

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION BUDGET HEARING WORKSHOP MINUTES
6:30 P.M., VIRTUAL MEETING
May 4, 2021**

**RICHARD BOSS, MAYOR
SHARON McDONALD, COMMISSIONER
JOSH RARDIN, COMMISSIONER
DUSTY WRIGHT, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**NADIA SIKES, MAYOR PRO-TEM
JASON BALDWIN, COMMISSIONER
BRIAN CESAR, CITY MANAGER
PETRIA BENGOCHEA, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

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

Mayor Boss called the meeting to order at 6:42 p.m. (Note: The Meeting commenced later than advertised due to technical difficulties with the YouTube livestreaming.) Roll Call was taken by the City Clerk. City Clerk Hughs announced there was a quorum present. The Invocation was given by Commissioner McDonald, and the Pledge of Allegiance was led by Commissioner Wright.

APPROVAL OF AGENDA

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

PRESENTATIONS

1. Finance will present the preliminary FY22 City of Alamogordo Budget. (*Evelyn Huff, Finance Director*)

City Manager Cesar said the budget was a lot more of an optimistic budget, though still conservative. As we go through the budget process tonight, we would be focusing more on areas that had been traditionally put to the rear of the budget process.

Director Huff presented a PowerPoint Presentation. She reviewed the timeline; a budget overview of all funds combined; budget overview of per fund type; Gross Receipts Tax (GRT) overview; the personnel budget; and approved capital. (See Blue Book for PowerPoint presentation)

Commissioner Rardin questioned why the salaries and benefits for the Legislative department had gone down almost \$10,000. Finance Director Huff said there were still some residuals in the FY21 budget from when everything switched over with some Commissioners leaving and terms changing. That should all be cleared up now. Their present salaries were entered into HTE as \$6,000 per year for Commissioners and \$9,000 per year for the Mayor. Commissioner Rardin said based on the amounts the Mayor and Commissioners received, he felt the amount budgeted was wrong. He said, it stated in the Charter that they each receive \$50 per Regular Meeting attended. This would be in addition to the salaries they received. City Manager Cesar said staff would verify that. Commissioner Rardin said their salary was \$500 per month for Commissioners and \$750 per month for the Mayor, plus \$50 per Regular Meeting attended. Finance Director Huff said she would verify it through HTE.

Commissioner Rardin questioned if the increase of \$6,600 in the City Manager's expenses was due to the \$.50 per hour minimum wage increase. Finance Director Huff said that was correct.

Commissioner Rardin asked for clarification on the ESGRT total expenditures and transfers out. Finance Director Huff said that had to do with some of the post closure reserve costs for both the current landfill and the old Dog Canyon landfill. We were required to keep a certain amount budgeted but usually did not wind up spending the entire amount.

Mayor Pro-Tem Sikes said she could not get beyond the R.S.V.P. program being canceled because she knew from past experience just how excited the seniors were over the program. She wondered whether there was going to be something substituted for this program, and whether they got any resistance from any of the R.S.V.P. people. Assistant City Manager Hernandez said staff was still working on it, but if it were to continue, it would have to be a completely different program because it was looking like the current program was going to go away.

Commissioner Rardin questioned the subsidy increase for the Desert Lakes Golf Course. Finance Director Huff said their subsidy did increase, but also, they were receiving a new roof on the Clubhouse, a new walk-in freezer, and a new greens sprayer. All of those were funded by a transfer in from Fund 11 of \$305,000.

Commissioner Payne said obviously we did better than projected on GRT. She questioned how staff was basing their projections for FY22. City Manager Cesar said they were trying to be conservative. They were taking FY19, 20, and 21 actuals, and averaging them with no increases. Last year at this time we were looking at a lot of unknowns with the Covid situation. However, with the stimulus checks and the money given to municipalities over the year, that caused the retail GRT to increase.

Commissioner Rardin said the economy might take a little bit of a downturn, so perhaps we should look at the projections vs. the actuals again around January. Finance Director Huff said staff looked at the actuals every month and compared them to where we were in the budget. So far in FY19, 20, and 21, we had not had more than two months in a row where our actuals had been less than what we projected. If we got into a situation where there were multiple months where our actuals were less than our budget, then staff would get together to see if it was a long-term trend or if something specific had happened, and they would react accordingly.

Deputy Human Resources Director Torres made a presentation regarding City staffing levels, proposed new staffing positions, personnel budget factors, and the New Mexico minimum wage.

Commissioner Rardin thought that minimum wage went up to \$12.00 per hour on January 1, 2022, and not to \$11.50 as Deputy Human Resources Director Torres had outlined in her presentation. Deputy Human Resources Director Torres said it went to \$11.50 at that point, and then to \$12.00 per hour on January 1, 2023. Commissioner Rardin said he understood it went to \$12.00 in January 2021. She said she would doublecheck on that. City Manager Cesar reviewed the NM Minimum Wage Senate Bill 437, which outlined the increase going to \$11.50 in January 2022. Finance Director Huff read from New Mexico Workforce Solutions webpage, and it stated that on January 1, 2021, the minimum wage went to \$10.50; to \$11.50 on January 1, 2022; and then to \$12.00 on January 1, 2023.

Commissioner Payne requested clarification on the Otero County Economic Development Council (OCEDC) contract and whether it was up for renewal. City Attorney Bengoechea said we had to renew it every year. City Manager Cesar said annually right before the new fiscal year if neither party indicated that they wanted to opt out, the City would send a letter to them requesting renewal for another year. He would have to verify, but he thought this might be the last year for this existing contract. If it was, then we would have to go back out to the public and put out an RFP.

Commissioner Rardin requested numbers on how much we contributed to each of the outside agencies. City Manager Cesar said for OCEDC, it was 10 percent of the Economic Development Fund. Finance Director Huff said that was currently at \$113,000. The Chamber of Commerce had the Promotions Contract which was paid out of Fund 16 and was budgeted at \$25,000. There was an additional increase granted to them for another \$15,000 which was paid out of the General Fund along with their Operations Contract for \$25,000. The additional \$15,000 was for promotion of the City. The total funds to the Chamber were at \$85,000. Commissioner Rardin stated that he thought any increases to outside agencies had to go to the Commission for approval. City Manager Cesar said that increase was not for next fiscal year but was in the current year's budget. For all these outside agencies, they were at the current contract levels with no increases for the upcoming fiscal year. The ARMS

Agreement might be the only exception to that because it was originally \$30,000, which was \$10,000 per year for three years. We were now going to be in the last year of that contract and it was only budgeted for \$10,000. Finance Director Huff said the MainStreet amount was \$40,000.

City Attorney Bengoechea said regarding the OCEDC Agreement, they were typically for four years but we did them one year at a time. Finance Director Huff said the OCEDC budget for FY22 was at \$124,571. They had some cushion built into the fund because we had a problem with OCEDC not turning their invoices in before the end of the fiscal year and then we would have to pay them in the next fiscal year. So, staff built some cushions in there as we were trying to alleviate that from happening and from having to come back multiple times to revise the budget to get their invoices paid. Commissioner Payne felt the more practical way to do it would be for us to get on OCEDC and make them submit their invoices before the end of the fiscal year. City Manager Cesar said OCEDC had been put on notice and had been much better this past fiscal year in getting their invoices in. However, anything that was budgeted in Fund 105 could not be used anywhere else. Therefore, anything not expended would go right back to fund balance. He could reject if an invoice were turned in late, but he believed that within a relatively short period of time staff would be directed to go ahead and pay that invoice even though it was late. He had seen this happen multiple times in the past. OCEDC was not going to receive a penny more than the 10 percent that their contract entitled them. Commissioner Payne said she had a problem with them not getting their invoices submitted in a timely manner. Commissioner Rardin questioned how often they were invoiced. City Manager Cesar said it was quarterly. Finance Director Huff said all invoices were checked for accuracy by staff and paid out at the proper amount. Commissioner Payne felt that the City should not need to change its process, but that OCEDC needed to change their process if they wanted our money. Mayor Pro-Tem Sikes suggested that when we re-write the contract, we address all those parameters. City Attorney Bengoechea said we had already learned that lesson and would write into the next contract that if they did not invoice within 30 days, we would not be paying the invoice. She and the City Manager had attended meetings with their Interim Director and their Board President, and it had been made very, very clear that their invoices must be on time from now on. She believed they had been on time so far, this past year. Commissioner Rardin said we needed to make sure that they did not get more than 10 percent of what was collected. City Attorney Bengoechea said that was correct, it was State law and staff tracked it carefully to make sure that they would not get more than 10 percent of what was collected.

Commissioner Rardin questioned what kind of user fees there were in Fund 105. Finance Director Huff said it was the rental for the Family Fun Center for \$24,000 per year. The contractor had indicated on social media that they were currently trying to hire and to reopen. City Manager Cesar said they would reopen when the County went turquoise.

Mayor Pro-Tem Sikes questioned whether there was anything brought up by the Alamogordo Public Safety Officers Association (APSOA) that we were unable to comply with. City Manager Cesar said the recommended changes were scheduled to go before the Commission at the next Regular Meeting, and all details would be listed. Both sides had come to an agreement.

Mayor Pro-Tem Sikes asked for clarification on the City being able to fund the \$300,000 for the Airport improvements. City Manager Cesar said right now this was a project which was not going to happen in the next fiscal year. What we had budgeted for and set aside was what the FAA had already approved. Our Airport consultant, Armstrong Consultants, was putting together a scope of work to do the preliminary engineering plan for the taxiway rehabilitation. Once we knew what our match was going to be on that, we would be coming back to Commission with a budget Resolution. With an FAA Grant, 90 percent was funded by the Federal government, 5 percent by the State, and the remaining 5 percent by the City. Regarding the \$300,000, staff had been directed to work with the Regional Jet Group to try and make that a reality. One of the components of making that come to fruition was the existing taxiway. Armstrong did a cost difference which looked at reconstructing the taxiway where it currently sat versus constructing the taxiway at the proper FAA 400-foot safety difference. There was about a \$300,000 difference. Ultimately the FAA and State Aviation said there was not enough justification to move the project into the proper safety difference. Therefore, the City had proposed that if we were

willing to contribute that \$300,000 difference, would the FAA now reconsider funding that relocation of the taxiway. The FAA said no, so the City and the Regional Jet Group were still working to see if they could make that happen.

(**Note: Commissioner Baldwin had left the meeting prior to adjournment.)

Commissioner Payne moved to adjourn at 9:00 p.m.

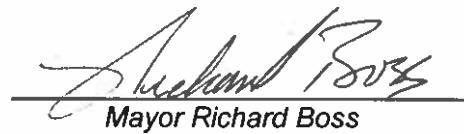
Commissioner Wright seconded the motion.

Motion carried with a vote of 6-0-0**.

ADJOURNMENT

ATTEST:


City Clerk Rachel Hughs


Mayor Richard Boss

(Prepared by Teresa Gutierrez, Deputy Clerk)
Approved at the Regular Meeting held on May 25, 2021.