

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION
BUDGET WORK SESSION MINUTES
6:30 P.M., FIRE STATION NO. 5
APRIL 5, 2016**

**RICHARD BOSS, MAYOR
JASON BALDWIN, COMMISSIONER
NADIA SIKES, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**AL HERNANDEZ, MAYOR PRO-TEM
ERICA MARTIN, COMMISSIONER
GEORGE STRAFACE, INTERIM CITY MANAGER
STEPHEN THIES, CITY ATTORNEY
NANCY JACOBS, CITY CLERK**

CALL TO ORDER / ROLL CALL

Mayor Boss called the meeting to order at 6:30 p.m. Roll Call was taken by the City Clerk. Commissioner Sikes was absent. Clerk Jacobs announced there was a quorum present.

APPROVAL OF AGENDA

Commissioner Baldwin moved to approve the agenda. Mayor Pro-Tem Hernandez seconded the motion. Motion carried with a vote of 6-0-0.

PRESENTATIONS

Interim City Manager Straface opened the meeting. He said they were going to provide an overview of the funds and focus on general fund expenditures and revenues.

1. The Finance Staff presented the preliminary FY16-17 City of Alamogordo Budget. (LeeAnn Nichols, Finance Director)

Finance Director Nichols stated the next budget meeting would be on April 21, 2016. The preliminary budget was due June 1, 2016 to the New Mexico Department of Finance Administration (DFA) and the final budget was due July 30, 2016 to the DFA. She gave a budget overview of all of the funds, and said they projected the FY17 budget would begin with \$47.2 million. Total revenue for this year was projected to be \$70.5 million which included grants. The projected budget expenditures were at \$103 million for the current year and estimated at \$65.5 million for FY17. The ending total fund balance for FY17 was estimated at \$23.6 million.

Interim City Manager Straface mentioned they were considering raising license fees and those projections were included in the budget overview.

Finance Director Nichols spoke about franchise fees, business licenses, and grants. (see agenda book for Power Point)

Commissioner Payne asked if the CDBG was \$500,000 in FY16. Finance Director Nichols said yes, and every year they were eligible for \$500,000. Commissioner Payne asked if the project needed to be completed before they could get more money. Finance Director Nichols answered, yes.

Finance Director Nichols mentioned the major revenue was gross receipts tax and it was not growing. She said Interim City Manager Straface asked the departments to provide a 2% budget cut in expenditures for FY17 with an explanation of the impact. Interim City Manager Straface said they decided not to cut some departments that would be greatly impacted, however other departments could cut more.

Finance Director Nichols went over other services and capital funding. Mayor Boss asked for a list of the Capital Fund summary. Interim City Manager Straface said he would get a list to the commission on Friday.

Finance Director Nichols talked about salaries and benefits. Interim City Manager Straface mentioned they had cut so much staff, they were hurting with services, and that is why they were seeing a jump between FY16 projected and FY17 proposed.

Accounting Manager Hall spoke on Gross Receipts Tax (GRTs) and Hold Harmless. (See agenda book for Power Point)

Mayor Boss asked for a copy of the GRT snapshot document. Interim City Manager Straface said he would put a copy of all the Power Points in the commission boxes. Finance Director Nichols stated she would also provide a copy of the tax table from Taxation and Revenue.

Finance Director Nichols talked about other funds outside of the General Fund. (See agenda book for Power Point)

Commissioner Payne asked Finance Director Nichols if the program to donate money to the Recreation Center for low come families was for any family. The Finance Director answered yes; there were some criteria the family had to meet. Commissioner Payne asked if the program was advertised, and Community Services Director Ortega said it was. Mayor Pro-Tem Hernandez said he had seen it in a pamphlet.

Commissioner Payne asked Finance Director Nichols what the Home Ownership Program was. Finance Director Nichols said the houses were the starter homes the federal government paid for to create a home ownership program where the person could live in the home and pay rent. A large portion of their rent went into to a savings account and after three years, if they cleaned up their credit, they could use that money as a down payment on the house in order to buy it. She mentioned some of the homes the City bought were in the program. Interim City Manager Straface said the four homes in the program were sold last Saturday. Commissioner Payne asked what happened to that money from the houses the City had sold. Interim City Manager Straface answered it went into the public housing funds. Commissioner Payne asked if the program was still in affect, and Mayor Pro-Tem Hernandez answered no.

Interim City Manager Straface called for a recess at 7:44 p.m.

Meeting started again at 7:54 p.m. Commissioner Baldwin left the meeting during the break.

Finance Director Nichols went over the General Fund. (See agenda book for Power Point)

Mayor Boss asked for a breakdown of the General Fund Expenditures, and Finance Director Nichols went over the breakdown.

Interim City Manager Straface asked the commission to give him direction on the fund balance. His recommendation was to minimize the use of the fund balance and use other sources, for example redirecting GRT or an additional GRT. Mayor Boss asked for dollar amounts on redirecting. Interim City Manager Straface asked Finance Director Nichols to get the information to him by Friday.

Human Resources Director Josselyn presented employee salaries and benifits. (See agenda book for Power Point)

Commissioner Payne asked if there was a pay increase for police and fire in FY17. HR Director Josselyn said no, they had not yet made an agreement with the unions. Mayor Pro-Tem Hernandez said they discussed it last year and believed it was better to leave the pay increase out of the figures.

Interim City Manager Straface said the 4% insurance increase had not been put into the figures, but it would be included in the April 21st meeting. HR Director Josselyn mentioned the modification decrease was not in the figures either.

Commissioner Payne asked if the insurance for an employee plus family was \$301 bi-monthly, making it \$600 a month, and HR Director Josselyn said that was correct. Commissioner Payne commented it was expensive for an employee of the City of Alamogordo to have insurance.

Commissioner Martin asked to talk about the Public Works reorganization before the final budget meeting. Interim City Manager Straface said he would have Public Works Director Cesar at the next budget meeting or he would contact Commissioner Martin individually.

ADJOURNMENT

Mayor Pro-Tem Hernandez moved to adjourn at 8:40 p.m. Commissioner Payne seconded the motion. Motion carried with a vote of 5-0-0.



ATTEST

Nancy E. Jacobs 4/26/2016
City Clerk/Nancy E. Jacobs

Richard Boss
Mayor Richard Boss

(Prepared by Rachel Hughs, Deputy City Clerk)
Approved at the Regular Meeting held on April 26, 2016.