended June 30, 2020	Debt Service: 1994 and 1996 GRT Principal Fund	Debt Service: 1994 Gross Receipts Tax Fund	Capital Projects: Economic Development Fund	Capital Projects: Grant Capital Improvement Fund
Revenues				
Taxes				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	2,016,871	1,008,435	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	4,979
State operating grants	-	-	-	-
State capital grants	-	-	-	797,874
Charges for services	-	-	6,000	-
Investment income	3,385	76,242	102,958	-
Miscellaneous	-	-	-	-
Total revenues	3,385	2,093,113	1,117,393	802,853
Expenditures				
Current				
General government	-	24,031	-	66,562
Public safety	1,697	-	-	2,800
Public works	-	-	-	-
Culture and recreation	-	-	548,273	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	627,775
Debt service				
Principal	2,172,050	-	-	-
Interest and other charges	502,817	-	-	-
Total expenditures	2,676,564	24,031	548,273	697,137
Excess (deficiency) of revenues over expenditures	(2,673,179)	2,069,082	569,120	105,716
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	-
Transfers in	2,675,211	-	-	-
Transfers (out)	-	(1,142,610)	-	-
Total other financing sources (uses)	2,675,211	(1,142,610)	-	-
Net change in fund balances	2,032	926,472	569,120	105,716
Fund balances - beginning of year	149,984	2,517,480	3,261,732	(23,566)
Fund balance - end of year	$ 152,016	$ 3,443,952	$ 3,830,852	$ 82,150

Capital Projects					
1986 Gross Receipt Tax Fund	Property Acquisition Fund	Reverse Osmosis Project Fund	99 GRT Flood Control Fund	Municipal Infrastructure Fund	Sidewalk Revolving Loans Fund
$ -	$ -	$ -	$ -	$ -	$ -
2,016,871	-	-	-	504,218	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	110	-	-	-	-
128,730	-	-	34,551	16,703	4,437
-	-	-	-	-	-
2,145,601	110	-	34,551	520,921	4,437
-	-	-	-	6,008	-
12,776	-	-	-	-	-
24,030	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
111,592	-	-	202,138	-	-
-	-	-	-	-	-
-	-	-	-	-	-
148,398	-	-	202,138	6,008	-
1,997,203	110	-	(167,587)	514,913	4,437
-	-	-	-	-	-
-	-	136,581	-	-	-
(913,617)	-	(136,581)	(147)	(168,660)	-
(913,617)	-	-	(147)	(168,660)	-
1,083,586	110	-	(167,734)	346,253	4,437
4,664,550	85,010	21,967	136,358	892,442	138,371
$ 5,748,136	$ 85,120	$ 21,967	$ (31,376)	$ 1,238,695	$ 142,808

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the year ended June 30, 2020	Capital Projects: 2012 GRT Refunding and Improvement Revenue Bond Fund	Capital Projects: 2014A GO Bond Fund	Capital Projects: 2014B Go Bond - Streets Fund	Permanent Fund: Cemetery Perpetual Fund
Revenues				
Taxes				
Property	$ -	$ -	$ -	$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	26,689	2,792	5,409	24,745
Miscellaneous	-	-	-	-
Total revenues	26,689	2,792	5,409	24,745
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	124,982	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	408,917	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	533,899	-	-	-
Excess (deficiency) of revenues over expenditures	(507,210)	2,792	5,409	24,745
Other financing sources (uses)				
Proceeds from sale of assets	-	-	-	11,488
Transfers in	-	-	-	-
Transfers (out)	(27,540)	-	-	-
Total other financing sources (uses)	(27,540)	-	-	11,488
Net change in fund balances	(534,750)	2,792	5,409	36,233
Fund balances - beginning of year	1,200,516	87,150	168,871	767,887
Fund balance - end of year	$ 665,766	$ 89,942	$ 174,280	$ 804,120

Total Nonmajor Governmental Funds
$ 1,098,131
8,571,702
628,146
545,305
699,494
19,813
1,433,860
1,147,127
339,180
532,731
31,339
15,046,828
1,087,609
805,998
1,412,396
2,158,887
257,840
2,020,787
2,693,677
1,048,050
11,485,244
3,561,584
11,488
4,825,443
(3,799,851)
1,037,080
4,598,664
19,100,374
$ 23,699,038

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
June 30, 2020	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Assets			
Current assets			
Cash and cash equivalents	$ 106,938	$ 51,715	$ 64
Investments	431,743	269,169	-
Receivables			
Intergovernmental	-	-	-
Customer, net	150,109	-	52
Inventory	-	-	-
Prepaid expenses	-	-	-
Total current assets	688,790	320,884	116
Noncurrent assets			
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	74,551	-
Assets held for sale	-	-	-
Capital assets, not being depreciated	16,000	1,740,180	2,528,794
Capital assets, being depreciated	1,237,441	255,855	4,851,750
Less: accumulated depreciation	(769,181)	(237,511)	(2,835,965)
Total noncurrent assets	484,260	1,833,075	4,544,579
Total assets	1,173,050	2,153,959	4,544,695
Deferred outflows of resources			
Deferred outflows - pension	38,632	-	67,752
Deferred outflows - OPEB	4,592	-	9,595
Total deferred outflows of resources	43,224	-	77,347
Total assets and deferred outflows of resources	$ 1,216,274	$ 2,153,959	$ 4,622,042

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
$ 120,432	$ 1,084,143	$ 707,021	$ 2,070,313
-	-	-	700,912
3,634	-	-	3,634
25,630	8,382	-	184,173
-	12,414	-	12,414
-	29,511	-	29,511
149,696	1,134,450	707,021	3,000,957
-	46,530	21,341	67,871
-	-	-	74,551
-	-	88,338	88,338
765,788	1,505,682	-	6,556,444
12,679,562	13,914,532	3,735	32,942,875
(5,149,405)	(11,759,441)	(3,735)	(20,755,238)
8,295,945	3,707,303	109,679	18,974,841
8,445,641	4,841,753	816,700	21,975,798
23,372	199,487	4,414	333,657
3,384	15,192	457	33,220
26,756	214,679	4,871	366,877
$ 8,472,397	$ 5,056,432	$ 821,571	$ 22,342,675

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
June 30, 2020	**Solid Waste Fund**	**Bonito Lake Fund**	**Golf Course Fund**
Liabilities			
Current liabilities			
Accounts payable	$ 160,955	$ -	$ 7,267
Accrued payroll	7,654	-	11,481
Deposits held in trust for others	-	-	-
Unearned revenue	-	-	-
Long-term liabilities, current	10,327	-	23,340
Due to other funds	-	-	-
Total current liabilities	178,936	-	42,088
Noncurrent liabilities			
Net pension liability	173,154	-	343,217
Net OPEB liability	52,216	-	86,953
Total noncurrent liabilities	225,370	-	430,170
Total liabilities	404,306	-	472,258
Deferred inflows of resources			
Deferred inflows - pension	9,902	-	14,725
Deferred inflows - OPEB	35,909	-	78,879
Total deferred inflows of resources	45,811	-	93,604
Net position			
Net investment in capital assets	484,260	1,758,524	4,544,579
Unrestricted (deficit)	281,897	395,435	(488,399)
Total net position	766,157	2,153,959	4,056,180
Total liabilities, deferred inflows of resources, and net position	$ 1,216,274	$ 2,153,959	$ 4,622,042

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
$ 7,183	$ 105,540	$ 163	$ 281,108
4,365	21,651	766	45,917
10,777	44,559	-	55,336
-	35,299	-	35,299
507	31,511	1,929	67,614
-	2,289	-	2,289
22,832	240,849	2,858	487,563
127,098	586,230	16,950	1,246,649
35,474	188,837	3,152	366,632
162,572	775,067	20,102	1,613,281
185,404	1,015,916	22,960	2,100,844
6,505	58,074	1,258	90,464
28,082	136,762	4,021	283,653
34,587	194,836	5,279	374,117
8,295,945	3,660,773	-	18,744,081
(43,539)	184,907	793,332	1,123,633
8,252,406	3,845,680	793,332	19,867,714
$ 8,472,397	$ 5,056,432	$ 821,571	$ 22,342,675

State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
For the Year Ended June 30, 2020	Solid Waste Fund	Bonito Lake Fund	Golf Course Fund
Operating revenues			
Charges for services	$ 2,256,747	$ -	$ 1,412,661
Operating grants	-	-	-
Total operating revenues	2,256,747	-	1,412,661
Operating expenses			
Personnel services	154,321	-	325,593
Utilities	6,949	-	31,170
Contractual services	1,763,745	-	3,868
Supplies and purchased power	22,526	-	61,308
Repairs and maintenance	15,274	-	31,492
Depreciation expense	57,461	5,266	201,701
Miscellaneous expense	85,895	-	1,061,918
Total operating expenses	2,106,171	5,266	1,717,050
Operating income (loss)	150,576	(5,266)	(304,389)
Non-operating revenues (expenses)			
Investment income	13,642	10,683	-
Miscellaneous	192,173	740	299
Total non-operating revenues (expenses)	205,815	11,423	299
Income (loss) before contributions and transfers	356,391	6,157	(304,090)
Government contributions			
Capital grants	-	-	-
Transfers in	-	-	290,799
Transfers (out)	(132,414)	-	(79,841)
Change in net position	223,977	6,157	(93,132)
Net position - beginning of year	542,180	2,147,802	4,149,312
Net position - end of year	$ 766,157	$ 2,153,959	$ 4,056,180

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
Nonmajor Enterprise Funds			
$ 144,587	$ 247,490	$ -	$ 4,061,485
10,275	736,381	-	746,656
154,862	983,871	-	4,808,141
108,571	498,696	17,358	1,104,539
28,675	-	-	66,794
-	111,343	1,511	1,880,467
24,604	111,519	552	220,509
12,434	105,958	940	166,098
375,101	304,727	-	944,256
31,388	142,390	1,586	1,323,177
580,773	1,274,633	21,947	5,705,840
(425,911)	(290,762)	(21,947)	(897,699)
-	3,894	2,722	30,941
978	4,350	-	198,540
978	8,244	2,722	229,481
(424,933)	(282,518)	(19,225)	(668,218)
-	102,631	-	102,631
86,354	-	-	377,153
(44,573)	(109)	-	(256,937)
(383,152)	(179,996)	(19,225)	(445,371)
8,635,558	4,025,676	812,557	20,313,085
$ 8,252,406	$ 3,845,680	$ 793,332	$ 19,867,714

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
For the Year Ended June 30, 2020	**Solid Waste Fund**	**Bonito Lake Fund**	**Golf Course Fund**
Cash flows from operating activities			
Cash received from user charges	$ 2,216,473	$ -	$ 1,412,609
Cash received from subsidy grants	-	-	-
Cash payments to employees for services	(139,460)	-	(285,806)
Cash payments to suppliers for goods and services	(1,887,817)	-	(1,188,905)
Net cash provided (used) by operating activities	189,196	-	(62,102)
Cash flows from noncapital financing activities			
Miscellaneous income	192,173	740	299
Transfers in (out)	(132,414)	-	210,958
Net cash provided (used) by noncapital financing activities	59,759	740	211,257
Cash flows from investing activities			
Sale (purchase) of investments	4,907	(11,776)	-
Interest on investments	13,642	10,683	-
Net cash provided (used) by investing activities	18,549	(1,093)	-
Cash flows from capital and related financing activities			
Acquisition of capital assets	(181,000)	-	(160,691)
Capital grants	-	-	-
Net cash provided (used) by capital and related financing activities	(181,000)	-	(160,691)
Net increase (decrease) in cash and cash equivalents	86,504	(353)	(11,536)
Cash and cash equivalents - beginning of year	20,434	52,068	11,600
Cash and cash equivalents - end of year	$ 106,938	$ 51,715	$ 64

Nonmajor Enterprise Funds			
Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
$ 169,088	$ 251,158	$ -	$ 4,049,328
10,275	893,749	-	904,024
(97,136)	(450,375)	(15,798)	(988,575)
(93,508)	(373,152)	(4,596)	(3,547,978)
(11,281)	321,380	(20,394)	416,799
978	4,350	-	198,540
41,781	(1,239)	(11)	119,075
42,759	3,111	(11)	317,615
-	96,521	111,081	200,733
-	3,894	2,722	30,941
-	100,415	113,803	231,674
(5,950)	(197,437)	-	(545,078)
82,335	102,631	-	184,966
76,385	(94,806)	-	(360,112)
107,863	330,100	93,398	605,976
12,569	800,573	634,964	1,532,208
$ 120,432	$ 1,130,673	$ 728,362	$ 2,138,184

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Nonmajor Proprietary Funds

	Nonmajor Enterprise Funds		
For the Year Ended June 30, 2020	**Solid Waste Fund**	**Bonito Lake Fund**	**Golf Course Fund**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 150,576	$ (5,266)	$ (304,389)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	57,461	5,266	201,701
Noncash pension expense	18,550	-	46,123
Noncash OPEB benefit	(6,008)	-	(14,942)
Changes in assets, deferred outflows, and liabilities:			
Receivables	(40,274)	-	(52)
Inventory	-	-	-
Prepaid expenses	-	-	-
Subsequent contributions-pension	(30)	-	(74)
Subsequent contributions-OPEB	(7)	-	(14)
Accounts payable	6,572	-	851
Accrued payroll expenses	1,575	-	(349)
Accrued compensated absences	781	-	9,043
Unearned revenue	-	-	-
Customer deposits	-	-	-
Net cash provided (used) by operating activities	$ 189,196	$ -	$ (62,102)

Airport Fund	Low Rent Public Housing Fund	Home Ownership Fund	Total Nonmajor Enterprise Funds
Nonmajor Enterprise Funds			
$ (425,911)	$ (290,762)	$ (21,947)	$ (897,699)
375,101	304,727	-	944,256
15,617	52,278	1,833	134,401
(5,057)	(23,912)	(844)	(50,763)
24,558	156,436	-	140,668
-	(1,187)	-	(1,187)
-	(2,416)	-	(2,416)
(25)	(84)	(3)	(216)
(4)	(23)	(1)	(49)
3,593	101,661	(7)	112,670
747	7,728	170	9,871
157	12,334	405	22,720
-	3,572	-	3,572
(57)	1,028	-	971
$ (11,281)	$ 321,380	$ (20,394)	$ 416,799

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Internal Service Funds

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Internal Service Funds

June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	$ 75,354	$ 81,636	$ 289,914	$ 446,904
Investments	-	451,456	668,668	1,120,124
Receivables				
Other, net	12,138	-	-	12,138
Inventory	147,346	-	-	147,346
Prepaid expenses	79,202	-	-	79,202
Total current assets	314,040	533,092	958,582	1,805,714
Total assets	314,040	533,092	958,582	1,805,714
Deferred outflows of resources				
Deferred outflow - pension	369,267	-	-	369,267
Deferred outflow - OPEB	58,559	-	-	58,559
Total deferred outflows of resources	427,826	-	-	427,826
Total assets and deferred outflows of resources	$ 741,866	$ 533,092	$ 958,582	$ 2,233,540

State of New Mexico
City of Alamogordo
Combining Statement of Net Position - Internal Service Funds

June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Liabilities				
Current liabilities				
Accounts payable	$ 30,341	$ -	$ 33,589	$ 63,930
Accrued payroll	58,648	-	-	58,648
Long-term liabilities, current	151,007	-	-	151,007
Total current liabilities	239,996	-	33,589	273,585
Noncurrent liabilities				
Net pension liability	1,960,848	-	-	1,960,848
Net OPEB liability	802,930	-	-	802,930
Total noncurrent liabilities	2,763,778	-	-	2,763,778
Total liabilities	3,003,774	-	33,589	3,037,363
Deferred inflows of resources				
Deferred inflows - pension	96,411	-	-	96,411
Deferred inflows - OPEB	474,395	-	-	474,395
Total deferred inflows of resources	570,806	-	-	570,806
Net position				
Unrestricted (deficit)	(2,832,714)	533,092	924,993	(1,374,629)
Total net position	(2,832,714)	533,092	924,993	(1,374,629)
Total liabilities, deferred inflows of resources, and net position	$ 741,866	$ 533,092	$ 958,582	$ 2,233,540

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State of New Mexico
City of Alamogordo
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds

For the Year Ended June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Operating revenues				
Charges for services	$ 205,368	$ 50,000	$ -	$ 255,368
Total operating revenues	205,368	50,000	-	255,368
Operating expenses				
Personnel services	1,798,779	-	-	1,798,779
Utilities	36,737	-	-	36,737
Contractual Services	425,271	-	-	425,271
Supplies and purchased power	162,972	-	-	162,972
Repairs and maintenance	691,809	-	-	691,809
Miscellaneous expense	47,873	35,480	105,830	189,183
Total operating expenses	3,163,441	35,480	105,830	3,304,751
Operating income (loss)	(2,958,073)	14,520	(105,830)	(3,049,383)
Non-operating revenues (expenses)				
Investment income	-	14,033	20,903	34,936
Miscellaneous	192,226	20,032	18,933	231,191
Total non-operating revenues (expenses)	192,226	34,065	39,836	266,127
Income (loss) before transfers	(2,765,847)	48,585	(65,994)	(2,783,256)
Transfers in	2,500,976	-	330,000	2,830,976
Transfers (out)	(40,826)	(8,000)	-	(48,826)
Change in net position	(305,697)	40,585	264,006	(1,106)
Net position - beginning of year, as originally stated	227,741	492,507	660,987	1,381,235
Net position - restatement (note 2)	(2,754,758)	-	-	(2,754,758)
Net position - beginning of year, as restated	(2,527,017)	492,507	660,987	(1,373,523)
Net position - ending	$ (2,832,714)	$ 533,092	$ 924,993	$ (1,374,629)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Cash flows from operating activities				
Cash received from user charges	$ 210,843	$ 50,000	$ -	$ 260,843
Cash payments to employees for services	(1,490,356)	-	-	(1,490,356)
Cash payments to suppliers for goods and services	(1,380,074)	(35,742)	(90,818)	(1,506,634)
Net cash (used) provided by operating activities	(2,659,587)	14,258	(90,818)	(2,736,147)
Cash flows from noncapital financing activities				
Miscellaneous income (expense)	192,226	20,032	18,933	231,191
Transfers in (out)	2,460,150	(8,000)	330,000	2,782,150
Net cash provided (used) by noncapital financing activities	2,652,376	12,032	348,933	3,013,341
Cash flows from investing activities				
Sale (purchase) of investments	-	(15,468)	(3,112)	(18,580)
Interest on investments	-	14,033	20,903	34,936
Net cash (used) provided by investing activities	-	(1,435)	17,791	16,356
Net (decrease) increase in cash and cash equivalents	(7,211)	24,855	275,906	293,550
Cash and cash equivalents - beginning of year	82,565	56,781	14,008	153,354
Cash and cash equivalents - end of year	$ 75,354	$ 81,636	$ 289,914	$ 446,904

(continued)

State of New Mexico
City of Alamogordo
Combining Statement of Cash Flows - Internal Service Funds

For the Year Ended June 30, 2020	Internal Service Fund	Self-Insured Fund	Liability/ Deductibles Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (2,958,073)	$ 14,520	$ (105,830)	$ (3,049,383)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash pension expense	318,720	-	-	318,720
Noncash OPEB benefit	(51,591)	-	-	(51,591)
Changes in assets, deferred outflows, and liabilities:				
Receivables	5,475	-	-	5,475
Inventory	3,706	-	-	3,706
Prepaid expenses	(11,112)	-	-	(11,112)
Subsequent contributions-pension	(93,616)	-	-	(93,616)
Subsequent contributions-OPEB	(21,513)	-	-	(21,513)
Accounts payable	(8,006)	(262)	15,012	6,744
Accrued payroll expenses	5,416	-	-	5,416
Accrued compensated absences	151,007	-	-	151,007
Net cash provided (used) by operating activities	$ (2,659,587)	$ 14,258	$ (90,818)	$ (2,736,147)

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Component Unit

Otero – Greentree Regional Landfill

State of New Mexico
City of Alamogordo
Statement of Net Position - Otero - Greentree Regional Landfill

June 30, 2020		**Component Unit**
Assets		
Current assets		
Cash and cash equivalents	$	83,284
Investments		3,117,877
Receivables		
Customer, net		53,151
Other, net		3,912
Total current assets		3,258,224
Noncurrent assets		
Restricted investments		975,911
Capital assets, not being depreciated		1,526,005
Capital assets, being depreciated		7,022,930
Less: accumulated depreciation		(3,962,311)
Total noncurrent assets		5,562,535
Total assets		8,820,759
Deferred outflows of resources		
Deferred outflows - pension		75,954
Deferred outflows - OPEB		9,651
Total deferred outflows of resources		85,605
Total assets and deferred outflows of resources	$	8,906,364

June 30, 2020		Component Unit
Liabilities		
Current liabilities		
Accounts payable	$	33,999
Accrued payroll		16,502
Deposits held in trust for others		4,142
Unearned revenue		6,491
Long-term liabilities, current		10,002
Total current liabilities		71,136
Noncurrent liabilities		
Long-term liabilities, net of current portion		1,946,799
Net pension liability		374,154
Net OPEB liability		103,798
Total noncurrent liabilities		2,424,751
Total liabilities		2,495,887
Deferred inflows of resources		
Deferred inflows - pension		19,388
Deferred inflows - OPEB		83,395
Total deferred inflows of resources		102,783
Net position		
Net investment in capital assets		4,586,624
Unrestricted		1,721,070
Total net position		6,307,694
Total liabilities, deferred inflows of resources, and net position	$	8,906,364

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State of New Mexico
City of Alamogordo
Statement of Revenues, Expenses, and Changes in Net Position - Otero - Greentree Regional Landfill

For the Year Ended June 30, 2020	**Component Unit**
Operating revenues	
Charges for services	$ 1,752,754
Total operating revenues	1,752,754
Operating expenses	
Personnel services	399,984
Contractual Services	288,462
Supplies and purchased power	94,439
Repairs and maintenance	249,092
Depreciation expense	511,183
Miscellaneous expense	1,358,303
Total operating expenses	2,901,463
Operating income (loss)	(1,148,709)
Non-operating revenues (expenses)	
Investment income	127,248
Miscellaneous	25,521
Total non-operating revenues (expenses)	152,769
Income (loss) before contributions and transfers	(995,940)
Transfers (out)	(2,646)
Change in net position	(998,586)
Net position - beginning of year	7,306,280
Net position - ending	$ 6,307,694

State of New Mexico
City of Alamogordo
Statement of Cash Flows - Otero Greentree Landfill

For the year ended June 30, 2020		**Component Unit**
Cash flows from operating activities		
Cash received from user charges	$	2,059,157
Cash payments to employees for services		(364,622)
Cash payments to suppliers for goods and services		(1,575,468)
Net cash provided by operating activities		119,067
Cash flows from noncapital financing activities		
Miscellaneous income		25,521
Transfers in (out)		(2,646)
Net cash provided by noncapital financing activities		22,875
Cash flows from investing activities		
(Purchases) sales of investments		(140,262)
Interest on investments		127,248
Net cash (used) by investing activities		(13,014)
Cash flows from capital and related financing activities		
Acquisition of capital assets		(775,544)
Capital grants		(650)
Net cash (used) by capital and related financing activities		(776,194)
Net (decrease) in cash and cash equivalents		(647,266)
Cash and cash equivalents - beginning of year		730,550
Cash and cash equivalents - end of year	$	83,284

For the year ended June 30, 2020		Component Unit
Reconciliation of operating income (loss) to		
net cash provided by operating activities		
Operating income (loss)	$	(1,148,709)
Adjustments to reconcile operating income (loss)		
to net cash provided by operating		
activities		
Depreciation		511,183
Noncash pension expense		46,871
Noncash OPEB benefit		(15,184)
Change in landfill liability		438,167
Changes in assets, liabilities and deferred outflows of resources		
Receivables		310,628
Subsequent contributions-pension		(75)
Subsequent contributions-OPEB		(14)
Accounts payable		(23,339)
Accrued payroll expenses		5,963
Accrued compensated absences		(2,199)
Customer deposits		(4,225)
Net cash provided by operating activities	$	119,067

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Fiduciary Funds

State of New Mexico
City of Alamogordo
Combining Statement of Fiduciary Net Position

June 30, 2020	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	$ 7,938	$ 1,000	$ 2,171	$ 11,109
Total assets	$ 7,938	$ 1,000	$ 2,171	$ 11,109
Liabilities				
Acounts payable	$ -	$ -	$ 2,561	$ 2,561
Total liabilities	-	-	2,561	2,561
Net position				
Restricted	7,938	1,000	-	8,938
Unrestricted (deficit)	-	-	(390)	(390)
Total net position	7,938	1,000	(390)	8,548
Total liabilities and net position	$ 7,938	$ 1,000	$ 2,171	$ 11,109

State of New Mexico
City of Alamogordo
Combining Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020	Police Court Bond Fund	Army Corp of Engineers Escrow Fund	State Judicial Fund	Total Custodial Funds
Additions				
Court fees	$ -	$ -	$ 35,413	$ 35,413
Bond deposits received	1,000	-	-	1,000
Payments from other entity	-	1,000	-	1,000
Total additions	$ 1,000	$ 1,000	$ 35,413	$ 37,413
Deductions				
Professional services	$ -	$ -	$ 38,116	$ 38,116
Bond payments returned	3,500	-	-	3,500
Total deductions	3,500	-	38,116	41,616
Net increase in fiduciary net position	(2,500)	1,000	(2,703)	(4,203)
Net position - beginning of year, as originally stated	-	-	-	-
Net position - restatement (see note 2)	10,438	-	2,313	12,751
Net position - beginning of year, as restated	10,438	-	2,313	12,751
Net position, end of year	$ 7,938	$ 1,000	$ (390)	$ 8,548

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Supporting Schedules

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
Bank of the West				
	FHMS K107 A2 1.639%	2/25/2030	3137FRZA2	$ 52,432
	G2SF MA2753 3.00%	4/20/2045	36179RBW8	4,168
	GNMA2 ARM Multiple, 3.00%	1/20/2043	36179MYH7	7,390
	Total Bank of the West			63,990

Name and location of safekeeper for above pledged collateral:
Bank of the West BNP Paribas, San Ramon, California

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
First National Bank, City Accounts				
	FNMA Pool #MA0979 3.00%	2/1/2022	31418ACR7	36,716
	FNMA Pool #890306 4.00%	4/1/2026	31410LDK5	153,049
	FNMA Pool #MA2829 2.50%	12/1/2026	31418CEB6	961,350
	FHLMC Pool #G18614 2.50%	10/1/2031	3128MMVG5	895,873
	FNMA Pool #MA1059 3.50%	5/1/2032	31418AE95	567,318
	FNMA Pool #MA2531 3.50%	2/1/2036	31418BY59	870,502
	FNMA Pool #MA2643 3.00%	6/1/2036	31418B5D4	23,138
	FNMA Pool #256724 5.00%	5/1/2037	31371ND51	21,974
	FNMA Pool #888737 5.50%	10/1/2037	31410GLS0	489,783
	FNMA Pool #AL9014 3.00%	1/1/2044	3138ERAQ3	518,224
	FNMA Pool #AL0128 3.461%	4/1/2041	3138EGEA8	2,585,250
	Total First National Bank			7,123,177

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, Dallas, Texas

(Continued)

State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
First National Bank of Alamogordo, Housing Authority				
	FNMA Pool #890263, 4.00%	11/1/2025	31410LB84	$ 33,818
	FNMA Pool #MA2612, 2.50%	5/1/2026	31418B3W4	363,295
	FNMA Pool #MA2869, 2.50%	1/1/2027	31418CFK5	745,765
	FHLMC Pool #G18459, 2.50%	3/1/2028	3128MMQM8	448,314
	FHLMC Pool #C91247, 5.00%	4/1/2029	3128P7L43	100,853
	FNMA Pool #MA0711, 3.50%	4/1/2031	31417YYH4	98,516
	Total First National Bank of Alamogordo, Housing Authority			1,790,562

Name and location of safekeeper for above pledged collateral:
Federal Home Loan Bank, Dallas, Texas

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
First Savings Bank				
	FGLMC 10YR, 2.50%	3/1/2023	31307BJW1	89,083
	GNMA 15YR, 3.00%	3/15/2027	36176XE21	8,501
	FNR 2012-145 DC, 1.50%	1/25/2028	3136AA2L8	446,507
	FNR 2012-145DC, 1.50%	1/25/2028	3136AA2LB	22,050
	FGLMC 15YR, 2.50%	6/1/2028	31307DB62	75,887
	FNMA 15YR, 3.50%	10/1/2028	3138ELUS0	305,437
	FNMA 15YR, 3.00%	7/1/2029	31410LN57	60,108
	FGLMC 15YR, 2.50%	1/1/2030	3128ME4V0	101,583
	FGLMC 15YR, 2.50%	8/1/2031	3132KFNN8	87,392
	GNR 2018-153 WJ, 3.00%	11/20/2045	38381AZ58	238,333
	FNR 2019-28 CA, 3.00%	8/25/2048	3136B4UV8	192,147
	Total First Savings Bank			1,627,028

Name and location of safekeeper for above pledged collateral:
Federal Reserve Bank, Beresford, South Dakota

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State of New Mexico
City of Alamogordo
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2020

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Value June 30, 2020
Pioneer Bank				
	FHLMCP 4.06%	11/1/2034	31349UDH8	$ 21,765
	FNMA 3.00%	10/1/2026	313BASYU0	19,206
	Total Pioneer Bank			40,971
	Name and location of safekeeper for above pledged collateral:			
	Federal Home Loan Bank, Dallas, Texas			
Washington Federal				
	FNMA PL#BC2636 3.000%	11/1/2046	3140EW4W2	1,231,747
	Total Washington Federal			1,231,747
	Name and location of safekeeper for above pledged collateral:			
	WaFd Bank, Seattle, Washington			
Wells Fargo (Checking Account Collateral)				
	FMAC FEPC 3.50%	8/1/2047	3132A5HF5	2,758,828
	FNMA FNMS 3.50%	2/1/2048	31418CUA0	9,477
	Total Wells Fargo			2,768,305
	Name and location of safekeeper for above pledged collateral:			
	Bank of New York Mellon, New York, New York			
Total pledged collateral				$ 14,645,780

State of New Mexico
City of Alamogordo
Schedule of Deposits and Investments
June 30, 2020

Bank Account Type/Name	Bank '34	Bank of the West	First National Bank	First Savings Bank
General Operating Account - Checking	$ -	$ -	13,277,542	$ -
Home Ownership Operating - Interest Bearing	-	-	21,341	-
Home Ownership Reserve - Interest Bearing	-	-	595,915	-
Low Rent Operating - Interest Bearing	-	-	996,402	-
Security Deposit - Interest Bearing	-	-	46,530	-
Money Market Investment - Interest Bearing - HA	-	-	-	-
General Operating Account - Interest Bearing	-	-	-	-
Escrow Account - Checking	-	-	-	-
US Treasuries/Agency Bonds	-	-	-	-
Fixed Income Securities	-	-	-	-
Money Market Accounts	-	-	-	-
Certificates of Deposit - Interest Bearing	250,000	272,103	-	3,268,888
State Investment Council	-	-	-	-
NMFA Cash Accounts	-	-	-	-
NMFA Investment Accounts**	-	-	-	-
Total	250,000	272,103	14,937,730	3,268,888
Reconciling items	-	-	(70,161)	-
Reconciled balance	$ 250,000	$ 272,103	$ 14,867,569	$ 3,268,888

***Accounts are U.S. Treasury MM Mutual Funds

Moreton Capital Markets	Pioneer Bank	Washington Federal Bank	Wells Fargo Bank	State Treasurer LGIP	NMFA Accounts	Totals
$ -	$ -	$ -	-	$ -	$ -	$ 13,277,542
-	-	-	-	-	-	21,341
-	-	-	-	-	-	595,915
-	-	-	-	-	-	996,402
-	-	-	-	-	-	46,530
-	-	-	207,653	-	-	207,653
-	-	-	828,968	-	-	828,968
-	-	-	1,001	-		1,001
5,406,424	-	-	-	-	-	5,406,424
29,902,982	-	-	-	-	-	29,902,982
8,640,358	-	-	-	-	-	8,640,358
-	272,970	1,397,824	-	-	-	5,461,785
-	-	-	-	5,600	-	5,600
-	-	-	-	-	611,731	611,731
-	-	-	-	-	1,106,470	1,106,470
43,949,764	272,970	1,397,824	1,037,622	5,600	1,718,201	67,110,702
-	-	-	-	-	-	(70,161)
$ 43,949,764	$ 272,970	$ 1,397,824	$ 1,037,622	$ 5,600	$ 1,718,201	67,040,541

Plus: petty cash	6,105
Less: restricted cash and cash equivalents per statement of net position	(1,529,703)
Less: cash and cash equivalents per statement of fiduciary net position	(11,109)
Less: investments per statement of net position	(46,172,774)
Less: restricted investments per statement of net position	(257,057)
Less: component unit cash and cash equivalents per statement of net position	(83,284)
Less: component unit investments per statement of net position	(3,117,877)
Less: component unit restricted investments per statement of net position	(975,911)
Cash and cash equivalents per statement of net position	$ 14,898,931

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Total
111	Cash - Unrestricted	$ 987,596	$ 595,915	$ 1,583,511
113	Cash - Other Restricted	-	21,341	21,341
114	Cash - Tenant Security Deposits	46,530	-	46,530
100	Total Cash	1,034,126	617,256	1,651,382
121	Accounts Receivable - PHA projects	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	17,419	-	17,419
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(9,037)	-	(9,037)
120	Total Receivables, Net of Allowance for Doubtful Accounts	8,382	-	8,382
131	Investments - Unrestricted	96,547	111,106	207,653
130	Total Investments	96,547	111,106	207,653
142	Prepaid Expenses and Other Assets	$ 29,511	$ -	$ 29,511
143	Inventories	13,793	-	13,793
143.1	Allowance for Obsolete Inventories	(1,379)	-	(1,379)
145	Assets Held for Sale	-	88,338	88,338
150	Total Current Assets	1,180,980	816,700	1,997,680
161	Land	1,324,708	-	1,324,708
162	Buildings	13,600,202	-	13,600,202
164	Furniture, Equipment & Machinery - Administration	267,655	3,735	271,390
166	Accumulated Depreciation	(11,759,441)	(3,735)	(11,763,176)
160	Total Capital Assets, Net of Accumulated Depreciation	3,660,774	-	3,660,774
180	Total Non-Current Assets	3,660,774	-	3,660,774
190	Total Assets	4,841,754	816,700	5,658,454
200	Deferred Outflows of Resources	214,679	4,871	219,550
290	Total Assets and Deferred Outflows of Resources	$ 5,056,433	$ 821,571	$ 5,878,004

(continued)

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Total
(Continued)				
312	Accounts Payable <= 90 Days	$ 57,105	$ 163	$ 57,268
321	Accrued Wage/Payroll Taxes Payable	21,651	766	22,417
322	Accrued Compensated Absences - Current Portion	31,512	1,929	33,441
341	Tenant Security Deposits	44,559	-	44,559
342	Deferred Revenues	35,299	-	35,299
346	Accrued Liabilities - Other	6,821	-	6,821
310	Total Current Liabilities	240,850	2,858	243,708
357	Accrued Pension and OPEB Liabilities	775,067	20,102	795,169
350	Total Non-Current Liabilities	775,067	20,102	795,169
300	Total Liabilities	1,015,917	22,960	1,038,877
400	Deferred Inflows of Resources	194,836	5,279	200,115
508.1	Net investment in capital assets	3,660,774	-	3,660,774
512.1	Unrestricted Net Position	184,906	793,332	978,238
513	Total Equity/Net Position	3,845,680	793,332	4,639,012
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	$ 5,056,433	$ 821,571	$ 5,878,004

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	$ 242,716	$ -	$ -	$ 242,716
70400	Tenant Revenue - Other	4,637	-	-	4,637
70500	Total Tenant Revenue	247,353	-	-	247,353
70600	HUD PHA Operating Grants	736,381	-	-	736,381
70610	Capital Grants	-	-	102,631	102,631
71100	Investment Income - Unrestricted	3,894	2,722	-	6,616
71500	Other Revenue	4,487	-	-	4,487
70000	Total Revenue	992,115	2,722	102,631	1,097,468
91100	Administrative Salaries	202,178	11,314	-	213,492
91200	Auditing Fees	9,000	1,000	-	10,000
91400	Advertising and Marketing	56	-	-	56
91500	Employee Benefit Contributions - Administrative	92,091	3,871	-	95,962
91600	Office Expenses	22,767	799	-	23,566
91800	Travel	-	-	-	-
91900	Other Operating - Administrative	90,128	511	-	90,639
91000	Total Operating - Administrative	416,220	17,495	-	433,715
93100	Water	4,586	188	-	4,774
93200	Electricity	11,078	141	-	11,219
93300	Gas	1,464	-	-	1,464
93600	Sewer	3,049	171	-	3,220
93800	Other Utilities Expense	60,329	-	-	60,329
93000	Total Utilities	80,506	500	-	81,006
94100	Ordinary Maintenance & Operation - Labor	134,650	-	-	134,650
94200	Ordinary Maintenance & Operation - Materials & Other	94,576	-	-	94,576
94300	Ordinary Maintenance & Operation Contracts	63,278	193	-	63,471
94500	Employee Benefit Contributions - Ordinary Maintenance	13,816	-	-	13,816
94000	Total Maintenance	306,320	193	-	306,513
96110	Property Insurance	50,682	-	-	50,682
96120	Liability Insurance	8,221	1,541	-	9,762
96130	Workmen's Compensation	17,825	621	-	18,446
96140	All Other Insurance	48,461	45	-	48,506
96100	Total Insurance Premiums	125,189	2,207	-	127,396

(continued)

State of New Mexico
City of Alamogordo
Financial Data Schedule
June 30, 2020

Line Item Number	Description	Low Rent Public Housing Program NM004000001 14.850	2. State/Local	Capital Fund Program 14.872	Total
(Continued)					
96210	Compensated Absences	38,136	1,552	-	39,688
96400	Bad Debt - Tenant Rents	3,644	-	-	3,644
96000	Total Other General	41,780	1,552	-	43,332
96900	Total Operating Expenses	970,015	21,947	-	991,962
97000	Excess Operating Revenue Over Operating Expenses	22,100	(19,225)	102,631	105,506
97400	Depreciation Expense	304,727	-	-	304,727
90000	Total Expenses	$ 1,274,742	$ 21,947	$ -	$ 1,296,689
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(282,627)	(19,225)	102,631	(199,221)
11030	Beginning Equity	4,025,676	812,557	-	4,838,233
11040-10	Prior Period Adjustments	-	-	-	-
11040-20	Equity Transfers	102,631	-	(102,631)	-
11040-30	Prior Year Voids	-	-	-	-
11040-40	Return of Funds to HUD	-	-	-	-
	Ending Equity (deficit)	$ 3,845,680	$ 793,332	$ -	$ 4,639,012
(Continued)					
11190	Unit Months Available	2,640	-	-	2,640
11210	Number of Unit Months Leased	2,295	-	-	2,295
11620	Building Purchases	$ 102,631	$ -		$ 102,631

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2020

	Joint Power Agreement	Participants	Responsible Party	Description
1	Dispatch Services (C-1)	City of Alamogordo Otero County Village of Tularosa	Otero County City of Alamogordo	Utilization of ambulance services as required with dispatch services.
2	Mutual aid contract for fire protection and rescue services (PERM 249)	Otero County Volunteer Fire Department City of Alamogordo	DPS (Dept. of Public Safety) Otero County Volunteer Fire Department	Mutual aid for both Volunteer fire departments in Otero County & City of Alamogordo.
3	Wildfire Suppression (C-1)	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo	Support wildland fire suppression and services outside the city boundaries, as needed.
4	Development of Scenic Drive for use of NMSU (D-1 projects)	City of Alamogordo Otero County NM State University	City of Alamogordo	Agreement for the use of approx. 23 acres for development, equipment, maintenance & facilities.
5	Issue business licenses through the City of Alamogordo	City of Alamogordo NM Taxation & Revenue	City of Alamogordo	The city issues business licenses to businesses operating within the City limits and NM Tax & Rev enables the City to register & assign taxpayer ID numbers.
6	40 Year Water Study (A-4)	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County	This 40 year water plan is done in consideration for the population/water demand and supply available for the future with the recommendations.
7	Affordable housing for low to moderate income (PERM 246)	NM State Housing City of Alamogordo	City of Alamogordo	Disbursement of state affordable housing program funds and/or home investment partnerships program funds.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
8/19/2010-Indefinite	$ 185,237.90	$118,644.87 or 64.05%	Otero County	Otero County
1/14/1986-Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County	City of Alamogordo Otero County
8/30/2010-Indefinite	As budgeted per each department	As budgeted per each department	State of NM Forestry Division City of Alamogordo	State of NM Forestry Division City of Alamogordo
12/17/1985-12/17/2035	N/A	N/A	City of Alamogordo	City of Alamogordo
8/9/1996-Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo
6/19/1987-6/19/2027	As budgeted per each department	As budgeted per each department	City of Alamogordo Village of Tularosa Otero County Lincoln County	City of Alamogordo Village of Tularosa Otero County Lincoln County
5/8/1995-Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo	City of Alamogordo

(continued)

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2020

	Joint Power Agreement	Participants	Responsible Party	Description
8	Solid Waste (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	Disposal and maintenance of solid waste as required.
9	Regional Landfill "Otero County Solid Waste Authority" & "Lincoln County Solid Waste Authority" (C-1)	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	Operation of the landfill as is required for the purpose of the environmental services and solid waste disposal.
10	Operation of the Otero/Greentree Landfill and Greenhouse Gas Reporting Service	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)	City of Alamogordo and Otero/Lincoln County Regional Landfill (now known as the Otero/Greentree Landfill)
11	AFSCME - Collective Bargaining Unit	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Personnel Policy
12	AFSCME - Wages and Recreational Facilities Benefits	City of Alamogordo and AFSCME Local 3818	City of Alamogordo	Employee Increases and Compensation Benefits

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
6/2/1995- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft
9/30/1993- Indefinite	As budgeted per each department	As budgeted per each department	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona	City of Alamogordo Otero County Village of Tularosa Village of Cloudcroft Lincoln County Village of Ruidoso Village of Ruidoso Downs Town of Carrizozo Village of Capitan Village of Corona
6/5/2019- 12/31/2020	Lump sum of $8,000 for Landfill and lump sum of $4,500 for the Greenhouse Gas Service.		City of Alamogordo	City of Alamogordo
9/13/2016 - 6/30/2020	N/A	N/A	City of Alamogordo	City of Alamogordo
9/14/2016 - 6/30/2020	Specific Appropriation for wages and benefits by the governing body and the availability of funds	N/A	City of Alamogordo	City of Alamogordo

(continued)

State of New Mexico
City of Alamogordo
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2020

	Joint Power Agreement	Participants	Responsible Party	Description
13	APSOA - Collectively Bargaining Unit	Alamogordo Public Safety Officers Association and City of Alamogordo	City of Alamogordo	Employee Personnel Policy
14	JPA - Reciprocal use of land, facilities & equipment	City of Alamogordo & Alamogordo Municipal School District	City of Alamogordo & Alamogordo Municipal School District	Cooperative agreement for both parties for use of land, facilities and equipment. Also includes terms for schools purchasing of effluent water.

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Party	Amount contributed By City During Current Fiscal Year	Audit Responsibility	Fiscal Agent and Responsible Reporting Entity
9/15/2016 - 6/30/2020	N/A	N/A	City of Alamogordo	City of Alamogordo
School Year 2019-2020	$1.20 per 100 cubic feet of water $52 per hour pool usage $19 per hour lifeguard	No fees - reciprocal use.	City of Alamogordo	City of Alamogordo

State of New Mexico
City of Alamogordo
Schedule of Revenue and Expenses - Aging Programs
For the Year Ended June 30, 2020

	Congregate Meals (8023)	Home Delivered Meals (8024)	Transportation (8025)
Revenues and other support			
Contributions	$ -	$ -	$ -
Governmental grants and contracts:			
NCNMEDD - Non Metro AAA	-	-	-
Title IIIB	-	-	30,692
Title IIIC-1	104,308	-	-
Title IIIC-2	-	30,946	-
State funds - program	69,686	106,479	38,154
Other grants and contracts:			
Otero County	-	-	-
United Way	-	-	-
Local match (transfer from City)	163,312	155,561	73,762
Program service revenue	-	-	-
Miscellaneous	-	-	-
Total revenue and other support	337,306	292,986	142,608
Expenses			
Program services	416,725	396,946	188,219
Total expenses	416,725	396,946	188,219
Excess (deficiency) of revenue over expenses	$ (79,419)	$ (103,960)	$ (45,611)
Units provided	49,523	36,938	9,351

Homemaker (8026)	Total	Physical Fitness/Other	Total
$ -	$ -	$ 112,387	$ 112,387
-	-	21,640	21,640
-	30,692	-	30,692
-	104,308	-	104,308
-	30,946	21,096	52,042
-	214,319	140,693	355,012
-	-	54,550	54,550
-	-	10,241	10,241
3,953	396,588	111,003	507,591
-	-	17,432	17,432
-	-	4,221	4,221
3,953	776,853	493,263	1,270,116
10,087	1,011,977	283,248	1,295,225
10,087	1,011,977	283,248	1,295,225
$ (6,134)	$ (235,124)	$ 210,015	$ (25,109)
-	95,812	19,453	115,265

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Compliance Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
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Albuquerque, NM 87110

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(505) 884-6719 (fax)
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund with a legally adopted annual budget of the City of Alamogordo, New Mexico (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We also have audited the financial statements of the City's discretely presented component unit presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2020, as listed in the table of contents. and have issued our report thereon dated December 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards.*

We noted certain matters that are required to be reported pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs under Section 12-6-5 NMSA 1978 as items 2020-001 and 2020-002.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 14, 2020

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CPAs and Advisors

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REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

Brian S. Colón, Esq.
New Mexico State Auditor and
The Office of Management and Budget
To the City Commission
City of Alamogordo
Alamogordo, New Mexico

Report on Compliance for the Major Federal Program

We have audited the City of Alamogordo's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 14, 2020

State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
U.S. Department of Housing and Urban Development	
Public and Indian Housing	FW-5436
Public Housing Capital Fund	FW-5436
Total U.S. Department of Housing and Urban Development	
U.S. Department of Justice Bureau of Justice Assistance	
Edward Byrne Memorial Justice Assistance Grant Program:	
Bulletproof Vests	8041495
Total U.S. Department of Justice Bureau of Justice Assistance	
U.S. Department of Transportation	
Passed through the New Mexico Department of Transportation	
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
ENDDWI	19-AL-64-001
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated	
Subtotal - Pass through New Mexico Department of Transportation	
Total U.S. Department of Transportation	
U.S. Department of Health and Human Services	
Passed through the North Central New Mexico Economic District Non-Metro Area Agency	
Aging Cluster	
Special Programs for the Aging: Title III Part B - Supportive Services & Senior Centers	2019-20-64012
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-2064012FFRCA
COVID-19 - Special Programs for the Aging: Title III Part B - Supportive Services & Senior Center	2019-2064012CARES
Special Programs for the Aging: Title III Part C-I - Nutrition Services	2019-20-64012
Special Programs for the Aging: Title III- Part C-II - Nutrition Services Home Delivered	2019-20-64012
Nutrition Services Incentive Program (NSIP)	2019-20-64012
Subtotal Aging Cluster	
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	2019-20-64012
Subtotal - Pass through North Central New Mexico Economic District	
Total U.S. Department of Health and Human Services	

See accompanying notes to schedule of expenditures of federal awards.

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.850	$ 736,381		$ -	$ -
14.872	149,598		-	-
	885,979		-	-
16.738	2,559		-	-
	2,559		-	-
20.608	1,278		-	-
		1,278	-	-
	1,278		-	-
	1,278			
93.044	33,876		-	-
93.044	25,756		-	-
93.044	26,923		-	-
93.045	58,885		-	-
93.045	18,929		-	-
93.053	53,607		-	-
		217,976	-	-
93.043	20,297			
	238,273		-	-
	238,273		-	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
Corporation for National Community Service	
Passed through the New Mexico Aging & Long Term Services Department	
Retired and Senior Volunteer Program	19-624-4000-00014
Total Corporation for National Community Service	
Office of the National Drug Control Policy	
Passed through County of Lea	
High Intensity Drug Trafficking Areas Program	G18SN0017A
Total Office of the National Drug Control Policy	
U.S. Department of Homeland Security	
Passed through the New Mexico Department of Homeland Security and Emergency Management	
Disaster Grants - Public Assistance	FEMA-4079-001
Hazard Mitigation Grant	PDMC-PL-06-NM-2012
Total U.S. Department of Homeland Security	
United States Army Corps of Engineers	
Griggs Field Detention Basin -USACE	Cost Share Agreement
Total United States Army Corps of Engineers	
Total Federal Financial Assistance	

See accompanying notes to schedule of expenditures of federal awards.

Federal CFDA Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
94.002	$ 47,808		$ -	$ -
	47,808		-	-
95.001	18,549		-	-
	18,549		-	-
97.036	6,802,910		-	-
97.039	142		-	-
	6,803,052		-	-
12.U01	74,418		-	-
	74,418		-	-
	$ 8,071,916		$ -	$ -

See accompanying notes to schedule of expenditures of federal awards.

State of New Mexico
City of Alamogordo
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the City of Alamogordo. (The "City") and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, our used in the preparation of, the financial statements.

2. Loans

The City did not expend federal awards related to loans or loan guarantees during the year.

3. 10% de minimus Indirect Cost Rate

The City did not elect to use the allowed 10% indirect cost rate.

4. Federally Funded Insurance

The City has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per schedule of expenditures of federal awards	$ 8,115,324
Total expenditures funded by other sources	39,873,056
Total expenditures	$ 47,988,380

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued — Unmodified

2. Internal control over financial reporting:

   a. Material weaknesses identified? — None noted

   b. Significant deficiencies identified not considered to be material weaknesses? — None noted

   c. Noncompliance material to the financial statements? — None Noted

Federal Awards:

1. Type of auditors' report issued on compliance for major programs — Unmodified

2. Internal control over major programs:

   a. Material weaknesses identified? — None Noted

   b. Significant deficiencies identified not considered to be material weaknesses? — None noted

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? — No

4. Identification of major programs:

CFDA Number	Federal Program
97.036	Disaster Grant – Public Assistance

5. Dollar threshold used to distinguish between type A and type B programs: — $750,000

6. Auditee qualified as low-risk auditee? — No

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III —SECTION 12-6-5 NMSA 1978 FINDINGS

2020-001 — Travel and Per Diem (Other Matter)

Condition: Within six travel transactions tested, there was one transaction where the traveler changed their lodging plans without informing the City. As a result, the City paid for a night of lodging in the amount of $70.48 which was not utilized by the traveler.

Criteria: Model accounting policies recommend that the City only expend money for goods and services received.

Effect: The City paid for an unnecessary night of lodging in the amount of $70.48.

Cause: The traveler opted not to stay at the lodging on the original travel request. The City had no policy in place to ensure that the traveler either followed the travel request or updated their plan.

Auditors' Recommendation: CRI recommend that the City amend their travel policy to ensure that travelers update their travel request and amend/cancel reservations to avoid the unnecessary payment of funds.

Views of Responsible Officials and Planned Corrective Action: The City acknowledges that this type of situation is not addressed in the current travel policy. The City Finance Director will look to recommend changes to the City's travel policy to include measures that will ensure travelers update their itineraries in a timely fashion. Changes will be recommended by June 30, 2021.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020

SECTION III —SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)

2020-002 — Internal Controls over Reconciliation of the SEFA (Other Matter)

Condition: The City's process for reconciling the year-end SEFA to the trial balance resulted in an overstatement of Federal expenditures of $43,408.46. This amount represents excess costs for a Federal program that was paid from City funds.

Criteria: 2 CFR 200.510, 2 CFR 200.502, and 2 CFR 200.303 require that the SEFA include only expenditures from federal sources.

Effect: The year-end SEFA was incorrect and listed expenditures paid by the City totaling $43.408.46 as federal expenditures.

Cause: The City manages a large number of Federal awards that require significant time and attention. As each award must be monitored for activity to be shown on the SEFA, it can be difficult to properly identify the matching amounts and allocations for each one and record that information in a manageable way.

Auditors' Recommendation: CRI recommends that each program director receive training on how this information should be accounted for and how to best communicate that information to the Grant Manager. The SEFA should then be fully reconciled to the trial balance on a monthly or quarterly basis to ensure that the yearend reconciliation contains all necessary information.

Views of Responsible Officials and Planned Corrective Action: The City is continuously looking for ways to improve its oversight and reporting capabilities. The complexity of this award has been a challenge for all City staff who have worked on it. The Finance Director will investigate what situations led to this difference and work with City staff to improve the reconciliation and SEFA process.

State of New Mexico
City of Alamogordo
Schedule of Findings and Questioned Costs
June 30, 2020

SECTION IV – FEDERAL AWARD FINDINGS

None noted

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

FS 2019-001 — Internal Controls over Recognition of Construction in Progress (Material Weakness) - Resolved
FS 2019-002 — Internal Controls over Utility Billings Cancelled Bills (Significant Deficiency) – Resolved
FS 2019-003 — Internal Controls over Reconciliation of the SEFA (Significant Deficiency) – Resolved
NM 2017-001 Travel and Per Diem – Resolved
NM 2018-006 Internal Controls and Lien Policy on Delinquent Utility Accounts – Resolved
NM 2019-001 — Travel and Per Diem Policy (Other noncompliance) – Resolved
NM 2019-002 — Reconciliation of Quarterly Reports. (Other noncompliance) – Resolved
NM 2019-003 — Exceeded Budgetary Authority. (Other noncompliance) – Resolved

State of New Mexico
City of Alamogordo
Other Disclosures
June 30, 2020

EXIT CONFERENCE

An exit conference was held on December 14, 2020. In attendance were the following:

Representing the City of Alamogordo:

Richard Boss	Mayor
Brian Cesar	City Manager*
Stephanie Hernandez	Assistant City Manager
Evelyn Huff	Finance Director
Sue Ashe	Accounting Manager
Petria Bengoechea	City Attorney

Representing Carr, Riggs & Ingram, LLC:

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Benjamin A. Martinez, CPA	Senior Manager

*The City Manager is on the Board of the Component Unit Otero Greentree Regional Landfill and represented the component unit at the exit conference.

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs, & Ingram LLC prepared the GAAP-basis financial statements and footnotes of the City of Alamogordo from the original books and records provided to them by the management of the City. The responsibility for the financial statements remains with the City.

BRIAN S. COLÓN, ESQ.
STATE AUDITOR

NATALIE CORDOVA, CPA
DEPUTY STATE AUDITOR

State of New Mexico
Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

Via: Email

3/22/2021

SAO Ref No. F0063

Diana White-Messing, Accounting Manager
dwhite@ci.alamogordo.nm.us
City of Alamogordo

Re: Authorization to Release 2020 City of Alamogordo Audit Report

The Office of the State Auditor (OSA) received the audit report for your agency on 12/15/2020. The OSA has completed the review of the audit report required by Section 12-6-14(B) NMSA 1978 and any applicable provisions of the Audit Rule. This letter is your authorization to make the final payment to the Independent Public Accountant (IPA) who contracted with your agency to perform the financial and compliance audit. In accordance with the audit contract, the IPA is required to deliver to the agency the number of copies of the report specified in the contract.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become a public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the OSA. Once the five-day period has expired, or upon the OSA's receipt of a written waiver:

- the OSA will send the report to the Department of Finance and Administration, the Legislative Finance Committee and other relevant oversight agencies;
- the OSA will post the report on its public website; and
- the agency and the IPA shall arrange for the IPA to present the report to the governing authority of the agency, per the Audit Rule, at a meeting held in accordance with the Open Meetings Act, if applicable.

The IPA's findings and comments are included in the audit report on page 198-200. It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.

Sincerely,

Brian S. Colón, Esq.
State Auditor

cc. Carr, Riggs & Ingram, LLC

2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507
Phone (505) 476-3800 * Fax (505) 827-3512
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RESOLUTION No. 2021-15

A RESOLUTION REQUESTING ACCEPTANCE AND APPROVAL OF THE FY20 AUDIT

WHEREAS, the City of Alamogordo, New Mexico is required by statute to contract with an independent auditor to perform the required annual audit or agreed upon procedures for Fiscal Year 2020; and,

WHEREAS, the City of Alamogordo Governing Body has directed the accomplishment of the audit for FY20 be completed; and,

WHEREAS, this audit has been completed and presented to the City of Alamogordo Governing Body per the March 22, 2021 Letter from the State Auditor authorizing release of the FY20 audit.

WHEREAS, NMAC 2.2.2.10 (M) (4) provides in pertinent part that "Once the audit report is officially released to the agency by the state auditor (by a release letter) and the required waiting period of five calendar days has passed, unless waived by the agency in writing, the audit report shall be presented by the IPA, to a quorum of the governing authority of the agency at a meeting held in accordance with the Open Meetings Act, if applicable;" and,

NOW THEREFORE, BE IT RESOLVED THAT THE GOVERNING BODY OF THE CITY OF ALAMOGORDO, NEW MEXICO, does hereby accept and approve the completed audit report and findings as indicated within this document.

ACCEPTED AND APPROVED by the Governing Body of the City of Alamogordo, New Mexico, at a Regular Meeting held this 11th day of May 2021.

CITY OF ALAMOGORDO, NEW MEXICO
A NEW MEXICO MUNICIPAL CORPORATION

By:______________________________________
Richard Boss, Mayor

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Schreiber, City Attorney

City of Alamogordo

CITY COMMISSION PRESENTATION

MAY 11, 2021

CRI CARR RIGGS & INGRAM CPAs and Advisors

Agenda

- Audit Timeline
- Auditors' Reports
- Financial Statement Highlights
- Single Audit Highlights
- Other Matters
- New and Upcoming Standards
- Value-Added Suggestions

Timeline of the Audit

Date of Engagement Letter	**July 7, 2020**
Planning	**July 2020 – August 2020**
Fieldwork	**Weeks of August 31 and October 19, 2020**
Delivered Financial Statement Findings	**December 11, 2020**
Exit Conference Presentation	**December 14, 2020**
Independent Auditors' Report	**December 14, 2020**
Released from State Auditor's Office	**March 27, 2021**

Auditors' Reports

Independent Auditors' Reports

Opinion on the Financial Statements of the City:

- **Unmodified – Best opinion available**
  - Financial Statements are presented fairly in accordance with accounting principles generally accepted in the United States of America.
  - No audit areas where an opinion could not be rendered.

Other Auditors' Report

GAGAS Reports on *Internal Control Over Financial Reporting* and on *Compliance and Other Matters*

- 2 NMSA findings
- Negative Assurance

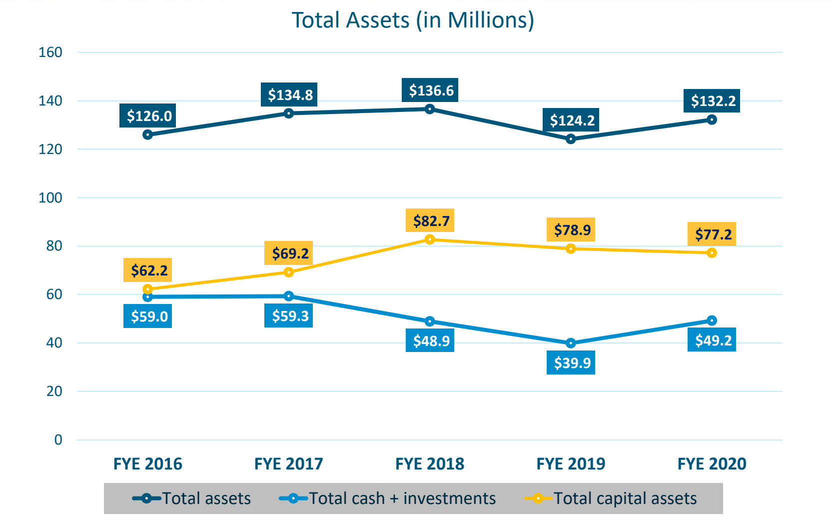
Report on Compliance with Requirements that Could Have a *Direct and Material effect on the Major Federal Program and on Internal Control over Compliance* in Accordance with OMB Uniform Grant Guidance

- 97036 Disaster Grants – Public Assistance
- Unmodified Opinion
- No Findings noted

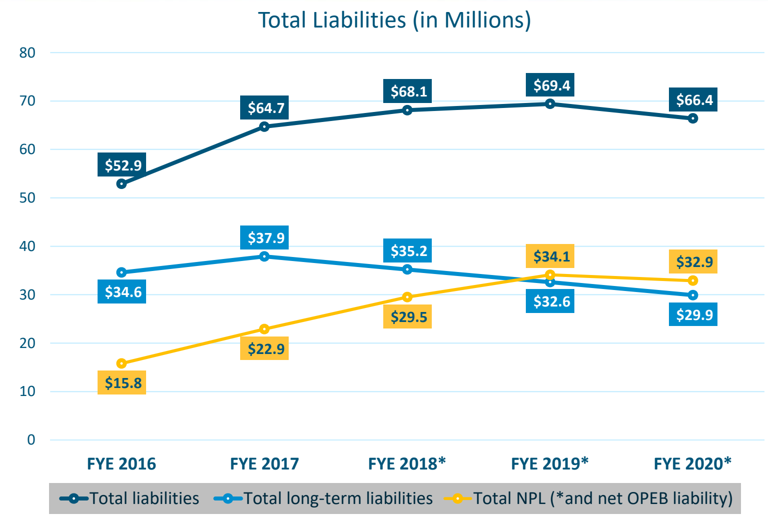
Statement of Net Position – Governmental Activities

- City's balance sheet
  - Assets
    - 5 year trend – shows a steady increase over time for capital assets with decreases in cash and investments in years 2018 and 2019 followed by an increase in cash and investments in 2020.
  - Liabilities
    - 5 year trend – increases closely follows the value of NPL and OPEB liability. The City's debt issued has consistently decreased over the period.
  - Net Position
    - 5 year trend – Shows a decrease over the five year trend and in 2020 as a result of depreciation on capital assets and increasing NPL and OPEB liabilities.

Statement of Net Position – Governmental Activities



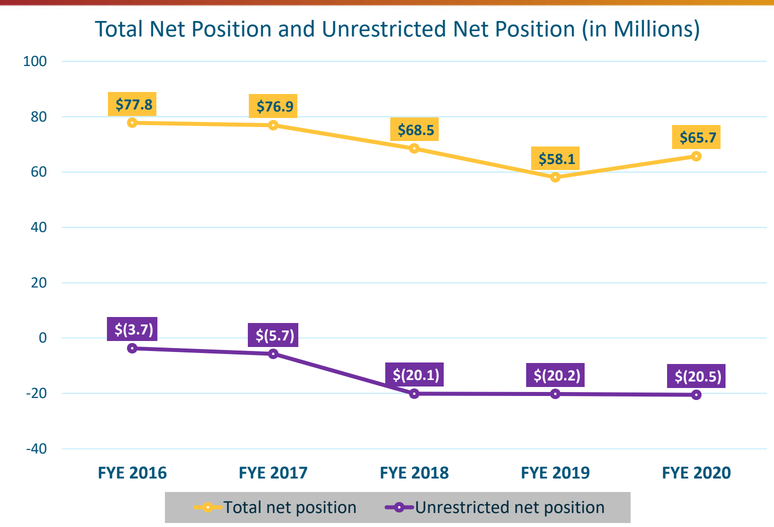
Statement of Net Position – Governmental Activities



CARR, RIGGS & INGRAM, LLC 7

*GASB 75 implementation in 2018 for Net OPEB Liability

Statement of Net Position – Governmental Activities

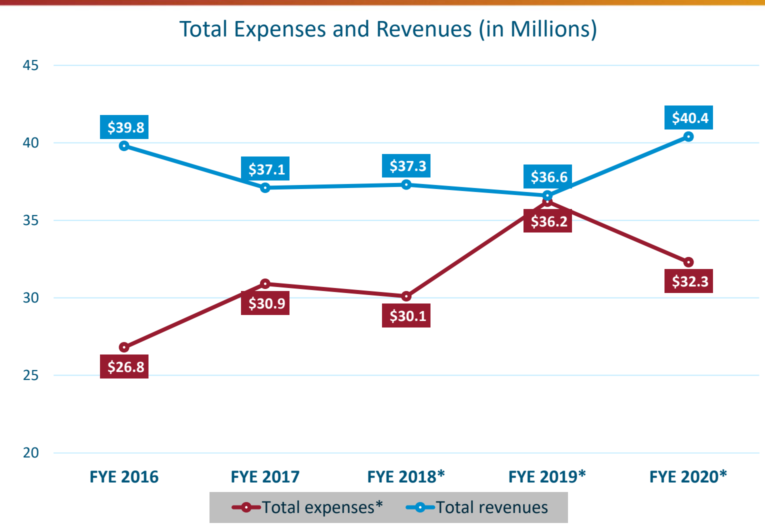


CARR, RIGGS & INGRAM, LLC 8

Statement of Activities – Governmental Activities

- City income statement
  - Revenues
    - 5 year trend – revenues decreased in years FY 2017-2019 of the trend, and have rebounded to FY 2016 levels due primarily to increases in gross receipts and property taxes.
  - Expenses
    - Over the 5 year trend, increasing expenses were seen through FY 2019, with a reduction noted in 2020.

Statement of Activities – Governmental Activities

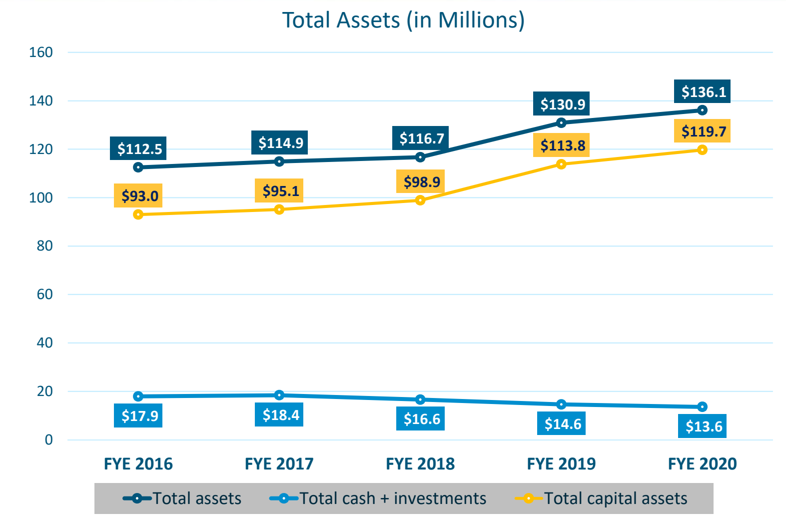


*GASB 75 implementation in 2018 for Net OPEB Liability

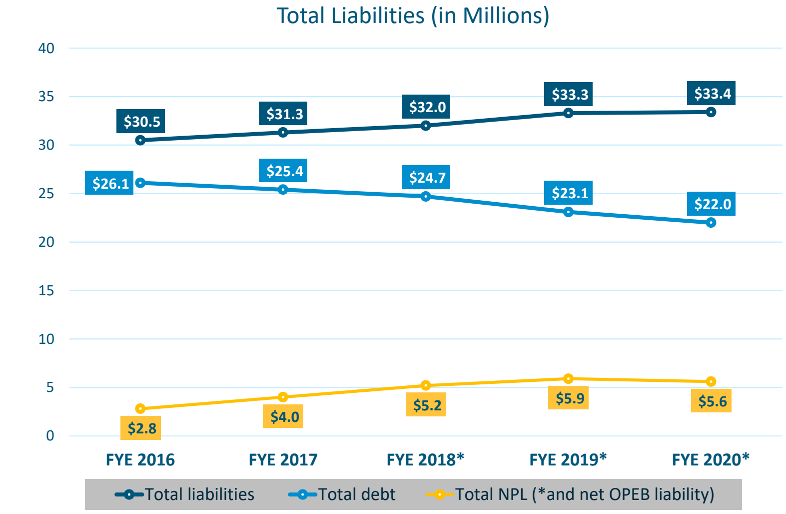
Statement of Net Position – Business-type Activities

- City balance sheet
  - Assets
    - 5 year trend – Steady increase over time due to capital projects in process in the Joint Utility Fund.
  - Liabilities
    - 5 year trend – closely follows the NPL and Net OPEB Liability. City related debt is decreasing over the period as payments are made.
  - Net Position
    - 5 year trend – consistent increase due to additions to capital assets each year.
    - The majority of the City's net position in Business-type activities is the net investment in capital assets.

Statement of Net Position – Business-type Activities



Statement of Net Position – Business-type Activities



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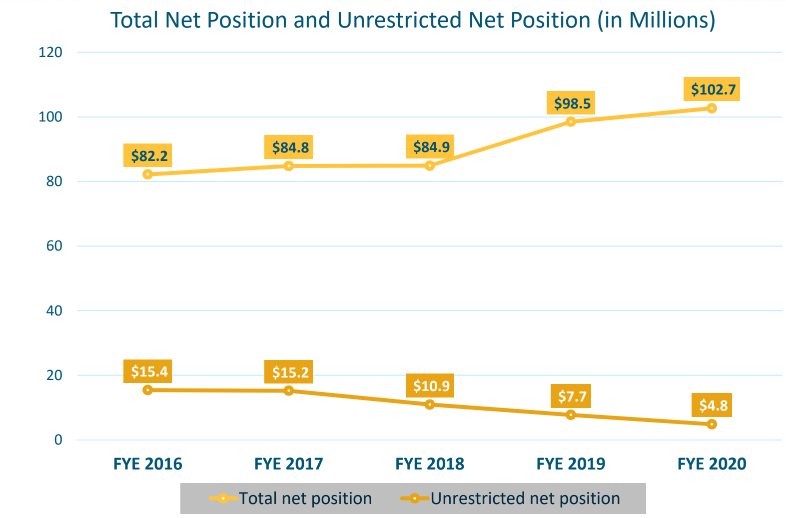
*GASB 75 implementation in 2018 for Net OPEB Liability

Statement of Net Position – Business-type Activities



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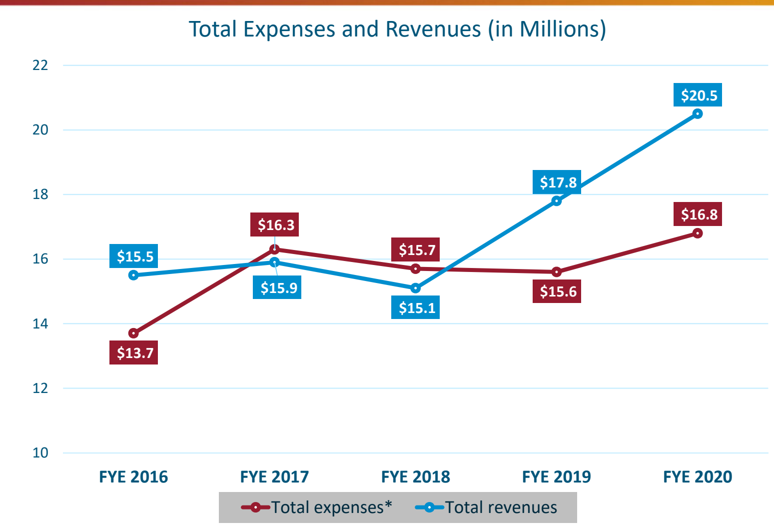
Statement of Activities – Business-type Activities

- City income statement
  - Revenue and Support
    - Charges for service revenues have stayed consistent over the 5 year trend.
    - Capital grants revenues have shown an increasing trend over the 5 year period.
  - Expenses
    - Mostly consistent over the 5 year trend, after an increase from FY 2016 to 2017.

Statement of Activities – Business-type Activities

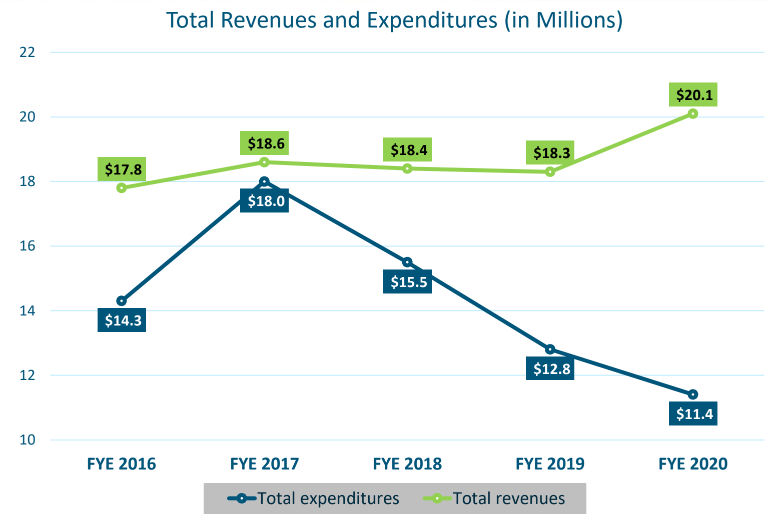


*GASB 75 implementation in 2018 for Net OPEB Liability

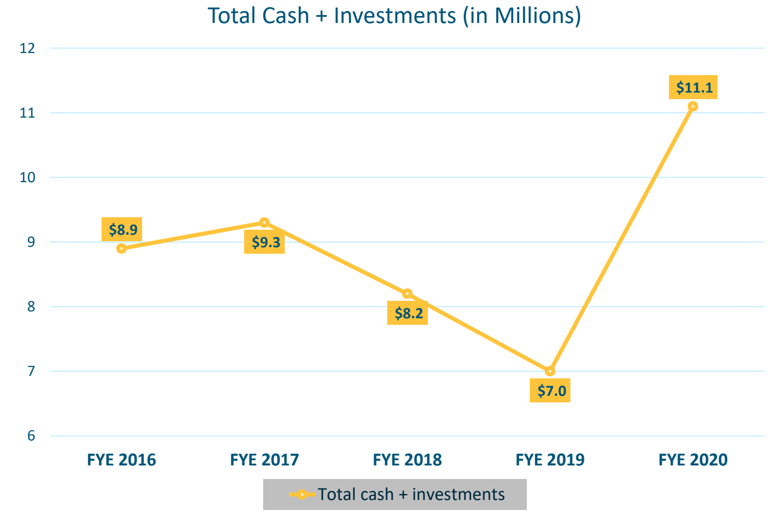
General Fund – City

- City's main operating fund
  - Revenues
    - Consistent over 5 year period, with an increase in 2020 due to Gross Receipts tax ($2.3 M) and property tax ($174 K).
  - Expenditures
    - Decreasing after a peak in FY 2017 as the City has implemented budget reductions in years following the peak.
  - Cash
    - Steady decrease over the FY 2016-2019 and increased in the current year due to increases in revenue and budget reductions of expenditures.

General Fund – City



General Fund – City



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Single Audit Highlights

Unmodified Opinion

Major Program: Disaster Grants – Public Assistance

CFDA 97.036

- Direct and Material Compliance Requirements Tested
  - A – Activities Allowed or Unallowed
  - B – Allowable Costs/Costs Principles
  - G – Matching
  - H – Period of Performance
  - L – Reporting
  - N – Special Tests and Provisions – Project Accounting
- No findings noted

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Auditor Responsibility

Our Responsibility under U.S. & *Government Auditing Standards*

- Form and express an opinion about whether the financial statements prepared by management are fairly presented in conformity with U.S. GAAP.
- Obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement.
- Consideration of internal controls for the purpose of determining and designing our audit procedures.
- Communicate significant matters related to the financial statement audit.

Management's Responsibility

- Management, with oversight from those charged with governance, is responsible for:
  - establishing and maintaining internal controls, including monitoring ongoing activities
  - for the selection and application of accounting principles
  - for the fair presentation in the financial statements of financial position and results of operations in conformity with the applicable framework.
- Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.
- The governing board (Mayor Boss) participated in the entrance conference, exit conference, and were sent the communications required by audit standards.

Findings

Travel and Per Diem
- **Control Number:** 2020-001
- **Rating: NMSA (**Other Matter)

Calculation of SEFA Amounts
- **Control Number:** 2020-002
- **Rating:** NMSA (Other Matter)

Resolved 8 findings from prior year

Included on pages 198-199 of financial statements. Discussed in detail at the exit conference.

Note Regarding New Standard Implementation

- **GASB issued Statement No. 95** In May 2020, GASB issued this statement to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later were postponed. The effective dates for all statements further mentioned take into account the immediate implementation of GASB Statement No. 95

"Early" Implemented Standards

- The City "early" implemented **GASB Statement No. 84**, during FY 2020.
  - This statement changed the presentation requirements for Fiduciary Activities, such as the City's agency funds.
  - Implementation of this standard required a prior period restatement as noted on the statement of fiduciary net position in the amount of $12,751 in net position at the beginning of the fiscal year.

Upcoming Standards

- **GASB Statement No. 87,** is effective for period beginning after June 15, 2021 and will apply to the City's 2022 fiscal year.
  - Under this Statement, a lessee is required to recognize lease liability and an intangible right-to-use lease asset.
  - City is planning on "early implementing" for FYE 2021.
- **GASB Statement No. 96,** is effective for fiscal years starting after June 15, 2022 and will apply to the City's 2023 fiscal year.
  - The requirements will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

Value-Added Suggestions

- **Information Technology Services**
  - CRI has the ability within our Florida IT group to assess and test the IT Environment and Cybersecurity to help the City adapt to the changing IT landscape.
- **GASB 87 Implementation**
  - CRI can assist with the implementation of GASB 87, such as assisting in the creation of relevant policies, creating templates and calculation worksheets, and evaluation of leases.
- **Training**
  - CRI can provide training to the City over grant management. We could also provide services which could assist the City in the grant administrative duties to ensure compliance with state and federal grants.

Concluding Comments

- The Finance Director, Senior Accountant, and Finance Staff of the City; and all the City team members were very helpful and great to work with.
- Thank you for the opportunity to serve the City of Alamogordo.
- We value our relationship and hope to continue to build on it.

- TODAY'S PRESENTERS -

Alan D. "A.J." Bowers, Jr., CPA, CITP
Partner
abowers@CRIcpa.com

Albuquerque, NM
505.883.2727

CRI CARR RIGGS & INGRAM
CPAs and Advisors

CRIcpa.com

THANK YOU!

CRI CARR RIGGS & INGRAM
CPAs and Advisors

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/6/2021 **Report No:** 6.

Submitted By: Evelyn Huff

Subject: Consider, and act upon, Resolution No. 2021-16 requesting interim approval from the Local Government Division of the Department of Finance & Administration, State of New Mexico, to adopt the Preliminary 2021-2022 Budget as of May 11, 2021. *(Evelyn Huff, Finance Director)* **(Roll Call Vote Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact: Beginning Cash Balances $36,903,868
Revenues $48,490,745
Expenditures $51,602,450
Transfers In/Out $0
Net Impact $33,792,164

Recommendation: Approve the Resolution.

Background: The City is required to hold a public hearing on the budget before adopting the preliminary budget for the new fiscal year (2021-2022).

The preliminary budget is due to the Department of Finance and Administration (DFA) by June 1, 2021, and DFA is required to send the City's its interim approval of the preliminary budget prior to July 1, 2021.

The final budget will come before the City Commission at a meeting on July 27, 2021 and will include the true carry over fund balances and any other adjustments required. The final budget is due to the DFA by July 30, 2021. The DFA usually send the approval of the final budget for the fiscal year no later than September 1.

The City Commission held budget public hearings May 4, 2021 via a virtual platform and no adjustments were made to the preliminary budget as a result of the hearings.

STATE OF NEW MEXICO
CITY OF ALAMOGORDO, NEW MEXICO
RESOLUTION NO. 2021-16
2021-2022 ANNUAL BUDGET ADOPTION
(110th FISCAL YEAR)

WHEREAS, the governing body of the City of Alamogordo, New Mexico, a New Mexico Municipal Corporation (hereinafter referred to as the "City"), has developed a preliminary Annual Budget for the fiscal year 2021-2022; and,

WHEREAS, the Preliminary Annual Budget was developed on the basis of need and through cooperation with all user departments, elected officials, and other department supervisors; and,

WHEREAS, the official Notice of Meeting for the review of the Annual Budget was duly posted on April 20, 2021 in compliance with the City of Alamogordo Open Meetings Act Resolution; and

WHEREAS, it is the majority opinion of the governing body of the City that the Annual Budget meets the requirements as currently determined for fiscal year 2021 - 2022.

WHEREAS, the Department of Finance and Administration, State of New Mexico, is requested to give its interim approval to the City of Alamogordo, New Mexico's annual budget for fiscal year 2021 - 2022.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the City of Alamogordo, New Mexico, hereby adopts the attached Annual Preliminary Budget and respectfully requests approval of these documents from the Local Government Division of the Department of Finance and Administration.

PASSED, APPROVED AND ADOPTED this 11th day of May, 2021.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By:__________________________________
Richard Boss, Mayor

____
Mayor Pro-Tem Nadia Sikes

____
Commissioner Sharon McDonald

Commissioner Jason Baldwin

Commissioner Dusty Wright

Commissioner Susan Payne

Commissioner Josh Rardin

(SEAL)

Rachel Hughs, City Clerk

REVIEWED FOR LEGAL SUFFICIENCY:

Petria Bengoechea, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/6/2021 **Report No:** 7.

Submitted By: Joshua Rardin

Subject: Consider, and act upon, funding $30,000 for fireworks display for July 4th of 2021 and provide direction to staff on how Commission wants to proceed for future years in the MOU. *(Josh Rardin, Commissioner)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation:

Background:

TITLE 1 GENERAL GOVERNMENT ADMINISTRATION
CHAPTER 4 STATE PROCUREMENT
PART 1 PROCUREMENT CODE REGULATIONS

1.4.1.1 ISSUING AGENCY: General Services Department - State Purchasing Division.
[1.4.1.1 NMAC - Rp, 1.4.1.1 NMAC, 8/30/2013]

1.4.1.2 SCOPE: All executive branch state agencies.

A. Except as otherwise provided in the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, the code applies to every expenditure by state agencies and local public bodies for the procurement of items of tangible personal property, services and construction.

B. General. Except as otherwise provided in this section, this rule applies to every agency and to every transaction to which the Procurement Code applies except the following:

(1) procurement of highway construction or reconstruction by the state highway and transportation department;

(2) procurement by the judicial branch of state government;

(3) procurement by the legislative branch of state government;

(4) procurement by the boards of regents of state educational institutions named in Article 12 Section 11 of the constitution of New Mexico;

(5) procurement by the state fair commission of tangible personal property, services and construction under twenty thousand dollars ($20,000);

(6) purchases from the instructional material fund;

(7) procurement by all local public bodies;

(8) procurement by regional education cooperatives;

(9) procurement by charter schools;

(10) procurement by each state health care institution that provides direct patient care and that is, or a part of which is, medicaid certified and participating in the New Mexico medicaid program; and

(11) procurement by the public school facilities authority.

[1.4.1.2 NMAC - Rp, 1.4.1.2 NMAC, 8/30/2013]

1.4.1.3 STATUTORY AUTHORITY: NMSA 1978, 9-17-5, Laws of 1983, Chapter 301, Section 5; and 13-1-95, Laws of 1984, Chapter 65, Section 68 (Repl. Pamp. 1997). Subject to the authority of the secretary of the general services department, Section 13-1-95 NMSA 1978 designates the state purchasing agent as both the administrator and chief executive of the state purchasing division. The cite further designates the state purchasing agent and purchasing division shall be responsible for the procurement of items of tangible personal property, services and construction for all state agencies except as otherwise provided in the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, and shall administer the code for those state agencies not excluded from the requirement of procurement through the state purchasing agent. Among the statutory duties and responsibilities afforded the state purchasing agent is to recommend procurement regulations to the secretary of the general services department.
[1.4.1.3 NMAC - Rp, 1.4.1.3 NMAC, 8/30/2013]

1.4.1.4 DURATION: Permanent.
[1.4.1.4 NMAC - Rp, 1.4.1.4 NMAC, 8/30/2013]

1.4.1.5 EFFECTIVE DATE: August 30, 2013, unless a later date is cited at the end of a section.
[1.4.1.5 NMAC - Rp, 1.4.1.5 NMAC, 8/30/2013]

1.4.1.6 OBJECTIVE: Section 13-1-29 C NMSA 1978 states that, the purposes of the Procurement Code are to provide for the fair and equal treatment of all persons involved in public procurement, to maximize the purchasing value of public funds and to provide safeguards for maintaining a procurement system of quality and integrity. The objective of this rule is to have the force and effect of law to implement, interpret or make statute specific as it applies to the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978 and the purposes stated therein.
[1.4.1.6 NMAC - Rp, 1.4.1.6 NMAC, 8/30/2013]

1.4.1.7 DEFINITIONS:

A. Most of the terms which appear in this rule are defined in the Procurement Code.

B. In these rules and regulations the following definitions apply.

(1) "Anti-poverty program businesses" means small businesses, cooperatives, community self-determination corporations or other such enterprises designed and operated to alleviate poverty conditions and aided by state or federal antipoverty programs or through private philanthropy.

(2) "Best obtainable price" means that price at which services or goods can be purchased which is most advantageous to the purchasing entity; best obtainable price can be found by obtaining quotes or other appropriate methods; where there is only one vendor available for such a purchase utilizing a direct purchase order in accordance with statute (such as an entity requiring dues, for example), the price would be the best obtainable price since it is the only possible price for that particular procurement.

(3) "Bidding time" means the period of time between the date the invitation to bid notice is published and the date and time set for receipt of bids.

(4) "Bidder" means one who submits a bid in response to an invitation for bid or submits a quote in response to a call for formal or informal quotes.

(5) "Central purchasing office" means that office within a state agency or a local public body responsible for the control of procurement of items of tangible personal property, services or construction. "Central purchasing office" includes the purchasing division of the general services department.

(6) "Chief information officer" means the administrative head of the department of information and technology.

(7) "Chief procurement officer" means that person within a state agency's or local public body's central purchasing office who is responsible for the control of procurement of items of tangible personal property, services or construction. "Chief procurement officer" includes the state purchasing agent.

(8) "Competitive sealed bid" means the response from a bidder to an invitation to bid (ITB).

(9) "Competitive sealed proposal" means the response from an offeror to a request for proposals (RFP).

(10) "Contract" means any written, binding agreement for the procurement of items of tangible personal property, services or construction. A purchase order alone can be a binding contract.

(11) "Information systems resources" means computer voice and data communications hardware and software including imaging systems, terminals, radio and communications networks and facilities as well as information systems services and professional services contracts required for the implementation, operation, maintenance or support of an executive branch state agency computer or communication system.

(12) "Invitation for bid (IFB)" means all documents, including those attached or incorporated by reference, used for soliciting competitive sealed bids. Also sometimes referred to as an invitation to bid (ITB).

(13) "Offeror" means one who submits a proposal in response to a request for proposals.

(14) "Request for proposals (RFP)" means all documents, including those attached or incorporated by reference, used for soliciting competitive sealed proposals.

(15) "Sole source" means tangible personal property, services or construction for which there is only one source and that source is unique and no other similar items of tangible personal property, services or construction can meet the intended purpose of the procurement.

[1.4.1.7 NMAC - Rp, 1.4.1.7 NMAC, 8/30/2013]

1.4.1.8 CENTRALIZATION OF PROCUREMENT ACTIVITY (1.4.1.8 - 1.4.1.13 NMAC):

A. State purchasing agent. All procurement for state agencies shall be performed by the state purchasing agent except the following:

(1) professional services;

(2) small purchases having a value not exceeding one thousand five hundred dollars ($1,500);

(3) emergency procurements; and

(4) the types of procurement specified in Subsection B of 1.4.1.2 NMAC.

B. Central purchasing offices. All procurement for state agencies excluded from the requirement of procurement through the state purchasing agent shall be performed by a central purchasing office designated by statute, the governing authority of that state agency or as otherwise provided in the Procurement Code.

C. Cooperative procurement. Nothing in this section should be interpreted as limiting the ability of state agencies to make procurements under existing contracts or enter into cooperative procurement agreements in accordance with 13-1-135 and 13-1-136 NMSA 1978.
[1.4.1.8 NMAC - Rp, 1.4.1.8 NMAC, 8/30/2013]

1.4.1.9 INSPECTION OF PUBLIC RECORDS: The inspection of public records is governed by the Inspection of Public Records Act, 14-2-1 through 14-2-12 NMSA 1978. To the extent that any provision of this rule conflicts with the Inspection of Public Records Act, as interpreted by the courts of this state, that act shall control. Furthermore, no obligation to keep data confidential which is contained in this rule is intended to create any liability that would not otherwise exist under state law.
[1.4.1.9 NMAC - Rp, 1.4.1.9 NMAC, 8/30/2013]

1.4.1.10 DOLLAR AMOUNTS: Whenever a dollar amount appears in this rule, such amount is exclusive of applicable gross receipts and local option taxes as the term is defined in Subsection Q of Section 7-9-3 NMSA 1978.
[1.4.1.10 NMAC - Rp, 1.4.1.10 NMAC, 8/30/2013]

1.4.1.11 INDEMNIFICATION AND INSURANCE:
A. Tort liability. Except as provided for in the Tort Claims Act, 41-4-1 through 41-4-27 NMSA 1978, no contract governed by this rule shall contain any provision whereby a state agency agrees to indemnify or provide tort liability insurance for any contractor. The indemnification and insurance provisions of contracts provided for in the Tort Claims Act shall be approved in writing by GSD's risk management division before they become effective.
B. Other risks. No contract governed by this rule shall contain any provision whereby a state agency agrees to indemnify or provide a contractor with insurance for non-tort risks unless the provision has been approved in writing by GSD's risk management division.
C. Contract provisions void. Any indemnification or insurance provision in any contract executed in violation of this section shall be void and of no effect.
[1.4.1.11 NMAC - Rp, 1.4.1.11 NMAC, 8/30/2013]

1.4.1.12 [RESERVED]

1.4.1.13 SEVERABILITY: If any provision of this rule, or any application thereof, to any person or circumstance, is held invalid, such invalidity shall not affect any other provision or application of this rule which can be given effect without the invalid provision or application.
[1.4.1.13 NMAC - Rp, 1.4.1.13 NMAC, 8/30/2013]

1.4.1.14 APPLICATION (COMPETITIVE SEALED BIDS; 1.4.1.14 -1.4.1.28 NMAC): The provisions of 1.4.1.14 through 1.4.1.28 NMAC apply to every procurement made by competitive sealed bids.
[1.4.1.14 NMAC - Rp, 1.4.1.14 NMAC, 8/30/2013]

1.4.1.15 COMPETITIVE SEALED BIDS REQUIRED: All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:
A. competitive sealed proposals;
B. small purchases;
C. sole source procurement;
D. emergency procurement;
E. procurement under existing contracts; and
F. purchases from anti-poverty program businesses.
[1.4.1.15 NMAC - Rp, 1.4.1.15 NMAC, 8/30/2013]

1.4.1.16 INVITATION FOR BIDS ("IFB"):
A. General. The invitation for bids ("IFB"), also sometimes referred to as the invitation to bid (ITB), is used to initiate a competitive sealed bid procurement. The IFB shall include the following:
(1) the specifications for the services, construction or items of tangible personal property to be procured, except that professional services and a design and build project delivery system cannot be procured with an IFB pursuant to 13-1-111 NMSA 1978;

(2) all contractual terms and conditions applicable to the procurement including any requirements for complying with applicable preferences provided in law;

(3) the term of the contract and conditions of renewal or extension, if any;

(4) instructions and information to bidders, including the location where bids are to be received and the date, time and place of the bid opening;

(5) a notice that the IFB may be canceled and that any and all bids may be rejected in whole or in part when it is in the best interest of the state of New Mexico; and

(6) a notice that reads substantially as follows: The Procurement Code, 13-1-28 through 13-1-199 NMSA 1978, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kick-backs.

B. Incorporation by reference. The IFB may incorporate documents by reference, provided that the IFB specifies where such documents can be obtained.

C. Evaluation criteria. The IFB shall set forth the evaluation criteria that will be used to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria such as discounts, transportation costs and total or life-cycle costs that will affect the bid price shall be objectively measurable. No criteria may be used in bid evaluation that are not set forth in the IFB.

D. Bid form. The IFB shall provide a form which shall include space in which the bid price shall be inserted and which the bidder shall sign and submit along with all other necessary submissions. A bidder may submit a reasonable facsimile of the bid form. Oral, telephonic and telegraphic bids except as provided in this subsection are invalid and shall not be considered. Telegraphic or bids sent via FAX to a third party and delivered in a sealed envelope to the location where bids are to be received by the date and time shown in the bid, will be accepted for consideration.

E. Bid samples and descriptive literature.

(1) "Descriptive literature" means information available in the ordinary course of business that shows the characteristics, construction, or operation of an item.

(2) "Bid sample" means a sample furnished by a bidder that shows the characteristics of an item offered in the bid.

(3) Bid samples or descriptive literature may be required when it is necessary to evaluate required characteristics of the item bid.

(4) Bid samples, when required, shall be furnished free of expense to the state and prior to the time set for the opening of bids. Samples not destroyed or mutilated in testing will be returned upon request by mail, express or freight, collect. Each sample must be labeled to clearly show the bid number and the bidder's name.

F. Bidding time. Bidding time is the period of time between the date of distribution of the IFB and the time and date set for receipt of bids. In each case bidding time shall be set to provide bidders a reasonable time to prepare their bids. In no case shall the bidding time be shorter than the time required for publication under 1.4.1.17 NMAC of this rule.

[1.4.1.16 NMAC - Rp, 1.4.1.16 NMAC, 8/30/2013]

1.4.1.17 PUBLIC NOTICE INVITATION FOR BID: Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.

B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars ($60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.

C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

[1.4.1.17 NMAC - Rp, 1.4.1.17 NMAC, 8/30/2013]

1.4.1.18 PRE-BID CONFERENCES: Pre-bid conferences may be conducted to explain the procurement requirements. They shall be announced to all prospective bidders known to have received the IFB. The conference should be held long enough after the IFB has been issued to allow bidders to become familiar with it, but sufficiently

before bid opening to allow consideration of the conference results in preparing their bids. Nothing stated at the pre-bid conference shall change the IFB unless a change is made by written amendment as provided in this rule.
[1.4.1.18 NMAC - Rp, 1.4.1.18 NMAC, 8/30/2013]

1.4.1.19 AMENDMENTS TO THE INVITATION FOR BIDS:

A. Form. An amendment to the IFB shall be identified as such and shall require that bidders acknowledge its receipt. The amendment shall refer to the portions of the IFB it amends.

B. Distribution. Amendments shall be sent to all prospective bidders known to have received the IFB.

C. Timeliness. Amendments shall be distributed within a reasonable time to allow prospective bidders to consider them in preparing their bids. If the time and date set for receipt of bids will not permit such preparation, the time shall be increased to the extent possible in the amendment or, if necessary, by telegram or telephone or by other electronic means and confirmed in the amendment.

D. Use of amendments. Amendments should be used to:

(1) make any changes in the IFB such as changes in quantity, purchase descriptions, delivery schedules, and opening dates;

(2) correct defects or ambiguities; or

(3) furnish to other bidders information given to one bidder if such information will assist the other bidders in submitting bids or if the lack of such information would prejudice the other bidders.
[1.4.1.19 NMAC - Rp, 1.4.1.19 NMAC, 8/30/2013]

1.4.1.20 PRE-OPENING MODIFICATION OR WITHDRAWAL OF BIDS:

A. Procedure. A bid may be modified or withdrawn by a bidder prior to the time set for bid opening by delivering written or telegraphic notice to the location designated in the IFB as the place where bids are to be received.

B. Disposition of bid security. If a bid is withdrawn in accordance with this section, the bid security, if any, shall be returned to the bidder.

C. Records. All documents relating to the modification or withdrawal of bids shall be made a part of the appropriate procurement file.
[1.4.1.20 NMAC - Rp, 1.4.1.20 NMAC, 8/30/2013]

1.4.1.21 LATE BIDS, LATE WITHDRAWALS AND LATE MODIFICATIONS:

A. Definition. Any bid or any withdrawal or modification of a bid received after the time and date for opening of bids at the place designated for opening is late.

B. General rule. No late bid, late modification, or late withdrawal will be considered unless received before contract award, and the bid, modification, or withdrawal would have been timely but for the action or inaction of state personnel directly serving the procurement activity.

C. Records. All documents relating to late bids, late modifications, or late withdrawals shall be made a part of the appropriate procurement file.
[1.4.1.21 NMAC - Rp, 1.4.1.21 NMAC, 8/30/2013]

1.4.1.22 BID OPENING:

A. Receipt. Upon its receipt, each bid and modification shall be time-stamped but not opened and shall be stored in a secure place until the time and date set for bid opening.

B. No bids received. Except as provided in 1.4.1.68 through 1.4.1.72 NMAC of this rule, if no bids are received or if all bids received are rejected in accordance with the provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule, a new IFB shall be issued. If upon re-bidding with no change in specifications from the first IFB, the bids received are unacceptable, or if no bids are secured, the state purchasing agent may purchase (i.e., as opposed to procure) the items of tangible personal property, construction or services in the open market at the best obtainable price.

C. Opening and recording. Bids and modifications shall be opened publicly in the presence of one or more witnesses at the time and place designated in the IFB. The name of each bidder, the amount of each bid and each bid item, if appropriate, the names and addresses of the required witnesses, and such other relevant information as may be specified by the state purchasing agent shall be recorded. The record shall be open for public inspection. Each bid, except those portions for which a bidder has made a written request for confidentiality, shall also be open to public inspection. Any data, which a bidder believes should be kept confidential shall accompany the bid and

shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices and makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.
[1.4.1.22 NMAC - Rp, 1.4.1.22 NMAC, 8/30/2013]

1.4.1.23 MISTAKES IN BIDS:

A. Consideration for award. Bids shall be unconditionally accepted for consideration for award without alteration or correction, except as authorized in 1.4.1.14 through 1.4.1.28 NMAC of this rule.

B. General principles. Correction or withdrawal of a bid because of an inadvertent, nonjudgmental mistake in the bid requires careful consideration to protect the integrity of the competitive bidding system, and to assure fairness. If the mistake is attributable to an error in judgment, the bid may not be corrected. Bid correction or withdrawal by reason of a nonjudgmental mistake is permissible but only to the extent authorized in 1.4.1.14 through 1.4.1.28 NMAC of this rule.

C. Mistakes discovered before opening. A bidder may correct mistakes discovered before bid opening by withdrawing or correcting the bid as provided in 1.4.1.20 NMAC of this rule.

D. Confirmation of bid. When the procurement officer knows or has reason to conclude that a mistake has been made in the low bid, the procurement officer should request the low bidder to confirm the bid. Situations in which confirmation should be requested include obvious, apparent errors on the face of the low bid or a bid unreasonably lower than the other bids submitted. If the low bidder alleges mistake, the bid may be corrected or withdrawn if the conditions set forth in Subsection E of this section are met.

E. Mistakes discovered after opening. This subsection sets forth procedures to be applied in three situations in which mistakes in bids are discovered after the time and date set for bid opening.

(1) Technical irregularities. Technical irregularities are matters of form rather than substance evident from the bid document, or insignificant mistakes that can be waived or corrected without prejudice to other bidders; that is, when there is no effect on price, quality or quantity. The procurement officer may waive such irregularities or allow the low bidder to correct them if either is in the best interest of the state. Examples include the failure of the low bidder to:

(a) return the number of signed bids required by the IFB;

(b) sign the bid, but only if the unsigned bid is accompanied by other material indicating the low bidder's intent to be bound; or

(c) acknowledge receipt of an amendment to the IFB, but only if:

(i) it is clear from the bid that the low bidder received the amendment and intended to be bound by its terms; or

(ii) the amendment involved had no effect on price, quality or quantity.

(2) Mistakes where intended correct bid is evident. If the mistake and the intended correct bid are clearly evident on the face of a bid document, the bid shall be corrected to the intended correct bid and may not be withdrawn. Examples of mistakes that may be clearly evident on the face of a bid document are typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors. It is emphasized that mistakes in unit prices cannot be corrected.

(3) Mistakes where intended correct bid is not evident. A low bidder alleging a material mistake of fact which makes the bid non-responsive may be permitted to withdraw the bid if:

(a) a mistake is clearly evident on the face of the bid document but the intended correct bid is not; or

(b) the low bidder submits evidence which clearly and convincingly demonstrates that a mistake was made.

(4) Written determination. When a bid is corrected or withdrawn, or a correction or withdrawal is denied, the procurement officer shall prepare a written determination showing that the relief was granted or denied in accordance with this section.
[1.4.1.23 NMAC - Rp, 1.4.1.23 NMAC, 8/30/2013]

1.4.1.24 BID EVALUATION AND AWARD:

A. General. A contract solicited by competitive sealed bids shall be awarded with reasonable promptness by written notice to the lowest responsible bidder. The IFB shall set forth the requirements and criteria that will be used to determine the lowest responsive bid. No bid shall be evaluated for any requirement or criterion that is not disclosed in the IFB. Contracts solicited by competitive sealed bids shall require that the bid amount exclude the applicable state gross receipts tax or local option tax but that the contracting agency shall be required to pay the tax including any increase in the tax becoming effective after the contract is entered into. The tax shall be shown as a separate amount on each billing or request for payment made under the contract.

B. Product acceptability. The IFB shall set forth all evaluation criteria to be used in determining product acceptability. It may require the submission of bid samples, descriptive literature, technical data, or other material. It may also provide for accomplishing any or all of the following prior to award:

(1) inspection or testing of a product for such characteristics as quality or workmanship;

(2) examination of such elements as appearance, finish, taste or feel; or

(3) other examinations to determine whether it conforms with other purchase description requirements.

C. Purpose of acceptability evaluation. An acceptability evaluation is not conducted for the purpose of determining whether one bidder's item is superior to another's but only to determine that a bidder's offering is acceptable as set forth in the IFB. Any bidder's offering which does not meet the acceptability requirements shall be rejected as non-responsive.

D. Brand-name or equal specification. Where a brand-name or equal specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition. When bidding an "or equal" the burden of persuasion is on the supplier or manufacturer who has not been specified to convince the procurement officer that their product is, in fact, equal to the one specified. The procurement officer is given the responsibility and judgement for making a final determination on whether a proposed substitution is an "or equal".

E. Determination of lowest bidder. Following determination of product acceptability as set forth in Subsections B, C and D of this Section, if any is required, bids will be evaluated to determine which bidder offers the lowest cost to the state in accordance with the evaluation criteria set forth in the IFB. Only objectively measurable criteria that are set forth in the IFB shall be applied in determining the lowest bidder. Examples of such criteria include, but are not limited to, discounts, transportation costs and ownership or life-cycle formulas. Evaluation factors need not be precise predictors of actual future costs, but to the extent possible the evaluation factors shall be reasonable estimates based upon information the state has available concerning future use.

(1) Prompt payment discounts. Prompt payment discounts shall not be considered in computing the low bid. Such discounts may be considered after award of the contract.

(2) Trade discounts. Trade discounts shall be considered in computing the low bid. Such discounts may be shown separately, but must be deducted by the bidder in calculating the unit price quoted.

(3) Quantity discounts. Quantity discounts shall be included in the price of an item. Such discounts may not be considered where set out separately unless the IFB so specifies.

(4) Transportation costs. Transportation costs shall be considered in computing the low bid. Such costs may be computed into the bid price or be listed as a separate item.

(5) Total or life-cycle costs. Award may be determined by total or life-cycle costing if so indicated in the IFB. Life-cycle cost evaluation may take into account operative, maintenance, and money costs, other costs of ownership and usage and resale or residual value, in addition to acquisition price, in determining the lowest bid cost over the period the item will be used.

(6) Energy efficiency. Award may be determined by an evaluation consisting of acquisition price plus the cost of energy consumed over a projected period of use.

F. Restrictions. Nothing in 1.4.1.24 NMAC of this rule shall be deemed to permit contract award to a bidder submitting a higher quality item than designated in the IFB unless the bidder is also the lowest bidder as determined under Subsection E of this section. Further, except as provided in this subsection, 1.4.1.24 NMAC of this rule does not permit negotiations with any bidder. If the lowest responsive bid has otherwise qualified, and if there is no change in the original terms and conditions, the lowest responsible bidder may negotiate with the purchaser (i.e., this exception applies only to purchases and does not apply to procurements generally) for a lower total bid to avoid rejection of all bids for the reason that the lowest bid was up to 10 percent higher than budgeted project funds. Such negotiation shall not be allowed if the lowest bid was more than ten percent over budgeted project funds.

G. Documentation of award. Following award, a record showing the basis for determining the successful bidder shall be made a part of the procurement file. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

H. Publicizing awards. Written notice of award shall be sent to the successful bidder. Notice of award shall also be posted at the state purchasing agent's office.

[1.4.1.24 NMAC - Rn 1.4.1.24 NMAC, 8/30/2013]

1.4.1.25 STATUTORY PREFERENCES: Statutory preferences to be applied in determining low bidder or low offeror. New Mexico law provides certain statutory preferences to resident businesses, resident veteran businesses, resident contractors and resident veteran contractors as well as for recycled content goods (13-1-21 and 13-1-22 NMSA 1978). These preferences must be applied in regard to invitations for bids and requests for proposals in accordance with statute in determining the lowest bidder or offeror.
[1.4.1.25 NMAC - Rp, 1.4.1.25 NMAC, 8/30/2013]

1.4.1.26 IDENTICAL LOW BIDS:

A. Definition. Identical low bids are low responsive bids, from responsible bidders, which are identical in price after the application of the preferences referred to in 1.4.1.25 NMAC of this rule and which meet all the requirements and criteria set forth in the IFB.

B. Award. When two or more identical low bids are received, the state purchasing agent may:

(1) award pursuant to the multiple source award provisions of 13-1-153 and 13-1-154 NMSA 1978;

(2) award to a resident business or a resident veteran business or a resident contractor or a resident veteran contractor if the identical low bids are submitted by a resident business or a resident veteran business or a resident contractor or a resident veteran contractor and a nonresident business or nonresident contractor;

(3) award to a bidder offering recycled content goods if the identical low bids are for recycled content goods and virgin goods;

(4) award by lottery to one of the identical low bidders; or

(5) reject all bids and re-solicit bids or proposals for the required services, construction or items of tangible personal property.
[1.4.1.26 NMAC - Rp, 1.4.1.26 NMAC, 8/30/2013]

1.4.1.27 MULTI-STEP SEALED BIDS:

A. General. Multi-step bidding is a variant of the competitive sealed bidding method. This method may be utilized when the state purchasing agent or a central purchasing office makes a determination that it is impractical initially to prepare specifications to support an award based on price, or that specifications are inadequate or are too general to permit full and free competition without technical evaluation and discussion.

B. Phased process. Multi-step bidding is a phased process which combines elements of both the competitive sealed proposal method, seeking necessary information or unpriced technical offers in the initial phase; and regular competitive sealed bidding, inviting bidders who submitted technically acceptable offers in the initial phase, to submit competitive sealed price bids on the technical offers in the final phase. The contract shall be awarded to the lowest responsible bidder. If time is a factor, the state purchasing agent or a central purchasing office may require offerors to submit a separate sealed bid during the initial phase to be opened after the technical evaluation.

C. Public notice. Whenever multi-step sealed bids are used, public notice for the first phase shall be given in accordance with 1.4.1.17 NMAC of this rule. Public notice is not required for the second phase.
[1.4.1.27 NMAC - Rp, 1.4.1.27 NMAC, 8/30/2013]

1.4.1.28 PAYMENTS FOR PURCHASES: Contract clause. All contracts resulting from an invitation for bids shall contain a clause allowing for late payment charges against the state agency in the amount and under the conditions set forth in 13-1-158 NMSA 1978.
[1.4.1.28 NMAC - Rp, 1.4.1.28 NMAC, 8/30/2013]

1.4.1.29 APPLICATION (COMPETITIVE SEALED PROPOSALS; 1.4.1.29-1.4.1.47 NMAC):

A. General. Except as provided in Subsections B and C of this section, the provisions of 1.4.1.29 through 1.4.1.47 NMAC of this rule apply to every procurement made by competitive sealed proposals.

B. Architects, engineers, landscape architects and surveyors. The provisions of 1.4.1.29 through 1.4.1.47 NMAC of this rule do not apply to the procurement of professional services of architects, engineers, landscape architects and surveyors for state public works projects or local public works projects. Except that when procuring such professional services for state public works projects or local public works projects state agencies and local public bodies shall comply with 13-1-120 through 13-1-124 NMSA 1978, competitive sealed qualifications-based proposals.

C. Procurement of professional services by state agencies with rulemaking authority. A state agency with rule making authority may adopt its own regulations for the procurement of professional services by competitive sealed proposals under the following conditions:

(1) the state agency must receive prior written authorization from the GSD secretary;

(2) the state agency's proposed regulations must provide that RFPs or notices thereof having a value exceeding sixty thousand dollars ($60,000) will be provided to the state purchasing agent for distribution to prospective offerors who have registered with the state purchasing agent's office in accordance with the terms of Subsection B of 1.4.1.17 NMAC and Subsection A of 1.4.1.32 NMAC of this rule.

D. "Professional services" are defined in 13-1-76 NMSA 1978. The section of statute acknowledges the difficulty of any attempt made to recognize and list each and every service that could conceivably fall within the definition of "professional services". Instead, the statute provides in relevant part that "...other persons or businesses providing similar professional services to those listed may be designated as such by a determination issued by the state purchasing agent or a central purchasing office." In instances where "...other persons or businesses providing similar professional services...", as cited in 13-1-76, NMSA 1978, is not clearly defined, state agencies shall submit a written request to the state purchasing agent for issuance of a determination and a finding that the service is to be designated as a professional service. State agencies shall not make such a determination independent of the state purchasing agent.

[1.4.1.29 NMAC - Rp, 1.4.1.29 NMAC, 8/30/2013]

1.4.1.30 GENERAL DISCUSSION:

A. Use of competitive sealed proposals. When a state agency procures professional services that are not related to a design and build project delivery system in accordance with 13-1-119.1 NMSA 1978, or when the state purchasing agent or a designee makes a determination that the use of competitive sealed bids is either not practicable or not advantageous to the state, a procurement shall be effected by competitive sealed proposals. Note well: 13-1-111 NMSA 1978 only authorizes state agencies other than the state purchasing agent to procure professional services by means of competitive sealed proposals. 13-1-111 NMSA 1978 does not authorize state agencies to avoid centralized purchasing through the state purchasing agent by issuing RFPs for items of tangible personal property, or nonprofessional services.

B. Definitions. The words "practicable" and "advantageous" are to be given ordinary dictionary meanings. The term "practicable" denotes what may be accomplished or put into practical application. "Advantageous" denotes a judgmental assessment of what is in the state's best interest. The use of competitive sealed bids may be practicable, that is, reasonably possible, but not necessarily advantageous, that is, in the state's best interest.

C. Proposals offer flexibility. The key element in determining advantageousness is the need for flexibility. The competitive sealed proposal method differs from the competitive sealed bid method in two important ways:

(1) it permits discussions with competing offerors and changes in their proposals including price; and;

(2) it allows comparative judgmental evaluations to be made when selecting among acceptable proposals for award of a contract.

D. Determinations by category. The state purchasing agent may make determinations by category of services or items of tangible personal property that it is either not practicable or not advantageous to procure specified types of service or items of tangible personal property by competitive sealed bids in which case competitive sealed proposals shall be utilized. The state purchasing agent may modify or revoke such determinations at any time.

[1.4.1.30 NMAC - Rp, 1.4.1.30 NMAC, 8/30/2013]

1.4.1.31 REQUEST FOR PROPOSALS ("RFP"):

A. Initiation. The request for proposals ("RFP") is used to initiate a competitive sealed proposal procurement. All state agencies shall follow published guidelines and procedures issued by the state purchasing agent from development stage through award of RFP-based procurements. At a minimum the RFP shall include the following:

(1) the specifications for the services or items of tangible personal property to be procured;

(2) all contractual terms and conditions applicable to the procurement;

(3) instructions concerning the submission and response to questions;

(4) the term of the contract and conditions of renewal or extension, if any;

(5) instructions and information to offerors, including the location where proposals are to be received and the date, time and place where proposals are to be received and reviewed;

(6) all of the evaluation factors, and the relative weights to be given to the factors in evaluating proposals;

(7) a statement that discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award, but that proposals may be accepted without such discussions;

(8) a notice that the RFP may be canceled and that any and all proposals may be rejected in whole or in part when it is in the best interest of the state of New Mexico; and

(9) a statement of how proposed costs should be submitted;

(10) a notice that reads substantially as follows: The Procurement Code, 13-1-28 through 13-1-199 NMSA 1978, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kick-backs.

B. Incorporation by reference. The RFP may incorporate documents by reference, provided that the RFP specifies where such documents can be obtained.

C. Form of proposal. The manner in which proposals are to be submitted, including any forms for that purpose, should be designated in the RFP.

D. Proposal preparation time. 30 calendar days between the date of issue and the proposal due date is the recommended minimum proposal preparation time. A longer preparation time may be required for complex procurements or for procurements that require substantial offeror resources to prepare an acceptable proposal.
[1.4.1.31 NMAC - Rp, 1.4.1.31 NMAC, 8/30/2013]

1.4.1.32 PUBLIC NOTICE REQUEST FOR PROPOSAL:

A. Procurements by the state purchasing agent. The state purchasing agent shall give public notice of the RFP in the same manner as provided in 1.4.1.17 NMAC of this rule. However, an RFP or a notice shall be published not less than 20 days prior to the date set for receipt of proposals unless a shorter time frame is requested and approval granted by the state purchasing agent.

B. Procurements of all tangible personal property or services. The procurement manager shall deliver to the state purchasing agent or designee the following listed items no later than 15 calendar days prior to the proposed issue date:

(1) a one-page notice suitable for distribution that contains the procurement title, purpose statement, the issue date, the name of the agency conducting the procurement, the place where a copy of the RFP document may be obtained, the date and location of the pre-proposal conference, if one is held, the name, address and phone number of the procurement manager and the deadline for submission of proposals;

(2) a completed state of New Mexico purchase document;

(3) a list containing the names and addresses of suggested sources, if any;

(4) a copy of the complete RFP document; for large or complex procurements, the draft RFP document shall be delivered to the state purchasing agent for review at least thirty days prior to the proposed issue date.

C. Procurements of professional services by other central purchasing offices. When procuring professional services, central purchasing offices other than the state purchasing agent shall provide the following notice:

(1) the RFP or a notice thereof shall be published not less than 10 calendar days prior to the date set for the receipt of proposals; it is recommended, however, that the time period between the published date and the date set for receipt of proposals be no less than 20 days; the RFP or notice shall be published at least once in a newspaper of general circulation in the area in which the central purchasing office is located; if there is no newspaper of general circulation in the area, such other notice may be given as is commercially reasonable; and

(2) a copy of the RFP and notice shall be delivered to the state purchasing agent not less than 15 calendar days prior to the date set for the issuance; the state purchasing agent shall distribute the RFP or notice to prospective offerors who have registered with the state purchasing agent's office in accordance with the terms of Subsection B of 1.4.1.17 NMAC of this rule and Subsection A of this Section; and

(3) a copy of the RFP shall be made available for public inspection at the central purchasing office.

D. Additional notice. The requirements of Subsections A, B and C of this section are in addition to any other procedures which may be adopted by the state purchasing agent or central purchasing offices to notify

prospective offerors that proposals will be received, including but not limited to publication in professional journals, if available.
[1.4.1.32 NMAC - Rn 1.4.1.32 NMAC, 8/30/2013]

1.4.1.33 PRE-PROPOSAL CONFERENCES: Pre-proposal conferences may be conducted in accordance with 1.4.1.18 NMAC of this rule. Any such conference should be held prior to submission of initial proposals.
[1.4.1.33 NMAC - Rp, 1.4.1.33 NMAC, 8/30/2013]

1.4.1.34 AMENDMENTS TO THE REQUEST FOR PROPOSALS:

A. Prior to submission of proposals. Prior to submission of proposals, amendments to the RFP may be made in accordance with 1.4.1.19 NMAC of this rule.

B. After submission of proposals. After submission of proposals, amendments to the RFP shall be distributed only to short-listed offerors. The short-listed offerors shall be permitted to submit new proposals or to amend those submitted. If in the opinion of the procurement officer or procurement manager, a contemplated amendment will significantly change the nature of the procurement, the RFP shall be canceled in accordance with 1.4.1.68 through 1.4.1.72 NMAC of this rule, and a new RFP issued.
[1.4.1.34 NMAC - Rp, 1.4.1.34 NMAC, 8/30/2013]

1.4.1.35 MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the established due date in accordance with 1.4.1.20 NMAC of this rule. The established due date is either the time and date announced for receipt of proposals or receipt of modifications to proposals, if any; or, if discussions have begun, it is the time and date by which best and final offers must be submitted by short-listed offerors.
[1.4.1.35 NMAC - Rp, 1.4.1.35 NMAC, 8/30/2013]

1.4.1.36 LATE PROPOSALS, LATE WITHDRAWALS AND LATE MODIFICATIONS: Any proposal, withdrawal, or modification received after the established due date at the place designated for receipt of proposals is late. (See 1.4.1.35 NMAC of this rule for the definition of "established due date.") They may be considered only in accordance with 1.4.1.21 NMAC of this rule.
[1.4.1.36 NMAC - Rp, 1.4.1.36 NMAC, 8/30/2013]

1.4.1.37 RECEIPT AND OPENING OF PROPOSALS:

A. Receipt. Proposals and modifications shall be time-stamped upon receipt and held in a secure place until the established due date. (See 1.4.1.35 of this rule for the definition of "established due date.")

B. Opening. Proposals shall not be opened publicly and shall not be open to public inspection until after award of a contract. An offeror may request in writing nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal in order to facilitate eventual public inspection of the nonconfidential portion of the proposal.
[1.4.1.37 NMAC - Rp, 1.4.1.37 NMAC, 8/30/2013]

1.4.1.38 EVALUATION OF PROPOSALS:

A. Evaluation factors: The evaluation shall be based on the evaluation factors and the relative weights set forth in the RFP. Numerical rating systems are required for requests for proposals-based procurements.

B. Evaluation committee. The state agency management shall appoint an evaluation committee prior to the due date for receipt of proposals. The size of the committee should be manageable and include both user and technical support representatives.

C. Classified proposals. For the purpose of conducting discussions under 1.4.1.39 NMAC of this rule, proposals shall be initially classified as:

(1) responsive;

(2) potentially responsive, that is, reasonably susceptible of being made responsive; or

(3) non-responsive.

D. Disqualification. Non-responsive proposals are disqualified and eliminated from further consideration. A written determination in the form of a letter must be sent promptly to the disqualified offeror setting forth the grounds for the disqualification, and made a part of procurement file.
[1.4.1.38 NMAC - Rp, 1.4.1.38 NMAC, 8/30/2013]

1.4.1.39 PROPOSAL DISCUSSIONS AND NEGOTIATIONS WITH INDIVIDUAL OFFERORS:

A. Discussions authorized. Discussions may be conducted with responsible offerors who submit acceptable or responsive, potentially acceptable or potentially responsive proposals.

B. Purposes of discussions. Discussions are held to clarify technical or other aspects of the proposals.

C. Conduct of discussions. If during discussions there is a need for any substantial clarification or change in the request for proposals, the request for proposals shall be amended to incorporate such clarification or change. Any substantial oral clarification of a proposal shall be reduced to writing by the offeror. Proposals may be accepted and evaluated without such discussion. This is not an opportunity for the offerors to amend the substance of their proposals.

D. Short list. All responsible offerors who submit acceptable proposals are eligible for the short list. If numerous acceptable proposals have been submitted, however, the procurement officer or procurement manager may rank the proposals and select the highest ranked proposals for the short list. Those responsible offerors who are selected for the short list are the "short-listed offerors" or "finalist offerors".

E. Competitive negotiations. Competitive negotiations may be held among the short-listed offerors to:

(1) promote understanding of a state agency's requirements and short-listed offerors' proposal; and

(2) facilitate arriving at a contract that will be most advantageous to a state agency taking into consideration the evaluation factors set forth in the RFP;

(3) except for circumstances and situations otherwise approved by the state purchasing agent, negotiations of the relevant terms and conditions as well as any other important factors in an RFP and proposed contract are negotiated prior to award of a contract, not after award.

F. Conduct of competitive negotiations. Short-listed offerors shall be accorded fair and equal treatment with respect to any negotiations and revisions of proposals. The procurement officer should establish procedures and schedules for conducting negotiations. If during discussions there is a need for any substantial clarification of or change in the RFP, the RFP shall be amended to incorporate such clarification or change. Any substantial oral clarification of a proposal shall be reduced to writing by the short-listed offeror.

[1.4.1.39 NMAC - Rp, 1.4.1.39 NMAC, 8/30/2013]

1.4.1.40 DISCLOSURE: The contents of any proposal shall not be disclosed so as to be available to competing offerors during the negotiation process and prior to award. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

[1.4.1.40 NMAC - Rp, 1.4.1.40 NMAC, 8/30/2013]

1.4.1.41 BEST AND FINAL OFFERS: Best and final offers in a request for proposals are strongly discouraged. An offeror’s best offer should be included in that offeror’s original proposal. No discussion or changes to that offer should be allowed prior to selection of the offeror as the successful offeror unless negotiations are undertaken pursuant to 1.4.1.39 NMAC of this rule. After such selection of a successful offeror or offerors (for a multiple award procurement) and before final award, an agency may negotiate with the selected successful offeror(s) for the best possible terms for the state but such negotiations shall not change the successful offeror’s or offerors’ (for a multiple award procurement) proposal(s) to the detriment of the state. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

[1.4.1.41 NMAC - Rp, 1.4.1.41 NMAC, 8/30/2013]

1.4.1.42 MISTAKES IN PROPOSALS:

A. Modification or withdrawal of proposals. Proposals may be modified or withdrawn as provided in 1.4.1.35 NMAC of this rule.

B. Mistakes discovered after receipt of proposals. This subsection sets forth procedures to be applied in several situations in which mistakes in proposals are discovered after receipt of proposals.

(1) Confirmation of proposal. When the procurement officer or procurement manager knows or has reason to conclude before award that a mistake has been made, the procurement officer or procurement manager should request the offeror to confirm the proposal. If the offeror alleges mistake, the proposal may be corrected or withdrawn during any discussions that are held or if the conditions set forth in Subsection C of this section are met.

(2) During negotiations. If best and final offers are requested in the RFP, between the period of selecting short-listed/finalist offerors and the date set for best and final offers, any short-listed or finalist offeror may freely correct any mistake by modifying or withdrawing the proposal until the time and date set for receipt of best and final offers.

C. Technical irregularities. Technical irregularities are matters of form rather than substance evident from the proposal document, or insignificant mistakes that can be waived or corrected without prejudice to other offerors; that is, when there is no effect on price, quality or quantity. If discussions are not held or if best and final offers upon which award will be made have been received, the procurement officer or procurement manager may waive such irregularities or allow an offeror to correct them if either is in the best interest of the state. Examples include, but are not limited to, the failure of an offeror to:

(1) return the number of signed proposals required by the RFP;

(2) sign the proposal, but only if the unsigned proposal is accompanied by other material indicating the offeror's intent to be bound; or

(3) acknowledge receipt of an amendment to the RFP, but only if:

(a) it is clear from the proposal that the offeror received the amendment and intended to be bound by its terms; or

(b) the amendment involved had no effect on price, quality or quantity.

D. Correction of mistakes. If discussions are not held, or if the best and final offers upon which award will be made have been received, mistakes shall be corrected to the intended correct offer whenever the mistake and the intended correct offer are clearly evident to the evaluation committee members or the procurement officer or the procurement manager on the face of the proposal, in which event the proposal may not be withdrawn.

E. Withdrawal of proposals. If discussions are not held, or if the best and final offers upon which award will be made have been received, an offeror alleging a material mistake of fact which makes a proposal non-responsive may be permitted to withdraw the proposal if:

(1) the mistake is clearly evident to the evaluation committee members or the procurement officer or the procurement manager on the face of the proposal but the intended correct offer of the offeror is not; or

(2) the offeror submits evidence which clearly and convincingly demonstrates that a mistake was made.

F. Determination required. When a proposal is corrected or withdrawn, or correction or withdrawal is denied under Subsections C through E of this section, the procurement officer or procurement manager shall prepare a written determination showing that the relief was granted or denied in accordance with this section.

[1.4.1.42 NMAC - Rp, 1.4.1.42 NMAC, 8/30/2013]

1.4.1.43 AWARD: PROFESSIONAL SERVICES:

A. Procedure. An award shall be made to the responsible offeror whose proposal is most advantageous to a state agency, taking into consideration the evaluation factors set forth in the RFP. The procurement officer shall make a written determination showing the basis on which an award was found to be most advantageous to a state agency based on the factors set forth in the RFP. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

B. Publicizing awards. The procurement manager or procurement officer shall promptly provide all offerors who submitted responsive proposals written notice of the award. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

C. Publicizing awards. The procurement manager or procurement officer shall promptly provide all offerors who submitted responsive proposals written notice of the award which notice shall be sent via certified mail, return receipt requested, and shall include the expiration date and time of the protest period, if there was a change from the date and time published in the RFP.

[1.4.1.43 NMAC - Rp, 1.4.1.43 NMAC, 8/30/2013]

1.4.1.44 AWARD: ALL TANGIBLE PERSONAL PROPERTY OR SERVICES: (INCLUDES SOFTWARE, HARDWARE, NON-PROFESSIONAL SERVICES, etc):

A. Procedure. The award shall be made by the state purchasing agent or designee to the responsible offeror whose proposal is most advantageous to the state agency, taking into consideration the evaluation factors set forth in the RFP. The procurement manager shall make a written determination in the form of an evaluation committee report showing the basis on which the recommended award was found to be most advantageous to the state agency based on the factors set forth in the RFP.

B. Publicizing awards. The procurement manager shall promptly provide all offerors who submitted responsive proposals written notice of the award. The written notice shall be sent via certified mail, return receipt requested, and shall include the expiration date and time of the protest period, if there was a change from the date and time published in the RFP.
[1.4.1.44 NMAC - Rp, 1.4.1.44 NMAC, 8/30/2013]

1.4.1.45 PUBLIC INSPECTION:
A. General. After award, any written determinations made pursuant to these rules, the evaluation committee report and each proposal, except those portions for which the offeror has made a written request for confidentiality, shall be open to public inspection. Confidential data is normally restricted to confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978. The price of products offered or the cost of services proposed may not be designated as confidential information. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.
B. Confidential data. If a request is received for disclosure of data, for which an offeror has made a written request for confidentiality, the state purchasing agent or central purchasing office shall examine the offeror's request and make a written determination that specifies which portions of the proposal should be disclosed. If it is determined that an offeror’s requested confidential data should be disclosed, that offeror will receive reasonable notice in order to afford the offeror the opportunity to take legal action to prevent the disclosure. Unless the offeror takes legal action to prevent the disclosure, the data will be so disclosed. After award the proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.
[1.4.1.45 NMAC - Rp, 1.4.1.45 NMAC, 8/30/2013]

1.4.1.46 PAYMENTS FOR PURCHASES: Contract clause. All contracts resulting from a request for proposals shall contain a clause allowing for late payment charges against the state agency in the amount and under the conditions set forth in 13-1-158 NMSA 1978.
[1.4.1.46 NMAC - Rp, 1.4.1.46 NMAC, 8/30/2013]

1.4.1.47 DFA CONTRACT REVIEW: All contracts for professional services with state agencies shall be reviewed as to budget requirements by the department of finance and administration, if such review is required by DFA or subsequent DFA rules.
[1.4.1.47 NMAC - Rp, 1.4.1.47 NMAC, 8/30/2013]

1.4.1.48 APPLICATION (SMALL PURCHASES; 1.4.1.48 - 1.4.1.52 NMAC): The provisions of 1.4.1.48 through 1.4.1.52 NMAC of this rule apply to the procurement of nonprofessional services, construction or items of tangible personal property having a value not exceeding sixty thousand dollars ($60,000) and to the procurement of professional services having a value not exceeding sixty thousand dollars ($60,000) the use of a statewide price agreement, an existing contract or the methods of procurement set forth in 1.4.1.50 through 1.4.1.52 NMAC of this rule provide alternatives to the competitive sealed bid and competitive sealed proposal methods of procurement. If an existing statewide price agreement, an existing contract or, the procurement methods set forth in 1.4.1.50 through 1.4.1.52 NMAC of this rule are not used, the competitive sealed bid or competitive sealed proposal methods shall apply.
[1.4.1.48 NMAC - Rp, 1.4.1.48 NMAC, 8/30/2013]

1.4.1.49 DIVISION OF REQUIREMENTS: Procurement requirements shall not be artificially divided so as to constitute a small purchase under 1.4.1.48 through 1.4.1.52 NMAC of this rule.
[1.4.1.49 NMAC - Rp, 1.4.1.49 NMAC, 8/30/2013]

1.4.1.50 SMALL PURCHASES OF $20,000 OR LESS: A state agency may procure services, construction or items of tangible personal property having a value not exceeding twenty thousand dollars ($20,000) by issuing a direct purchase order to a contractor based upon the best obtainable price and in accordance with any procedures or processes set forth by the state purchasing agent.
[1.4.1.50 NMAC - Rp, 1.4.1.50 NMAC, 8/30/2013]

1.4.1.51 SMALL PURCHASES OF ITEMS OF TANGIBLE PERSONAL PROPERTY, CONSTRUCTION AND NONPROFESSIONAL SERVICES:

A. Quotation to be obtained. Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars ($20,000) but not exceeding sixty thousand dollars ($60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file. If three written quotes cannot be obtained, the agency shall document the reasons and include the document in the procurement file. Such notations as “does not carry” or “did not return my phone call” do not qualify as a valid quotation. If the lowest quotation is not acceptable, the central purchasing office must issue a written determination as to the reasons for such a decision. These reasons must not be arbitrary or capricious. The written determination becomes a part of the procurement file.

B. Disclosure. Prior to award, the contents of any response to a quotation shall not be disclosed to any other business from which the same request for quotation is also being solicited. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

C. Award. Award shall be made to the business offering the lowest acceptable quotation.

D. Records. The names of the businesses submitting quotations and the date and the amount of each quotation shall be recorded and maintained as a public record.

[1.4.1.51 NMAC - Rp, 1.4.1.51 NMAC, 8/30/2013]

1.4.1.52 SMALL PURCHASES OF PROFESSIONAL SERVICES:

A. Application. A central purchasing office may procure professional services having a value not to exceed sixty thousand dollars ($60,000) except for the services of architects, engineers, landscape architects, or surveyors for state public works projects, as that term is defined in 13-1-91 NMSA 1978, in accordance with Subsections B, C, and D of this section and 2.40.2 through 2.40.17 NMAC.

B. Examination of offeror list. Before contacting any business, a central purchasing office is encouraged to examine the state purchasing agent's current list of potential offerors, if any. Central purchasing offices are encouraged to contact at least three businesses for written offers before selecting a contractor.

C. Negotiations. A central purchasing office shall negotiate a contract for the required services at a fair and reasonable price to the state agency.

D. Disclosure. If more than one business is contacted, the contents of the written or oral offer of one business shall not be disclosed to another business until award is made. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

[1.4.1.52 NMAC - Rp, 1.4.1.52 NMAC, 8/30/2013]

1.4.1.53 APPLICATION (SOLE SOURCE PROCUREMENTS, 1.4.1.53 - 1.4.1.57 NMAC): The provisions of 1.4.1.53 through 1.4.1.57 NMAC of this rule apply to all sole source procurements unless emergency conditions exist as defined in 1.4.1.59 NMAC of this rule.

[1.4.1.53 NMAC - Rp, 1.4.1.53 NMAC, 8/30/2013]

1.4.1.54 SOLE SOURCE PROCUREMENT OF ITEMS OF TANGIBLE PERSONAL PROPERTY, CONSTRUCTION AND NONPROFESSIONAL SERVICES:

A. Conditions for use. A contract may be awarded without competitive sealed bids or competitive sealed proposals, regardless of the estimated cost, when the state purchasing agent or a central purchasing office, employing due diligence, determines, in writing, that:

(1) there is only one source for the required service, construction or item of tangible personal property;

(2) the service, construction or item of tangible personal property is unique and this uniqueness is substantially related to the intended purpose of the contract; and

(3) other similar services, construction or items of tangible personal property cannot meet the intended purpose of the contract.

B. Request by using agency. Any request by a using agency that a procurement be restricted to one potential contractor shall be accompanied by a written explanation as to why no other will be suitable or acceptable to meet the need. The written explanation shall be made upon a form provided by the state purchasing agent and available on-line.

C. Posting. Prior to the award of a sole source procurement contract, the state purchasing agent or central purchasing office shall:

(1) provide the information set forth in statute and listed upon the form made available by the state purchasing agent on the state purchasing agent's website to the department of information technology for posting on the sunshine portal; and

(2) forward the same information to the legislative finance committee.

D. A local public body central purchasing office, prior to award of a sole source contract, shall post the information required by statute on the local public body website, if one exists.

E. Negotiations. The state purchasing agent or a central purchasing office shall conduct negotiations, as appropriate, as to price, delivery and quantity, in order to obtain the price most advantageous to the state.

F. Notice; protest. At least 30 days before a sole source contract is awarded, the state purchasing agent, a central purchasing office, or a designee of either shall post notice of the intent to award a sole source contract on its website. If a central purchasing office does not maintain a website, it may post the notice on the state purchasing agent's website. Any qualified potential contractor who was not awarded a sole source contract may protest to the state purchasing agent or a central purchasing office. The protest shall be submitted:

(1) in writing; and

(2) within 15 calendar days of the notice of intent to award a contract being posted by the state purchasing agent or a central purchasing office.

G. Specifications. The state purchasing agent or a central purchasing office shall not circumvent the sole source request and posting and award process by narrowly drafting specifications so that only one predetermined source would satisfy those specifications.

[1.4.1.54 NMAC - Rp, 1.4.1.54 NMAC, 8/30/2013]

1.4.1.55 [**RESERVED**]

1.4.1.56 [**RESERVED**]

1.4.1.57 **RECORDS OF SOLE SOURCE PROCUREMENTS:** The state purchasing agent or central purchasing office shall maintain records of sole source procurements for a minimum of three years. The party responsible for the procurement must retain the records. Posting such procurements on the state purchasing agent's website does not remove the central purchasing office's responsibility to maintain these records if the central purchasing office was responsible for the procurement. The record of each such procurement shall be a public record and shall contain:

A. the contractor's name and address;

B. the amount and term of the contract;

C. a listing of the services, construction, or items of tangible personal property procured under the contract; and

D. the justification for the procurement method which shall include any written determinations and written approvals required by any provision of 1.4.1.53 through 1.4.1.57 NMAC of this rule.

[1.4.1.57 NMAC - Rp, 1.4.1.57 NMAC, 8/30/2013]

1.4.1.58 **APPLICATION (EMERGENCY PROCUREMENTS, 1.4.1.58 - 1.4.1.64 NMAC):** The provisions of 1.4.1.58 through 1.4.1.64 NMAC of this rule apply to every procurement made under emergency conditions that will not permit other source selection methods to be used.

[1.4.1.58 NMAC - Rp, 1.4.1.58 NMAC, 8/30/2013]

1.4.1.59 **DEFINITION OF EMERGENCY CONDITIONS:** An emergency condition is a situation which creates a threat to public health, welfare, safety or property such as may arise by reason of floods, epidemics, riots, equipment failures or similar events. The existence of the emergency condition creates an immediate and serious need for services, construction or items of tangible personal property that cannot be met through normal procurement methods and the lack of which would seriously threaten:

A. the functioning of government;

B. the preservation or protection of property; or

C. the health or safety of any person.

[1.4.1.59 NMAC - Rp, 1.4.1.59 NMAC, 8/30/2013]

1.4.1.60 SCOPE OF EMERGENCY PROCUREMENTS: Emergency procurements shall be limited to those services, construction, or items of tangible personal property necessary to meet the emergency. Such procurement shall not include the purchase or lease-purchase of heavy road equipment.
[1.4.1.60 NMAC - Rp, 1.4.1.60 NMAC, 8/30/2013]

1.4.1.61 AUTHORITY TO MAKE EMERGENCY PROCUREMENTS: The state purchasing agent or a central purchasing office, employing due diligence, may make emergency procurements when an emergency condition arises; provided that emergency procurements shall be made with such competition as is practicable under the circumstances.
[1.4.1.61 NMAC - Rp, 1.4.1.61 NMAC, 8/30/2013]

1.4.1.62 PROCEDURE: The procedure used shall be selected to assure that the required services, construction, or items of tangible personal property are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall be obtained.
[1.4.1.62 NMAC - Rp, 1.4.1.62 NMAC, 8/30/2013]

1.4.1.63 WRITTEN DETERMINATION AND POSTING REQUIRED: A written determination of the basis for the emergency procurement shall be made containing the information set forth in statute and listed on the form issued by the state purchasing agent and available on the state purchasing agent’s website. Within three business days of awarding an emergency procurement, the awarding central purchasing office within a state agency shall:

A. provide the information required by statute to the department of information technology for posting on the sunshine portal; and

B. forward the same information to the legislative finance committee.
[1.4.1.63 NMAC - Rp, 1.4.1.63 NMAC, 8/30/2013]

1.4.1.64 RECORDS OF EMERGENCY PROCUREMENTS: The state purchasing agent or central purchasing office shall maintain records of emergency procurements for a minimum of three years. The party responsible for the procurement must retain the records. Posting such procurements on the state purchasing agent’s website does not remove the central purchasing office’s responsibility to maintain these records if the central purchasing office was responsible for the procurement. The record of each such procurement shall be a public record and shall contain:

A. the contractor's name and address;

B. the amount and term of the contract;

C. a listing of the services, construction, or items of tangible personal property procured under the contract; and

D. the justification for the procurement method.
[1.4.1.64 NMAC - Rp, 1.4.1.64 NMAC, 8/30/2013]

1.4.1.65 PROCUREMENT UNDER EXISTING CONTRACTS AUTHORIZED: The state purchasing agent or a central purchasing office may contract for services, professional services, construction, or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals as follows:

A. at a price equal to or less than the contractor's current federal supply contract (GSA), providing the contractor has indicated in writing a willingness to extend the contract's pricing, terms and conditions to the state agency and the purchase order adequately identifies the contract relied upon; or

B. with a business which has a current price agreement with the state purchasing agent or a central purchasing office for the item, services, or construction meeting the same standards and specifications as the items to be procured, if the following conditions are met:

(1) the total quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement; and

(2) the purchase order adequately identifies the price agreement relied upon;

C. other than Subsection A and B of this section and cooperative procurements as authorized by statute (and described in 13-1-135 NMSA 1978) or the state procurement card program (described in 6-5-9.1 NMSA 1978), no other procurement under existing contracts is authorized; no central purchasing office of a state agency or any other governmental entity may utilize a contract entered into by a different state agency or other governmental

entity if not involved in the procurement itself (i.e., so-called “piggybacking” of contracts; the practice of “piggybacking” is not allowed under the Procurement Code); purchases under contracts developed through cooperative procurement authorized under 13-1-135 NMSA 1978 or contracts which qualify under 13-1-129 NMSA 1978 is permitted and does not constitute “piggybacking.”
[1.4.1.65 NMAC - Rp, 1.4.1.65 NMAC, 8/30/2013]

1.4.1.66 LIMITATION ON SUBSECTION A OF 1.4.1.65 OF THIS RULE RELATING TO GSA CONTRACTS: It should be understood, the state is not authorized to utilize a GSA contract per se. It is imperative, therefore, that the contractor, not a dealer or distributor, who has a current GSA contract indicate in writing a willingness to extend the contract's pricing, terms and conditions to the state of New Mexico. Therefore, a state agency shall not procure services, construction or items of tangible personal property directly under a general services administration (GSA) contract. Rather, a state agency must procure pursuant to a state purchasing agent price agreement which reflects the prices, terms and conditions of the respective GSA contract. If no such state purchasing agent price agreement exists, a state agency may make a written request to the state purchasing agent for the issuance of one. The request must be accompanied by a current copy of the applicable GSA contract, a letter from the contractor expressing a willingness to extend the contract's pricing, terms and conditions to the state of New Mexico and a letter from the state agency indicating a commitment to utilize the price agreement. The state purchasing agent will ascertain whether it is current and whether the proposed price is equal to or less than the federal supply contract price. If everything is in order, the state purchasing agent will issue a price agreement or purchase order reflecting the prices, terms and conditions of the GSA contract. A state agency shall make no procurements from the GSA contractor until a state purchasing agent price agreement has been issued.
[1.4.1.66 NMAC - Rp, 1.4.1.66 NMAC, 8/30/2013]

1.4.1.67 COPIES OF CONTRACTS AND PRICE AGREEMENTS: A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.
[1.4.1.67 NMAC - Rp, 1.4.1.67 NMAC, 8/30/2013]

1.4.1.68 APPLICATION (CANCELLATION OF SOLICITATIONS OR REJECTION OF BIDS OR PROPOSALS; 1.4.1.68 - 1.4.1.72 NMAC): The provisions of 1.4.1.68 through 1.4.1.72 NMAC of this rule shall govern the cancellation of any solicitations whether issued by the state purchasing agent under competitive sealed bids, competitive sealed proposals, small purchases, or any other source selection method, and rejection of bids or proposals in whole or in part.
[1.4.1.68 NMAC - Rp, 1.4.1.68 NMAC, 8/30/2013]

1.4.1.69 POLICY: Any solicitation may be canceled or any or all bids or proposals may be rejected in whole or in part when it is in the best interest of the state of New Mexico.
[1.4.1.69 NMAC - Rp, 1.4.1.69 NMAC, 8/30/2013]

1.4.1.70 CANCELLATION OF SOLICITATIONS OR REJECTION OF ALL BIDS OR PROPOSALS:

A. Prior to opening.

(1) As used in this section, "opening" means the date set for opening of bids or receipt of proposals.

(2) Prior to opening, a solicitation may be canceled in whole or in part when the state purchasing agent or central purchasing office makes a written determination that such action is in the state's best interest for reasons including but not limited to:

(a) the services, construction, or items of tangible personal property are no longer required;

(b) the using agency no longer can reasonably expect to fund the procurement; or

(c) proposed amendments to the solicitation would significantly change the nature of the procurement.

(3) When a solicitation is canceled prior to opening, notice shall be sent to all businesses solicited. The notice shall:

(a) identify the solicitation;

(b) briefly explain the reason for cancellation; and

(c) where appropriate, explain that an opportunity will be given to compete on any resolicitation or any future procurements of similar services, construction, or items of tangible personal property.

B. After opening.

(1) After opening but prior to award, all bids or proposals may be rejected in whole or in part when the state purchasing agent or central purchasing office makes a written determination that such action is in the state's best interest for reasons including but not limited to:

(a) all of the bids and proposals are nonresponsive;

(b) the services, construction, or items of tangible personal property are no longer required;

(c) ambiguous or otherwise inadequate specifications were part of the solicitation;

(d) the solicitation did not provide for consideration of all factors of significance to the using agency;

(e) prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;

(f) all otherwise acceptable bids or proposals received are at clearly unreasonable prices; or

(g) there is reason to believe that the bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith.

(2) A notice of rejection should be sent to all businesses that submitted bids or proposals, and it shall conform to Paragraph (3) of Subsection A of this section.

[1.4.1.70 NMAC - Rp, 1.4.1.70 NMAC, 8/30/2013]

1.4.1.71 REJECTION OF INDIVIDUAL BIDS OR PROPOSALS:

A. Reasons for rejection.

(1) Bids. As used in this section, "bid" includes both competitive sealed bids and small purchase quotations. Reasons for rejecting a bid shall include but are not limited to:

(a) the business that submitted the bid is nonresponsible as determined under 1.4.1.73 NMAC of this rule;

(b) the bid is not responsive; or

(c) the service, construction, or item of tangible personal property offered in the bid is unacceptable by reason of its failure to meet the requirements of the specifications, or permissible alternates, or other acceptability criteria set forth in the IFB.

(2) Proposals. As used in this section, "proposal" includes both competitive sealed proposals and small purchase offers. Unless the solicitation states otherwise, proposals need not be unconditionally accepted without alteration or correction and a using agency's stated requirements may be revised or clarified after proposals are submitted. This flexibility must be considered in determining whether reasons exist for rejecting all or any part of a proposal. Reasons for rejecting proposals include but are not limited to:

(a) the business that submitted the proposal is nonresponsible as determined under 1.4.1.75 through 1.4.1.79 NMAC of this rule;

(b) the proposal is not responsive; or

(c) the proposed price is clearly unreasonable; or

(d) the proposal failed to adequately address one or more material mandatory requirements as set forth in the request for proposals.

B. Written determination required. A written determination which contains the reasons for the rejection of an individual bid or proposal shall be prepared by the state purchasing agent or central purchasing office and made a part of the procurement file.

[1.4.1.71 NMAC - Rp, 1.4.1.71 NMAC, 8/30/2013]

1.4.1.72 "ALL OR NONE" BIDS: When the term "all or none" is used.

A. By the purchaser in a solicitation. A solicitation may require bidders to submit bids or offers on all items listed in the solicitation, or may identify certain groups of items in which all items must be bid. If the solicitation is properly so limited, a bidder's failure to bid all items identified as "all or none" items may render the bid nonresponsive.

B. By the bidder or offeror, and not the purchaser. If the bidder restricts acceptance of the bid, or a portion thereof, by such a statement as "all or none", the bidder has "qualified" the offer which may render the bid as nonresponsive.

C. In instances as stated in both Subsections A and B of this section such a bid or offer may be accepted only if the state purchasing agent or a central purchasing office issues a determination setting forth the basis for accepting the bid or offer as being in the best interest of the state. Also in both, instances, the bid or offer is only eligible for award if it is the overall low bid for the item or items so restricted.
[1.4.1.72 NMAC - Rp, 1.4.1.72 NMAC, 8/30/2013]

1.4.1.73 APPLICATION (RECEIPT; INSPECTION; ACCEPTANCE OR REJECTION OF DELIVERIES; 1.4.1.73 - 1.4.1.74 NMAC): The using agency is responsible for inspecting and accepting or rejecting deliveries.

A. The using agency shall determine whether the quantity is as specified in the purchase order or contract.

B. The using agency shall determine whether the quality conforms to the specifications referred to or included in the purchase order or contract.

C. If inspection reveals that the delivery does not meet or conform to the quantity or quality specified in the purchase order or contract, the using agency shall notify the vendor that the delivery has been rejected and shall order the vendor to promptly make a satisfactory replacement or supplementary delivery.

D. In case the vendor fails to comply, the using agency shall promptly file a purchasing complaint with the state purchasing agent.

E. Also, in case the vendor fails to comply, the using agency shall have no obligation to pay for the nonconforming items of tangible personal property.

F. If the delivery does conform to the quantity and quality specified in the purchase order or contract, the using agency shall certify that delivery has been completed and is satisfactory.
[1.4.1.73 NMAC - Rp, 1.4.1.73 NMAC, 8/30/2013]

1.4.1.74 SUMMARY: Notwithstanding the requirements of 1.4.1.73 NMAC, if, after delivery and acceptance of goods, the goods or a portion thereof are later found to be non-conforming to the specifications referred to or included in the purchase order or contract, such acceptance does not waive any rights or remedies which are otherwise granted to the buyer in accordance with other applicable sections of laws of New Mexico.
[1.4.1.74 NMAC - Rp, 1.4.1.74 NMAC, 8/30/2013]

1.4.1.75 APPLICATION (RESPONSIBILITY OF BIDDERS AND OFFERORS; 1.4.1.75 - 1.4.1.79 NMAC): A determination of responsibility or non-responsibility shall be governed by 1.4.1 75 through 1.4.1.79 NMAC.
[1.4.1.75 NMAC - Rp, 1.4.1.75 NMAC, 8/30/2013]

1.4.1.76 STANDARDS OF RESPONSIBILITY:

A. Standards for bidders. Factors to be considered in determining whether the standard of responsibility has been met include whether a bidder has:

(1) submitted a responsive bid;

(2) adequate financial resources, production or service facilities, personnel, service reputation and experience to make satisfactory delivery of the services, construction, or items of tangible personal property described in the IFB;

(3) a satisfactory record of performance;

(4) a satisfactory record of integrity;

(5) qualified legally to contract with the state; and

(6) supplied all necessary information and data in connection with any inquiry concerning responsibility.

B. Standards for offerors. Factors to be considered in determining whether the standard of responsibility has been met include whether an offeror has:

(1) submitted a responsive proposal;

(2) adequate financial resources, production or service facilities, personnel, service reputation and experience to make satisfactory delivery of the services or items of tangible personal property described in the proposal;

(3) a satisfactory record of performance;

(4) a satisfactory record of integrity;

(5) qualified legally to contract with the state; and

(6) supplied all necessary information and data in connection with any inquiry concerning responsibility.
[1.4.1.76 NMAC -Rp, 1.4.1.76 NMAC, 8/30/2013]

1.4.1.77 ABILITY TO MEET STANDARDS: A bidder or offeror may demonstrate the availability of adequate financial resources, production or service facilities, personnel and experience by submitting, upon request:

A. evidence that the bidder or offeror possesses the necessary items;

B. acceptable plans to subcontract for the necessary items; or

C. a documented commitment from, or explicit arrangement with, a satisfactory source to provide the necessary items.
[1.4.1.77 NMAC - Rp, 1.4.1.77 NMAC, 8/30/2013]

1.4.1.78 INQUIRY BY PROCUREMENT OFFICER: Before awarding a contract, the procurement officer or procurement manager must be satisfied that the bidder or offeror is responsible. Therefore, a bidder or offeror shall supply information and data requested by the procurement officer concerning the responsibility of the bidder or offeror. The unreasonable failure of a bidder or offeror to promptly supply information or data in connection with such an inquiry is grounds for a determination that the bidder or offeror is not responsible.
[1.4.1.78 NMAC - Rp, 1.4.1.78 NMAC, 8/30/2013]

1.4.1.79 DETERMINATION REQUIRED: If a bidder or offeror who otherwise would have been awarded a contract is found to be non-responsible, a written determination, setting forth the basis of the finding, shall be prepared by the state purchasing agent or central purchasing office. The written determination shall be made part of the procurement file, and a copy of the determination shall be sent to the non-responsible bidder or offeror.
[1.4.1.79 NMAC - Rp, 1.4.1.79 NMAC, 8/30/2013]

1.4.1.80 APPLICABILITY (PROTESTS; 1.4.1.80 - 1.4.1.93 NMAC): The provisions of 1.4.1.80 through 1.4.1.93 NMAC of this rule apply to all protests filed with the state purchasing agent and all central purchasing offices that have not adopted regulations for resolving protests. Central purchasing offices with rulemaking authority, other than the state purchasing agent, may adopt regulations for resolving protests filed within their jurisdictions.
[1.4.1.80 NMAC - Rp, 1.4.1.80 NMAC, 8/30/2013]

1.4.1.81 RIGHT TO PROTEST: Any bidder or offeror who is aggrieved in connection with a solicitation or award of a contract, including a sole source procurement, may protest to the state purchasing agent or central purchasing office.
[1.4.1.81 NMAC - Rp, 1.4.1.81 NMAC, 8/30/2013]

1.4.1.82 FILING OF PROTEST:

A. Protest must be written. Protests must be in writing and addressed to the state purchasing agent or central purchasing office, whichever has control and administration over the procurement.

B. Contents. The protest shall:

(1) include the name and address of the protestant;

(2) include the solicitation number;

(3) contain a statement of the grounds for protest;

(4) include supporting exhibits, evidence or documents to substantiate any claim unless not available within the filing time in which case the expected availability date shall be indicated; and

(5) specify the ruling requested from the state purchasing agent or central purchasing office.

C. Pleadings. No formal pleading is required to initiate a protest, but protests should be concise, logically arranged, and direct.

D. Time limit. Protests shall be submitted within 15 calendar days after knowledge of the facts or occurrences giving rise to the protest. Any person or business that has been sent written notice of any fact or occurrence is presumed to have knowledge of the fact or occurrence.
[1.4.1.82 NMAC - Rp, 1.4.1.82 NMAC, 8/30/2013]

1.4.1.83 PROCUREMENTS AFTER PROTEST:

A. In the event of a timely protest, as defined in Subsection D of 1.4.1.82 NMAC of this rule, the state purchasing agent or central purchasing office shall not proceed further with the procurement unless the state purchasing agent or central purchasing office makes a written determination that the award of the contract is necessary to protect substantial interests of a state agency. Such written determination should set forth the basis for the determination. As used in 1.4.1.80 through 1.4.1.93 NMAC of this rule, the point in time in which a contract is awarded is that point at which a legally enforceable contract is created unless the context clearly requires a different meaning.

B. A procurement shall not be halted after a contract has been awarded merely because a protest has been filed. After a contract has been awarded, the state purchasing agent or central purchasing office may, in its sole discretion, halt a procurement in exceptional circumstances or for good cause shown.

[1.4.1.83 NMAC - Rp, 1.4.1.83 NMAC, 8/30/2013]

1.4.1.84 PROCEDURE:

A. Upon the filing of a timely protest, the state purchasing agent or central purchasing office shall give notice of the protest to the contractor if award has been made or, if no award has been made, to all bidders or offerors who appear to have a substantial and reasonable prospect of receiving an award if the protest is denied.

B. The protestant and every business that receives notice pursuant to Subsection A of this section will automatically be parties to any further proceedings before the state purchasing agent or central purchasing office. In addition, any other person or business may move to intervene at any time during the course of the proceedings. Intervention will be granted upon a showing of a substantial interest in the outcome of the proceedings. Interveners shall accept the status of the proceedings at the time of their intervention; in particular, they must abide by all prior rulings and accept all previously established time schedules. The state purchasing agent or central purchasing office, and all employees thereof, are not parties to the proceedings.

C. The state purchasing agent or central purchasing office may take any action reasonably necessary to resolve a protest. Such actions include, but are not limited to, the following:

(1) issue a final written determination summarily dismissing the protest;

(2) obtain information from the staff of the state purchasing agent or central purchasing office;

(3) require parties to produce for examination information or witnesses under their control;

(4) require parties to express their positions on any issues in the proceedings;

(5) require parties to submit legal briefs on any issues in the proceeding;

(6) establish procedural schedules;

(7) regulate the course of the proceedings and the conduct of any participants;

(8) receive, rule on, exclude or limit evidence;

(9) take official notice of any fact that is among the traditional matters of official or administrative notice;

(10) conduct hearings; and

(11) take any action reasonably necessary to compel discovery or control the conduct of parties or witnesses.

[1.4.1.84 NMAC - Rp, 1.4.1.84 NMAC, 8/30/2013]

1.4.1.85 DISCOVERY: Upon written request of any party, or upon its own motion, the state purchasing agent or central purchasing office may require parties to comply with discovery requests.

[1.4.1.85 NMAC - Rp, 1.4.1.85 NMAC, 8/30/2013]

1.4.1.86 HEARINGS:

A. Hearings will be held only when the state purchasing agent or central purchasing office determines that substantial material factual issues are present that cannot be resolved satisfactorily through an examination of written documents in the record. Any party may request a hearing, but such requests shall be deemed denied unless specifically granted.

B. Hearings, when held, should be as informal as practicable under the circumstances, but the state purchasing agent or central purchasing office has absolute discretion in establishing the degree of formality for any particular hearing. In no event is the state purchasing agent or central purchasing office required to adhere to formal rules of evidence or procedure.

[1.4.1.86 NMAC - Rp, 1.4.1.86 NMAC, 8/30/2013]

1.4.1.87 RESOLUTION:

A. The state purchasing agent or central purchasing office shall promptly issue a written determination relating to the protest. The determination shall:

(1) state the reasons for the action taken; and

(2) inform the protestant of the right to judicial review of the determination pursuant to 13-1-183 NMSA 1978.

B. A copy of the written determination shall be sent immediately by certified mail, return receipt requested, to each of the parties.

[1.4.1.87 NMAC - Rp, 1.4.1.87 NMAC, 8/30/2013]

1.4.1.88 RELIEF:

A. Prior to award. If, prior to award, the state purchasing agent or central purchasing office makes a written determination that a solicitation or proposed award of a contract is in violation of law, then the solicitation or proposed award shall be canceled.

B. After award.

(1) No fraud or bad faith. If, after an award, the state purchasing agent or central purchasing office makes a written determination that a solicitation or award of a contract is in violation of law and that the business awarded the contract has not acted fraudulently or in bad faith:

(a) the contract may be ratified, affirmed or revised to comply with law, provided that a written determination is made that doing so is in the best interest of the state; or

(b) the contract may be terminated, and the business awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract plus a reasonable profit prior to termination.

(2) Fraud or bad faith. If, after an award, the state purchasing agent or central purchasing office makes a written determination that a solicitation or award of a contract is in violation of law and that the business awarded the contract has acted fraudulently or in bad faith, the contract shall be canceled.

C. Relief not allowed. Except as provided in Subparagraph (b) of Paragraph (1) of Subsection B of this section, the state purchasing agent or central purchasing office shall not award money damages or attorneys' fees.

[1.4.1.88 NMAC - Rp, 1.4.1.88 NMAC, 8/30/2013]

1.4.1.89 MOTION FOR RECONSIDERATION:

A. Motion. A motion for reconsideration of a written determination issued pursuant to 1.4.1.87 NMAC of this rule may be filed by any party or by any using agency involved in the procurement. The motion for reconsideration shall contain a detailed statement of the factual and legal grounds upon which reversal or modification of the determination is deemed warranted, specifying any errors of law made, or information not previously considered.

B. When to file. A motion for reconsideration shall be filed not later than seven calendar days after receipt of the written determination.

C. Response to motion. The state purchasing agent or central purchasing office shall promptly issue a written response to the motion for reconsideration. A copy of the written response shall be sent immediately by certified mail, return receipt requested, to each of the parties.

[1.4.1.89 NMAC - Rp, 1.4.1.89 NMAC, 8/30/2013]

1.4.1.90 DESIGNEE:

A. Designation. At any point during a protest proceeding, the state purchasing agent or central purchasing office may appoint a designee as defined in 13-1-51 NMSA 1978 to preside over the proceeding. The designee will have all of the powers described in 1.4.1.80 through 1.4.1.93 NMAC of this rule except the power to issue a written determination under 1.4.1.87 NMAC of this rule. The designee only has authority to recommend a resolution to the state purchasing agent or central purchasing office under 1.4.1.87 NMAC of this rule.

B. Who may be designated. Any person, other than the procurement officer, procurement manager or other person not directly involved in the procurement, may serve as a designee.

C. Recommended written determination. A designee shall present a recommended written resolution to the state purchasing agent or central purchasing office and mail a copy to each of the parties. No party may appeal from the recommended resolution of the designee.

D. Action by state purchasing agent or central purchasing office. The state purchasing agent or central purchasing office shall approve, disapprove or modify the recommended resolution of the designee in writing. Such approval, disapproval or modification shall be the written determination required by 1.4.1.87 NMAC of this rule. Any party may file a motion for reconsideration of the written determination pursuant to 1.4.1.89 NMAC of this rule.
[1.4.1.90 NMAC - Rp, 1.4.1.90 NMAC, 8/30/2013]

1.4.1.91 FINAL DETERMINATION:
A. No motion for reconsideration. In those proceedings in which no motion for reconsideration is filed, the written determination issued pursuant to 1.4.1.87 NMAC of this rule shall be the final determination for purposes of the time limits for seeking judicial review under 13-1-183 NMSA 1978.
B. Motion for reconsideration. In those proceedings in which a motion for reconsideration is filed, the written response to the motion issued pursuant to 1.4.1.89 NMAC of this rule shall be the final determination for purposes of the time limits for seeking judicial review under 13-1-183 NMSA 1978.
[1.4.1.91 NMAC - Rp, 1.4.1.91 NMAC, 8/30/2013]

1.4.1.92 COPIES OF COMMUNICATIONS:
A. Copies to be provided to parties. Each party to a protest proceeding shall certify that it has provided every other party with copies of all documents or correspondence addressed or delivered to the state purchasing agent or central purchasing office.
B. Ex parte communications. No party shall submit to the state purchasing agent or central purchasing office, ex parte, any material, evidence, explanation, analysis, or advice, whether written or oral, regarding any matter at issue in a protest.
[1.4.1.92 NMAC - Rp, 1.4.1.92 NMAC, 8/30/2013]

1.4.1.93 COUNTING DAYS: In computing any period of time prescribed in 1.4.1.80 through 1.4.1.93 NMAC of this rule, the day of the event from which the designated period of time begins to run shall not be included, but the last day of the period shall be included unless it is a Saturday, a Sunday, or a legal holiday, in which event the period shall run to the end of the next business day.
[1.4.1.93 NMAC - Rp, 1.4.1.93 NMAC, 8/30/2013]

1.4.1.94 CHIEF PROCUREMENT OFFICER REGISTRATION AND CERTIFICATION:
A. Overview. This Section applies to chief procurement officers in all state agencies and local public bodies.
(1) Statutory Authority. Under Section 9-17-5 NMSA 1978 and the Procurement Code, Sections 13-1-1 et seq NMSA 1978 , the general services secretary has authority to promulgate rules and regulations relating to this program.
(2) Scope. The chief procurement officer registration, certification and recertification training program is a state wide program administered by the state purchasing agent. Each state agency and local public body shall provide to the state purchasing agent the name of and all changes to the name of the state agency's or local public body's chief procurement officer and information identifying the state agency's or local public body's central purchasing office. The state purchasing agent shall maintain a list of the names of chief procurement officers reported to the state purchasing agent by state agencies and local public bodies. The state purchasing agent shall make the list of approved chief procurement officers available to the public through the web site of the purchasing division of the general services department and in any other appropriate form. It is a violation of statute if state agencies and local public bodies do not have a chief procurement officer listed on the state purchasing agent list before performing procurements. Section 13-1-98 NMSA 1978 shall not reduce the scope of duties, responsibilities or authority of the state purchasing agent, nor shall such exemptions exclude state agencies and local public bodies from the duties and responsibilities of providing the state purchasing agent the name of its certified chief procurement officer. All state agencies and local public bodies and their certified chief procurement officers are required to comply with all requirements under Sections 13-1-28 through 13-1-199 NMSA 1978 (amended 2013).
B. Definitions.
(1) **“Approves”** or **“approved”** means a chief procurement officer has successfully completed the certification or recertification training program administered by the state purchasing agent and attested to by the issuance of a certificate signed by the state purchasing agent.

(2) **"Conduct"** or **"conducting"** procurements means the act of preparing, advertising, processing, and awarding procurements of any kind, including, but not limited to, sole source, invitation to bid, request for proposals, and contracts under state price agreements.

(3) **"Certification Program"** means the initial certification process through passing an exam after completing course material and a test approved by the general services secretary.

(4) **"Recertification Program"** means training that will include affirmation of successfully completing course material approved by the general services secretary.

C. Mandatory identification of certified chief procurement officer. Each state agency and local public body shall annually, on or before January 1st of each year, and within 15 calendar days every time thereafter upon a vacancy or extended absence of a certified chief procurement officer for more than two weeks, provide to the state purchasing agent the name of the state agency or local public body certified chief procurement officer and, if applicable, information identifying the state agency or local public body central purchasing office. Every state agency or local public body shall have a certified chief procurement officer on the state purchasing agent list to perform procurments. No agency shall conduct procurements until a certified chief procurement officer is approved by the state purchasing agent. Upon a vacancy or absence, the state agency or local public body shall have 90 days to replace its certified chief procurement officer. In the event the initial 90 day period is to be exceeded, and upon good cause shown, to the satisfaction of the state purchasing agent, an additional 90 days may be granted to the state agency or local public body by the state purchasing agent to replace its certified chief procurement officer. Examples of good cause would include vacancies due to emergencies, death or resignation of a certified chief procurement officer. Until a certified chief procurement officer is reported to the state purchasing agent no procurements may be conducted and no duties, responsibilities, and obligations may be performed as detailed in Subsection F of 1.4.1.94 NMAC unless granted temporary authority by the state purchasing agent.

D. Registration of chief procurement officer with state purchasing agent. The certified chief procurement officer, that has been reported by the state agency or local public body to the state purchasing agent as provided in Subsection C of 1.4.1.94 NMAC above, shall register with the state purchasing agent through the state purchasing division's website. The state agency or local public body shall provide all the required identification information, including:

(1) certified chief procurement officer name with title, phone number and email address;

(2) agency or entity name with full address and registration date.

At the time of registering for the certification or recertification program, the applicant shall execute a statement of personal responsibility affirming:

(a) he/she is a current employee of a state agency or local public body and not employed as an independent contractor;

(b) he/she has not been convicted of a felony unless pardoned by the governor; and

(c) any additional required information specified by the state purchasing agent.

E. Chief procurement officer certification. The state purchasing agent shall establish a certification and recertification program for all chief procurement officers including the initial certification, and recertification every two years, on or before the certification anniversary date for each certified chief procurement officer. In order to be certified or recertified, a chief procurement officer shall remain an employee of the state agency or local public body, must not be convicted of a felony or behavior unbecoming of a chief procurement officer with a record of performance that establishes good moral character and competency, and shall obtain such training as deemed appropriate by the secretary of the general services department and pass a certification or recertification program, as appropriate, approved by the secretary of the general services department. Subject to the provisions of subsection J, the state purchasing agent may revoke a certification if shown that the chief procurement officer has not maintained the standards for a chief procurement officer. The secretary of the general services department reserves the right to add separate certifications and recertifications of specialized acquisitions under the procurement code as are deemed necessary or useful by the secretary.

F. Certified chief procurement officer duties, responsibilities and obligations. On and after July 1, 2015, only certified chief procurement officers may do the following, except that persons using procurement cards may continue to issue purchase orders and authorize small purchases:

(1) make determinations, including determinations regarding exemptions, pursuant to the Procurement Code;

(2) issue purchase orders and authorize small purchases pursuant to the Procurement Code; and

(3) approve procurement pursuant to the Procurement Code.

G. Failure to identify and register a certified chief procurement officer. In the event that the state agency or local public body does not have a certified chief procurement officer identified and registered in conformance with Section 13-1-95.2 NMSA 1978, pursuant to Section 13-1-97 NMSA 1978, procurement acts by that state agency or local public body may be suspended at the discretion of the state purchasing agent.

H. Identification, registration and certification violations. Any procurement act performed by a state agency or local public body under the New Mexico procurement code that has not identified and registered its certified chief procurement officer in conformance with Section 13-1-95.2 NMSA 1978, may be deemed a procurement violation. For state agencies, such procurement violation(s) may also result in a violation of the department of finance and administration's Model Accounting Practices.

I. Delegation or sharing of certified chief procurement officer duties. The sharing of a certified chief procurement officer through mutual execution of a memorandum of agreement by the state agency (agencies) or local public body(bodies) is allowed. A state agency or local public body wanting to delegate or share a certified chief procurement officer with another state agency or local public body shall: provide to the state purchasing agent for such sharing arrangement, information identifying the state agency or local public body central purchasing office, the name of the state agency or local public body shared certified chief procurement officer and the intergovernmental agreement supporting the arrangement.

J. Revocation or suspension of certification.

(1) The state purchasing agent may suspend or revoke certified chief procurement officer certification in whole or in part, based on any action or conduct deemed improper of a certified chief procurement officer, including but not limited to severity or frequency of procurement violations, non-compliance with the Governmental Conduct Act (Sections 10-16-1 through 10-16-18 NMSA 1978), lack of verification that the chief procurement officer has successfully completed the certification or recertification program established by the state purchasing agent; lack of verification of current employement by the reporting state agency or local public body and not employed as an independent contractor; lack of verification that the person has not been convicted of a felony and behavior unbecoming of a chief procurement officer with a record of performance that establishes competency.

(2) Due process procedures shall be initiated by the state purchasing agent after reasonable notice to the certified chief procurement officer involved as follows in this section. The state purchasing agent or his designee shall cause written notice of the proposed revocation or suspension of certification (the Action) to be sent by certified mail, return receipt requested, to the certified chief procurement officer involved. The notice shall contain the following statements:

(a) the Action contemplated is for revocation or suspension of certified chief procurement officer certification;

(b) the reasons for the Action, which shall include a summary of the certified chief procurement officer's conduct or performance/nonperformance of his duties to which the Action relates;

(c) the Action is brought pursuant to the provisions contained in Section 13-1-95.2 NMSA 1978 and the regulations promulgated thereunder;

(d) sufficient facts exist, unless rebutted, to support the proposed revocation or suspension of certification and that the state purchasing agent shall proceed to suspend or revoke certified chief procurement officer certification in whole or in part unless the certified chief procurement officer requests, in writing, a hearing within 15 consecutive calendar days from the day the certified chief procurement officer receives the notice of the proposed Action;

(e) the address where the certified chief procurement officer's request for hearing shall be sent, and the name of the person to whom the request shall be sent; and

(f) that if the certified chief procurement officer fails to deliver a written request for a hearing to the person designated within the 15 days required in Subparagraph (d) of this Section, a final determination shall be made by the state purchasing agent;

(g) upon receipt of a timely request for hearing, the state purchasing agent will appoint a neutral hearing officer and any such hearing officer so appointed will conduct the hearing and recommend a final decision to the state purchasing agent. If no hearing officer can be appointed in timely fashion, the state purchasing agent shall then act as the hearing officer.

(3) If a hearing is requested, the hearing officer shall send written notice to the certified chief procurement officer of the time and the place of the hearing.

(4) Hearings, and any subsequent appeals, shall conform to the standards, requirements, and process set forth for protests under the procurement code, Sections 13-1-28 thru 13-1-199 NMSA 1978, and be as informal as may be reasonable and appropriate under the circumstances. However, in no event shall the hearing officer be required to adhere to formal rules of evidence or procedure. The weight to be attached to evidence presented in any particular form will be within the discretion of the hearing officer. Stipulations of fact agreed upon by the participants may be regarded and used as evidence at the hearing. The participants may stipulate the testimony that would be given by a witness as if the witness were present. The hearing officer may require evidence in addition to that offered by the participants. The state purchasing agent shall issue a written determination regarding revocation or suspension of certification following the hearing.

K. Reinstatement of certification.

(1) The state purchasing agent may reinstate the certified chief procurement officer certification:

(a) in whole or in part;

(b) temporarily or permanently; or

(c) may limit the scope of duties as the state purchasing agent deems appropriate.

(2) The state purchasing agent may require successful completion of re-certificaton or proof of eligibility as a pre-condition for reinstatement. This may include successful completion of the certification program or recertification program.

(3) The state purchasing agent reserves the right to adopt additional remedies into the program as deemed appropriate.

L. Coordination by the state purchasing agent. The state purchasing agent may coordinate with the department of finance and administration regarding the reporting of decisions and actions under this section for state agencies, and with the local government division of the department of finance and administration for local public bodies.

M. Policies from the state purchasing agent. The state purchasing agent reserves the right to implement further policies to give full effect to the certified chief procurement officer statutes and this rule as required and necessary.

N. Limitations. Nothing in these rules shall be deemed to be a limit on the authority of the state purchasing agent to enact the purpose of these rules, nor a limit on other legal liability of certified chief procurement officer for their action or conduct.

[1.4.1.94 NMAC - N, 08/30/2013; A, 01/16/2018]

1.4.1.95 STATE USE ACT:

A. Procurement of services. In regard to the procurement of services, before utilizing any other procurement method allowed under the Procurement Code, a state agency or local public body shall first offer the procurement to the central non-profit agency under contract with the state. The central non-profit agency has the right of first refusal for any procurement of services provided that the service is stated on a list provided and published by the central non-profit agency and provided that the provider can meet the time requirements of the state agency.

B. Central non-profit agency. The central non-profit agency shall:

(1) publish the list of services available through the central non-profit agency on a website available to all state agencies and local public bodies;

(2) ensure that all service providers on this list meet the eligibility requirements to offer services under 13-1C-1 et. seq. NMSA 1978; and

(3) ensure that the prices offered to state agencies and local public bodies reflect the fair market value of such services in accordance with 13-1C-5 NMSA 1978;

(4) provided that, under 13-1C-6 NMSA 1978, services provided pursuant to and facilities covered by 22-14-27 NMSA 1978 are excluded from procurement through the central non-profit agency.

C. Procurement of services pursuant to 13-1C-1 et. seq. NMSA 1978 are exempt from the Procurement Code.

[1.4.1.95 NMAC - N, 8/30/2013]

History of 1.4.1 NMAC:

Pre-NMAC History:

Laws of 1984, Chapter 65, Section 1 enacted the Procurement Code to apply to every expenditure by state agencies and local public bodies for the procurement of items of tangible personal property, services and construction. To implement the Code, and in accordance with the statutory requirements applicable at the date and time, the subject and material found in this rule was first filed with the state records center and archives in 1984 as general services department (GSD) Procurement Code Regulations, GSD Rule No. 84-611, filed 11/21/1984; superseded by Procurement Code Regulations, GSD Rule No. 87-601, filed 12/16/1987; superseded by Procurement Code Regulations, GSD Rule No. 89-601, filed 12/01/1989; superseded by Procurement Code Regulations, GSD Rule No. 93-601, filed 09/21/1993; superseded by 1 NMAC 5.2, filed 01/15/1998.

History of Repealed Material:
1.4.1 NMAC, Procurement Code Regulations (filed 11/01/2001) repealed 09/30/2005.
1.4.1 NMAC, Procurement Code Regulations (filed 09/16/2005) repealed 8/30/2013.

Other History:
GSD Rule No. 93-601 (filed 09/21/1993) was renumbered, reformatted and amended to 1 NMAC 5.2, Procurement Code Regulations, effective 01/15/1998.
1 NMAC 5.2, Procurement Code Regulations (filed 01/02/1998) was renumbered, reformatted, amended and replaced to 1.4.1 NMAC, Procurement Code Regulations, effective 11/15/2001.
1.4.1 NMAC, Procurement Code Regulations (filed 11/01/2001) was replaced by 1.4.1 NMAC, Procurement Code Regulations, effective 09/30/2005.
1.4.1 NMAC, Procurement Code Regulations (filed 09/16/2005) was replaced by 1.4.1 NMAC, Procurement Code Regulations, effective 8/30/2013.

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ALAMOGORDO, NEW MEXICO AND THE INTERNATIONAL SPACE HALL OF FAME FOUNDATION

This Memorandum of Understanding (MOU) memorializes the agreement between the City of Alamogordo (City) and The International Space Hall of Fame Foundation (Foundation). The purpose of this MOU is to memorialize the agreement between the City and Foundation regarding the Fourth of July Firework show.

1. Annually, on the Fourth of July, the Foundation and the City partner together to provide all citizens and visitors of Alamogordo a fireworks show.

2. The City of Alamogordo agrees to purchase the fireworks at a cost of $30,000 for the July 2021 fireworks show. Thereafter, the City agrees to fund the fireworks as follows:

   a. July 2022: $25,000 contribution
   b. July 2023: $20,000 contribution
   c. July 2024 and thereafter: $15,000 contribution

3. The City's contribution is wholly dependent on the City Commission appropriating the funds for the fireworks show and may be cancelled or reduced for budgetary reasons.

4. The City also agrees to provide, and set up traffic control barriers for the Foundation to use on Scenic Dr to ensure the safety of patrons attending the show, and those citizens utilizing Scenic Dr as a thoroughfare.

5. In exchange for the City's financial contribution, the Foundation agrees to allow the Alamogordo Fire Department to have full Site Control Authority before, during and after the fireworks show to ensure that the City and its citizens are safe from any brush fires as a result of the fireworks.

6. Additionally, the Foundation will negotiate with the fireworks provider on all aspects of the show from concept to completion and will procure the fireworks. The Foundation agrees to provide City with a copy of the invoice for the full amount of the City's contribution.

7. The Foundation further agrees to name the City as a major sponsor of the event, and use the City's logo on all advertising, press releases, live mentions on the event broadcast and all social media.

8. Each party has had a reasonable opportunity to read this entire Agreement, to discuss its contents and meaning with a representative of their choosing, and that the terms of this Agreement are understood and voluntarily accepted.

IN WITNESS WHEREOF, City and Foundation have executed this Memorandum of Agreement on the date set opposite their signatures.

INTERNATIONAL SPACE HALL OF FAME FOUNDATION

Date: ______________ ________________________________
Gene Galassini

Date: ______________ ________________________________
Cliff Hudson

CITY OF ALAMOGORDO, NEW MEXICO
A New Mexico municipal corporation

Date: ______________ ________________________________
Brian Cesar
City Manager

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Bengoechea, City Attorney

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ALAMOGORDO, NEW MEXICO
AND THE INTERNATIONAL SPACE HALL OF FAME FOUNDATION

This Memorandum of Understanding (MOU) memorializes the agreement between the City of Alamogordo (City) and The International Space Hall of Fame Foundation (Foundation). The purpose of this MOU is to memorialize the agreement between the City and Foundation regarding the Fourth of July Firework show.

1. Annually, on the Fourth of July, the Foundation and the City partner together to provide all citizens and visitors of Alamogordo a fireworks show.

2. The City of Alamogordo agrees to procure the fireworks for the 2021 fireworks show solely at their own expense. The City also agrees to use its own fire services to support the show and to help protect the property around the staging area.

3. The Foundation agrees that the City (via their fireworks vendor) can use the land at the New Mexico Space Hall of Fame in order to stage and shoot the fireworks. The Foundation also agrees that it has permission from the State of New Mexico to use the land for such purposes. (See attached Exhibit A)

4. The Foundation agrees to name City of Alamogordo as an additional insured on its insurance policy to cover the rented area at the New Mexico Space Hall of Fame.

5. This agreement shall be for one year and automatically renew each year unless one party wishes to terminate the agreement. The agreement can be terminated at any time in writing by either party without cause. Any such termination shall be given 30 days in advance.

6. Each party has had a reasonable opportunity to read this entire Agreement, to discuss its contents and meaning with a representative of their choosing, and that the terms of this Agreement are understood and voluntarily accepted.

IN WITNESS WHEREOF, City and Foundation have executed this Memorandum of Agreement on the date set opposite their signatures.

INTERNATIONAL SPACE HALL OF FAME
FOUNDATION

Date: ______________ ________________________________
Cliff Hudson

Date: _____________ _______________________________
Gene Galassini

CITY OF ALAMOGORDO, NEW MEXICO
A New Mexico municipal corporation

Date: _____________ _______________________________
Brian Cesar
City Manager

ATTEST:

____
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

____
Petria Bengoechea, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 5/4/2021 **Report No:** 8.

Submitted By: Teresa Gutierrez

Subject: Notification of Vacancies for Boards and Committees. *(Richard Boss, Mayor)*

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation: Currently no appointments to be made.

Background: Airport Zoning Board - One (1) vacancy.
No applications received.

Senior Volunteer Programs Advisory Council - One (1) vacancy. This vacancy is due to the expiring term of Cynthia Stevenson.
No applications received.

If anyone is interested in serving on a board or committee, you may apply with the City Clerk's office, or online at the City's website.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 5/11/2021 **Report Date:** 4/30/2021 **Report No:** 9.

Submitted By:

Subject: Adjourn into Executive Closed Session in compliance with 10-15-1(h)(7) NMSA (as amended) to discuss threatened or pending litigation: update on TRD lawsuit and possible KOA lawsuit regarding encroachment on City property. **(Roll Call Required)**

Fiscal Impact:
Amount Budgeted:
Fund:

Additional Fiscal Impact:

Recommendation:

Background: