

**CITY OF ALAMOGORDO, NEW MEXICO  
BUDGET HEARING WORKSHOP MINUTES  
5:30 P.M., DONALD E. CARROLL COMMISSION CHAMBERS  
May 1, 2023**

**SUSAN PAYNE, MAYOR  
SHARON McDONALD, COMMISSIONER  
JOSH RARDIN, COMMISSIONER  
STEPHEN BURNETT, COMMISSIONER  
NICHOLAS PAUL, COMMISSIONER**

**DUSTY WRIGHT, MAYOR PRO-TEM  
KARL MELTON, COMMISSIONER  
STEPHANIE HERNANDEZ, ACTING CITY MANAGER  
ASHLEY SMITH, CITY ATTORNEY  
RACHEL HUGHS, CITY CLERK**

**CALL TO ORDER / ROLL CALL**

Mayor Payne called the meeting to order at 5:30 p.m. Roll Call was taken by the City Clerk. Commissioner McDonald arrived at 5:47 p.m. City Clerk Hughs announced there was a quorum present.

**APPROVAL OF AGENDA**

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

**PRESENTATIONS**

**1. City of Alamogordo Preliminary Budget for FY 2023-2024. (Evelyn Huff, Finance Director)**

Finance Director Huff presented the preliminary budget.

**REVENUE OVERVIEW**

Commissioner Melton asked what miscellaneous revenue was. Finance Director Huff said it is reimbursements, refunds, sales of scrap, sales of land, some types of interest, and administration fees. It is a catch-all across all the different funds. Commissioner Melton asked if the forty percent decrease was being conservative. Finance Director Huff said with miscellaneous revenue, we don't budget until we get it because it is unpredictable. For example, in FY23, in abatement recoveries, we charged \$129,000, but we are modified accrual, so it goes on our PNL right off the bat. In 2022, that number was \$225,000, and in 2021 it was \$0. In those cases, that is not something we try to project because there is no rhyme or reason to it. Next year it could be \$300,000 or \$3. That is how all the miscellaneous revenue is.

**FUND 11, GENERAL FUND**

**Revenues**

Mayor Payne asked if GRT was based on a three-year average. Finance Director Huff said it was; we are taking 2023, 2022, and 2021, which is good because 2020 was weird. We are getting back to the actuals. Mayor Payne said all considering, it is not that bad.

**Expenditures - Legal**

Commissioner Rardin asked if we ever looked at hiring an Assistant Attorney again. Finance Director Huff said it is not something we included in this budget and was not part of the personnel request. However, City Attorney Smith is looking at that. Commissioner Rardin said we always had one. City Attorney Smith said she didn't budget that in because she was very new. She fully expects that she will be requesting that by the next budget.

**Expenditures – Finances/Accounting**

Commissioner Rardin asked why we had budgeted the Finance Director at eighty percent. Finance Director Huff said the other twenty percent comes from the Water Fund as she oversees Utility Billing.

**Expenditures – Accounts Receivable**

Commissioner Rardin said that under Accounts Receivable, is that for Water Billing? Finance Director Huff said that it is for the Customer Service Reps only. The Utility Billing area is fully out of Fund 81, so that is the Customer Service Manager and her clerks in the back. The idea of the past was that because it was Customer Service, they took payments for Planning and Zoning and the City Clerk's Office. They also take some internal deposits, so they shouldn't be all paid out of Fund 81 because they are not doing just straight Utility Billing. He said he asked because we should look at hiring a Collection Officer instead of sending a lot of different things to Collections. We can have somebody in-house who tries to collect many of these debts we write off every year. Finance Director Huff said that is something they have discussed internally, especially for Departmental items and Non-Utility Billing. For Non-Utility Billing, we have an ordinance, procedures, and everything. However, for the Departmental stuff, we do not have anything. The first step is moving to the new software where we can track invoices and issue statements. Our current software can't issue statements. We will be able to make monthly statements. Our Accounting Technician is taking that initial step, so we can see how much effort and time that takes and then give us a plan to request another employee.

**Expenditures – Code Enforcement**

Mayor Payne said that you said we added a Code Enforcement Manager, so what did we have before? Finance Director Huff said we did not have a Code Enforcement Manager or Supervisor for a portion of the year. They tried managing it differently, and it did not work out, so Public Works Director Beshaler was approved to hire a Code Enforcement Manager. Commissioner Rardin asked if the \$134,000 difference in salaries and benefits was because of the manager position. Finance Director Huff said yes; it was only budgeted for a small part of FY23. The increase is the difference between having it budgeted for the full year of FY24. Commissioner Rardin asked how much the salary went up from a supervisor's to a manager's salary. Finance Director Huff said the base salary is \$53,400. She said she believed when there was a Code Enforcement Supervisor, it was closer to \$40,000, but she would have to look to be sure. Mayor Payne said it was significant. Finance Director Huff said yes. Public Works Director Beshaler said the previous employee left before the Salary Survey was implemented. Considering that and the difference between the supervisor and the manager, she said she didn't think it was quite as significant. Commissioner Rardin said that regarding the Code Enforcement Manager position, shouldn't we have waited until Budget Hearings to have us approve that before we hired for it? Finance Director Huff said they brought it as part of a budget revision. A proposal was submitted to the City Manager, and he approved it, and we brought it as part of the revision. Commissioner Rardin said you don't explain what is in the Budget Revisions. Finance Director Huff said the details are in the packet.

**Expenditures – Police**

Commissioner Melton asked for the current number of certified officers. Finance Director Huff said thirty-five. Commissioner Melton said we are only budgeting for one more hire. She said yes; you will notice on the breakdown of the budget we do breakout lieutenants, sergeants, police chiefs, etcetera. It is thirty-six patrol officers. Commissioner Melton asked if there was a reason we budgeted for forty-one last year and we are going down to thirty-six this year. Finance Director Huff said that in FY22 when we budgeted forty-one, we never hit that mark. When we budget for so many officer positions that we never fill, we end up obligating funds that we know will never get spent. The idea in FY23 of obligating funds for only thirty-one positions was to make the funds more liquid inside the General Fund. We didn't freeze the positions; if we ever got close, we would have done a budget revision. We have nine positions allocated for funding that we haven't been able to fill. Budget Analyst Gutierrez

said they also allocated some money for Police Service Aides. Finance Director Huff said that was done in 2023. Part of not budgeting those ten was also to budget the four Police Service Aides.

Mayor Payne said she thought the Police Department had a specific IPRA records clerk. Finance Director Huff said they do, and they are budgeted for.

Commissioner Rardin asked why we are doing away with our captain positions. Finance Director Huff said they had transitioned the captain positions; they are not fully budgeted in FY24. Commissioner Rardin asked what we are transitioning them to. Finance Director Huff said patrol officers. Commissioner Rardin said we are taking the two captain positions and creating four patrol officer positions. Finance Director Huff said yes, that is part of the changeout. Commissioner Rardin said we would have a Chief, a Deputy Chief, then Lieutenants, Sergeants, and Officers. She said correct.

Commissioner Melton asked if last year was the first year we had those Police Service Aides. Finance Director Huff said correct. Commissioner Melton asked if we received any feedback from residents. Deputy Police Chief Kunihiro said he didn't have specific feedback numbers, but the Police Service Aides are taking their fair share of non-emergent calls. He said that feedback from the officers is that the Police Aides are helping out a lot. We have debated increasing Police Service Aide positions if police numbers dip, especially if we can't hire police officers. They are limited in what they can do, and we don't want to go that route necessarily. Commissioner Rardin asked what their job description was; say you have minor thefts; are they allowed to come and take reports on those? Deputy Police Chief Kunihiro said that for petty misdemeanors that don't have a suspect, say a citizen wants to report that their lawn ornament has been stolen with no suspects, cameras, or anything like that, then the Police Service Aides can take stuff like that. They also take non-injury-related crashes and crashes that aren't disabling vehicles. They are in the neighborhoods a lot and can write parking citations and things of that nature. Commissioner Rardin said he asked because he had an incident where he couldn't get DPS to show up to do a report. He said they wanted him to do it online. He said he didn't know if that is what the Police Service Aides should be doing. If a certified officer couldn't get there, could one of these guys come to take the report and do the legwork? Deputy Police Chief Kunihiro said online reporting is meant to be another resource. Commissioner Rardin said he was told to do it all online, and they wouldn't even come out to the site. Deputy Police Chief Kunihiro said they could talk afterward about the specifics, but they shouldn't be forcing anyone to take an online report if they don't want to. The citizens may have to wait longer based on call volume, but other than that, they shouldn't be forcing anyone into online reports. Mayor Payne said she had gotten feedback for that same thing, so we need to discuss it. She said she just thought it was a thing you do now. Deputy Police Chief Kunihiro said it could be convenient, but the Chief's direction is that it is not a must. If they want an officer to respond and are willing to wait, we will show up where they want to meet.

Commissioner Melton asked what the peak number of officers we had in the five years before COVID, compared to what we are budgeting. Deputy Police Chief Kunihiro said he didn't know what had been budgeted, but the total number of officers we have hired now is forty-three officers, from the Chief down to every sworn officer. Certified officers are thirty-five; we have four in the Academy and three we are hoping to send to the Academy. The thirty-five officers are the only ones that can go out and do work on their own because we don't put officers out on their own, although we could. We don't do that for up to a year. He said he couldn't say that he remembered them having more than forty-seven to forty-eight over the last four to five years. Commissioner Melton said he asked because he remembered that we considered sixty the number we should be aiming to be full-time. Is that what we would consider fully staffed? Budget Analyst Gutierrez said these are budget authorizations, not filled positions. He said he thought what was happening before was that they were authorizing a certain number of officers but not hitting the full number. There is a lot of difficulty in filling those types of positions right now. Deputy Police Chief Kunihiro said his understanding is that they were always at

fifty-nine to be fully staffed for many years. He said at some point; we dropped down to fifty-eight. This past year, his understanding of the budget process was that it was not good budget practice to budget for things like this continually. It is better to be more realistic with your budget practices, so we dropped that down to forty-eight. If we increased to over forty-eight, then we would have to request that, but we haven't gotten there yet. Commissioner Melton said we are not going to deny applications if we have qualified officers, but we are above what we are budgeting. Finance Director Huff said no; that was never the intent. The intent was to make the funds in the General Fund more liquid. To give a little bit of history, in FY16, they had such huge salary savings that they moved it out and used it to buy police cars and equipment. It was hundreds of thousands of dollars. That is not a great practice to have that amount of money tied up. We would love for them to be fully staffed, but in the current climate, it is not realistic. She said she was watching the Albuquerque news the other night, and they were talking about the same thing. Instead of budgeting for one thousand two hundred officers, they will budget for one thousand one hundred officers because they do not feel they can fill those one hundred positions. As for us, no, we never turn them away. If they can get them, we will hire them. Commissioner Rardin said that we used to budget for seventy-six positions around eight years ago. Deputy Chief Kunihiro said that we had seventy-six officers when he was hired in 2006. Commissioner Melton asked if the retention bonuses were working. Deputy City Clerk Kunihiro said we had lost four officers, two of whom received the bonuses since that implementation. The other two were ineligible. Mayor Payne said that is not encouraging, but we have four in the Academy and three more possibly going. Deputy Police Chief Kunihiro said that four are due to graduate on May 25<sup>th</sup>, and then if we get the other three in, they will go to the July Academy and graduate from November to December. They won't be on their own until around February to March. Commissioner Rardin asked if they saw many turnovers to the Sheriff's Department or other departments. Deputy Police Chief Kunihiro said yes, they are. Commissioner Rardin asked if we were still seeing the switch back and forth. Deputy Police Chief Kunihiro said we are not getting any of them back. Acting City Manager Hernandez said that the County recently proposed a pay increase of about fourteen percent for them. Commissioner Rardin asked how our recent wage increase compares to theirs. Acting City Manager Hernandez said that this would put the County higher. Deputy Chief Kunihiro said it would be significantly higher if they got fourteen percent. Commissioner Rardin asked how much higher we are talking. Deputy Chief Kunihiro said we are comparable right now. The starting salary for non-certified officers for the County, City, and Detention Center is around the \$19.40 to \$19.50 an hour range. Certified officers are in the \$21.00 range for us and the Sheriff's Office, but they will go up fifteen percent. Mayor Payne said they would go up almost two dollars an hour for non-certified. Acting City Manager Hernandez said they had acknowledged that, and she will meet City Attorney Smith and Human Resources Director Torres to look at different options to bring forth to Commission. Mayor Payne said it sounded like a bidding war. Finance Director Huff said that is what it has been across the State; Chief Denton and her had multiple conversations about that. It seems like everyone keeps moving up, which makes everyone else move up. Commissioner Rardin said the \$4,000,000 decrease in our General Fund ending balance concerns him. Mayor Payne said that was conservative, though.

**SPECIAL REVENUE – FUNDS 15, 16, 19, 20, 21, 22, 27, 28, 31, 32, 33, 35, 36, 37, 38, 42, 44, 63, 69, 71, 74, 75, 89, 96, AND 107**

Commissioner Rardin asked if Fund 105 was usually under Special Revenue. Finance Director Huff said that Fund 105 is a GRT fund. He said he didn't see it anywhere in here and thought it used to be under Special Revenue. Finance Director Huff said it is under Capital now.

**FUND 27, MUNICIPAL COURT**

Mayor Payne asked why Municipal Court increased. Finance Director Huff said they are receiving less State funding; their State funding has evaporated. That can be seen in Fund 19, Court Automation. That used to cover all their computers and software, and now to cover what we need, it requires a transfer. Mayor Payne asked if that was due to circumstances beyond our control. Finance Director

Huff said it is; the courts revenue is deposited into the General Fund. While it looks like they only get \$13,000 in revenue, the bulk of their revenue is under the fines in the General Fund. Part of the \$506,000 transfer is offset by their revenue. Their revenue doesn't cover all of that. As they will tell you, the more tickets written, the more revenue they can get. We also have a new Judge, so sometimes they handle cases differently.

#### **FUND 15, CORRECTIONS**

Commissioner Rardin asked why our Corrections Fund jumped so much from 2022 to 2023. Finance Director Huff said that 2023 is still a projection. They are actually at \$40,178. Commissioner Melton asked how much we were paying per prisoner. Finance Director Huff said around \$80 a day. The line it draws from depends on whether they are a half-day or full-day prisoner. She said that APD Administrative Manager Maria Herndon was working with the County to determine what the prisoners were considered. Commissioner Rardin asked if there was a way to set up a community service to offset some of this, like a work program. Finance Director Huff said that the Municipal Court offers community service towards paying off fines. She said she didn't know if that translates to paying off jail expenses. City Attorney Smith said that Judge Overstreet mostly isn't sending people to jail unless it is a DWI with mandatory incarceration time. Most of the time, it is usually fines; we offset that with community service, as you are talking about. Typically, when we are putting someone in jail, it is because they failed to appear. Then they will get picked up and are only there for a few days. It is not like we are having a lot of people being sentenced to jail time. Commissioner Rardin said it is probably just the repeat offenders really paying. City Attorney Smith said correct; it would be more of those not appearing in court, and then a bench warrant gets served. Commissioner Rardin asked if it was the ones seen repeatedly in the police logs. City Attorney Smith said yes.

#### **FUND 20, LODGER'S TAX – CITY PORTION**

Mayor Payne asked when we would hear back from the State regarding the NM True Co-op Grant. Finance Director Huff said she thought they would announce it on May 22<sup>nd</sup>. That will determine how much we get awarded and our match. If we don't get awarded the whole amount, we will have more funds to do other types of advertising. Mayor Payne asked if Finance Director Huff would bring that back to us. Finance Director Huff said yes, we have a lot of good plans. The position closed on Friday, and she discussed the candidates with Community Services Director Ortega. While Community Services Director Ortega will be supervising the position, the Finance Department will have a lot of input. Acting City Manager Hernandez said we would get there when we got to Community Services, but we reworked it. The previous position as Civic Center Manager has changed to Community Affairs Manager. The tourism person falls under that, as well as Marketing and Communications. That is the whole picture now in one place, as opposed to it being in different Departments. Finance Director Huff said instead of one person doing it, we think a whole team can do it now. We are very excited about that. Commissioner Melton asked who would be responsible for economic development. Would it be the Tourism Specialist? Finance Director Huff said no, the economic development stays with the Finance Director at this point. Acting City Manager Hernandez said that since Finance Director Huff has her hands full, she is currently taking on that part and consulting with her when things come up. Finance Director Huff said we hope we have a LEDA application for you all within the next two months or so. Acting City Manager Hernandez said we are at the point where everything is settled and have been pretty aggressive. She submitted some site selections; we have the LEDA application. Nothing resulted from the former; we couldn't get a hold of them. We are holding onto that, but we also received a brand-new one this week.

Commissioner Melton asked what the role of the Community Affairs Manager would be. Finance Director Huff said they would oversee the Tourism Specialist, the two Marketing and Communication positions, the Civic Center Supervisor, and the Civic Center maintenance person. They will be housed at the Civic Center. Their main things will be the City's Special Events, overseeing tourism, and then

helping develop the big picture tourism policy along with City and Commission leadership. They will also oversee Communications and Marketing, so we will have a complete and consistent message for all of our events and platforms. If it is a tourism or communications and marketing event, it will be advertised as such. They can also support each other with things like special events, tourism, and just giving a cohesive working department instead of scattered pieces. Commissioner Melton asked if they have any role with customer service regarding views towards the City. Finance Director Huff said that would come through in marketing and communications. When talking about customer service, are you talking about customer service people in all departments, or the overall message? Commissioner Melton said whoever has the most exposure to residents. Finance Director Huff said we didn't talk about them being involved in other departments other than communication and marketing specialists continuing their role of handling communications for departments. For example, if she went to them and said we need to develop this program for Water Billing, they would help us develop the materials and push out that marketing campaign. Right now, we have two of those positions, which are both full. They are a great resource for the departments. Acting City Manager Hernandez said the Community Affairs person is more about, yes, we have these events. We are focusing on feet on the street instead of heads in beds for things like sports events, concerts, but we are also working with our businesses for day events and some overnight events. Overnight events are like the Balloon Fest. That True tourism event brings in people. It will be a mixture, but our focus is on our community and bringing people to the community, even if it is for a day. As far as communications, our goal is to have all communications flow through there, so we are doing consistent messaging throughout the City. If there is an issue or things we need to get out, we want to ensure it is in the same context. We have pretty great people that are able to create graphics, communicate well, work on our website, and generally work with each department.

#### **FUND 27 – MUNICIPAL COURT OPERATIONS**

Mayor Payne asked if the vehicle used here was for prison transport. Finance Director Huff said they don't transport prisoners anymore with any regularity. Mayor Payne asked what they used the vehicle for. Finance Director Huff said they have to go out to jail and serve things sometimes, like subpoenas. City Attorney Smith said they serve our subpoenas. If we have witnesses, we need to come to court, and the Bailiff will go out and serve those in-person to those people. Whenever someone is at the court, we don't have to bring them here to court. We are doing Google Meets, but sometimes they will have to go to jail to serve the paperwork. Finance Director Huff said we used to have to go get them and bring them here. We don't have to do that anymore.

#### **FUND 28 – POLICE CONTINGENCY**

Commissioner Melton asked if we considered funding this with cannabis GRT. Finance Director Huff said we had not talked about that. The cash balance in this fund is pretty good; right now, they have \$54,000 and rarely spend more than \$10,000, so funding hasn't been an issue.

#### **FUND 32 – COMMUNITY SERVICES**

##### **Cemetery**

Commissioner Melton asked for an estimate of when we would have to purchase more land or expand the Cemetery. Acting City Manager Hernandez said we are looking at the ordinance to see if it still works. There are an estimated ten years out that we would have to look at it. If you buy a plot, you can only have two cremains by ordinance. We are not sure if that ordinance is still conducive to what we need, and we are looking into that. If it stays the way it is, we are thinking ten years. Commissioner Melton asked if we buy the land or need the space in ten years. Acting City Manager Hernandez said ten years is when we start buying the land. Commissioner Rardin asked if we have that much space left, even for regular burials and caskets. Acting City Manager Hernandez said yes; we are part of the Community Services Master Plan; they are going in there and looking to see if that number is still valid, if we need to update our ordinances, or need to start looking at land sooner rather than later. We

believe that is still fair. Commissioner Rardin said he has asked about the Cemetery over the last four years, and it just looks like we will run out. Acting City Manager Hernandez said that is a hard thing to predict. Commissioner Rardin said he thought we should start budgeting and looking at this sooner than ten years from now. Acting City Manager Hernandez said that is what the Community Services Master Plan is for.

### **Recreation Center**

Commissioner Melton asked if there was any consideration of increasing the REC Center's fees with the cost of chlorine, or has that stayed steady? Finance Director Huff said those have stayed steady with the increase that was passed a couple of years ago, that is, the automatic riser. Nothing to the level of four hundred percent that the chemicals went up.

### **Zoo**

Commissioner Rardin asked why we are doing away with the Zoo's Curator and Support Staff positions. Finance Director Huff said that the Curator became the Lead Zookeeper, it was more of a change of job title rather than doing away with it. The Facility Support Staff is part of what they transferred into the Cashier, which was an odd admin position that wasn't really earning any value. He asked if the Zoo was acquiring more animals. Acting City Manager Hernandez said the expansion is part of the Community Services Master Plan. Right now, we can't, though. Commissioner Rardin asked when the Commission would get to see that plan. Acting City Manager Hernandez said we are working on it now. The Parks and Recreation Director went to Bonito Lake this week, and Community Services Director Ortega is working with them. We do not have an anticipated date.

### **Community Affairs**

Mayor Payne asked if the Community Affairs Department's FY23 budget would be filled before the end of FY23. Finance Director Huff said yes. Commissioner Melton asked who would talk to a prospective business. Finance Director Huff said that it depends on several things. It could depend on the business contact. If they are looking for LEDA, they will reach out to Acting City Manager Hernandez or herself because they are going to the State Economic Department, which has talked with us at length. A lot of them will reach out to the Center of Commerce. The Center of Commerce will usually direct them back to the City Manager's Office if they have specific questions that the Center can't answer. We have not talked about it yet in terms of the Community Affairs portion.

### **Library**

Commissioner Rardin asked if the Children's Library Clerk is moving to regular Library Clerk or if they are doing away with that. Finance Director Huff said it was just made general. Commissioner Rardin asked what the Maintenance and Page were. Finance Director Huff said the Maintenance and Page positions have not been active since COVID. Those were part of the cut from COVID. So that is incorrect on FY23; those should have been in there. Commissioner Rardin asked what their specific job was before. Finance Director Huff said that Maintenance did maintenance on the building. Commissioner Rardin asked if that fell under Facilities. Finance Director Huff said it did not at that time. Since those positions were cut, the cleaning of the facility has fallen under the cleaning contract. Facilities have done additional work. The Page positions were internal, and they restocked shelves and did general library work. Commissioner Rardin asked if that wasn't what the Clerks did. Finance Director Huff said they do that at the next level. Commissioner Melton said it sounds like we are not returning to pre-COVID hours. Finance Director Huff said they just recently started opening on Mondays. Mayor Payne asked if there was a plan for them to be open on Fridays. Community Services Director Ortega said no; we received one position to get that extra day to open. We were closed for two. When we lost the Library Pages, we lost eight and that part-time Maintenance position. She said that City Manager Cesar gave us that one position back with the understanding that we would open on Mondays again. It is a big rotation for them, and they are open six days a week. Everybody works

a Saturday. Commissioner Rardin asked how many employees were needed to get it back to pre-COVID. Community Services Director Ortega said we had eight part-time Pages and one part-time Facility Maintenance. Commissioner Rardin asked if we needed a Facility Maintenance guy there to open to pre-COVID levels. He said he didn't know how well-utilized the Library is. Community Services Director Ortega said it had been a challenge with custodial services because that means we need custodial services there six days a week opening for us. It is just a struggle getting custodial services right now. Staff also have to assist with custodial services. Mayor Payne asked for the Library's pre-COVID hours. Community Services Director Ortega said they were open six days. Mayor Payne asked if Friday was the day they were closed. Community Services Director Ortega said they were closed on Sunday. Commissioner Rardin asked if it was Monday through Saturday. She said right. Mayor Payne asked why we couldn't go back to that. Community Services Director Ortega said they did not have the staffing; we lost the eight Pages, and now staff has to take on that workload. All staff, including the Librarian, are on rotation, where they all work a Saturday. Commissioner Rardin asked if we could look into what it would cost to be open for six days again. Community Services Director Ortega said yes. Finance Director Huff said we have been discussing a solution to the custodial issues because we are not happy with the services we receive. She said Acting City Manager Hernandez, Public Works Director Beshaler, and herself have all been working on how many people it would take to do the upkeep the way we want it and have coverage. The Library is an active part of that conversation. With that conversation, it would be how many additional full-time or part-time positions would be needed to keep the shelves up to date and other responsibilities. Commissioner Burnett said so it is currently open Monday through Thursday, then closed Friday, then open Saturday, then closed Sunday. Why didn't we go from Tuesday to Saturday, and then leave Sunday and Monday closed? Community Services Director Ortega said that was a choice that Library staff decided would work best. They must reshelve books, sanitize them, do general cleaning, and things like that. They felt it would be better to be closed on Mondays. Commissioner Rardin asked again for the cost of hiring additional staff to keep it open six days a week. Finance Director Huff said that Library Manager Underwood would be happy to put that together. Acting City Manager Hernandez said they get about thirteen hundred visitors on average in the Library a week in their weekly reports. Commissioner Rardin asked if that was at the current level. Acting City Manager Hernandez said yes, and she was sure it would increase in summer. Mayor Payne asked how much we get from the County. Finance Director Huff said that it is varied; we don't have an agreement at the moment, we don't get that until August. They go through their budget process, they approve. It was \$25,000, and it went to \$50,000, and there was talk about it going back to \$25,000, but they left it at \$50,000. We will see what their budget process comes out with. Mayor Payne said she remembered at one time they reduced it. Finance Director Huff said there was a year when they cut funding to the extension service and other places. There was an uproar where 4H came back at them. We did pretty well, and we didn't lose too much. They still funded the Senior Center and Library. Mayor Payne asked if they tracked whether the citizens were from the City or County. Finance Director Huff said it was on their library cards.

#### **FUND 35 – HIDTA GRANT FUND**

Commissioner Rardin asked if all we got last year was \$16,000. Finance Director Huff said yes; that is about what we typically get. They do a clawback, so if other agencies in our district don't use it, they give us a bump. That bump is usually between \$3000 to \$5000. The highest amount we have ever gotten is around \$20,000, but we sometimes struggle to spend it. Commissioner Rardin asked if we had a narcotics-type deal, or if that was through Otero County. Deputy Chief Kunihiro said they are the fiscal agent for it. Commissioner Rardin asked if we have any officers currently in that program. Deputy Chief Kunihiro said no.

#### **FUND 44 - TRANSPORTATION**

##### **Administrative Services for Public Works**

Commissioner Rardin asked if they had a Public Works Inspector in 2022 or 2023. Finance Director Huff said we did not for all of 2023. It is a new position as of FY23. She said it hasn't been a budgeted position since at least she started in 2018. He asked if we had an inspector on the payroll. Finance Director Huff said we had a Utilities Inspector but not a Public Works Inspector.

#### **Z-Trans Contract**

Commissioner Rardin asked if Z-Trans asked for an increase. Finance Director Huff said no, they asked for the \$189,254.

#### **Street Maintenance**

Commissioner Rardin asked if we were just adding one Maintenance Worker. Finance Director Huff said yes. He asked if we are getting rid of the other zeroed positions. She said the Dispatch Clerk in Facility Maintenance is covering the Dispatch Clerk position. We talked about the coverage there, and she said she could see it being requested to change in the future. The Utility and Streets Construction Manager has been changed because we don't have Utilities Construction anymore. That is now more under the Streets/Drainage/Weeds Maintenance Manager.

#### **FUND 125 – CANNABIS GRT**

Mayor Payne asked how the reporting for this was going. Finance Director Huff said they are required to report every dollar spent on it. Ours is easy because we spend it all on salaries and benefits. We haven't had any feedback from DFA. Mayor Payne said we had an adjusted budget for FY23; do we know the actual? Finance Director Huff said when this was printed on February 6, 2023, we were at \$101,182, so that would have had through December. Acting City Manager Hernandez said this one is \$151,395 prior to April 13<sup>th</sup>. Finance Director Huff said that means through February, we would probably not have the large numbers. Mayor Payne said that from December to February is \$50,000. Finance Director Huff said we did not revise the \$204,000 because we felt we were close to being on track for it. Budget Analyst Gutierrez said that is what they budgeted for next year. Finance Director Huff said it has been pretty consistent, the low end is \$13,000, and the high end is \$16,000 to \$17,000. Finance Director Huff said it would be interesting to look at the correlation between GRT versus the number of cannabis stores. She said she didn't feel like we have seen more GRT as more stores open; it seems to be the same but just spread out over more stores. Commissioner Rardin said there are about twenty stores. Mayor Payne said from 10<sup>th</sup> Street going South, there were at least ten or fifteen. Commissioner Rardin asked about the admin fee, is that \$6,100? Finance Director Huff said yes; that is the money they charge us to collect it. Commissioner Rardin asked if we could get with the League, other municipalities, and counties, and tell the State we are tired of paying their fees. Finance Director Huff said you had to get with the legislature to put in a bill. Commissioner Rardin said we couldn't get the League to do it. Finance Director Huff said she didn't think the League could introduce a bill, but they could find somebody interested. Commissioner Rardin said the majority of the received GRT is collected right here in our local community by our businesses. The State is charging us a fee, and we don't know whether we are getting the portion we are supposed to receive. He said he finds that ridiculous. Finance Director Huff said that when it comes down to it, it would have to be signed by the Governor, but she didn't think it was something to be done administratively. It has to be done on the legislative side. Commissioner Rardin said the Municipal League would rally with communities and legislators during sessions to reduce that or eliminate it. Commissioner Melton asked if the State is doing anything to ensure these businesses pay the GRT. You just mentioned they keep popping up, but the revenue seems stable, and it is probably a cash-heavy business. Finance Director Huff said that is something they have to look at. They have to register with and report to TRD. She said she is unsure how TRD would recognize if one of these companies operated without being registered with them. Commissioner Melton asked if they do physical visits. Commissioner Rardin said they do and set up a whole thing called the Cannabis Control Division. They are using Construction Industries Division as their enforcement arm. They are regulating them heavily on that side of it through CCD

rules. Finance Director Huff said that the State Police have a portion of it as well because you are required to have a surveillance system, which has to have a tie-in to the State Police.

**CAPITAL – FUNDS 24, 48, 50, 54, 56, 61, 105, & 109**

**FUND 105 – ECONOMIC DEVELOPMENT GROSS RECEIPTS TAX**

Commissioner Rardin asked what the other services were here, the \$18,508. Finance Director Huff said that is the GRT Admin Fee. We used to be able to budget it as part of the revenue, but now we have to show it separately as an expense. He said we should start requesting a breakdown of everything that is collected. She answered that she wasn't sure if you could make an IPRA request for that. Commissioner Rardin said you can't, not the people that actually paid, but the gross amount they collect. It is always a fight to get that information from them.

Mayor Payne asked who was going to handle economic development. Finance Director Huff said Acting City Manager Hernandez is handling the outreach portion, and I have been doing the financial reviews. Eventually, they will take more of a tag-team approach to that. Mayor Payne said the only thing she saw that we were missing with economic development was that they come to us instead of having someone reach out. Who is visiting businesses? Do we have anyone doing that? Acting City Manager Hernandez said not to businesses; they are coming to us. Before, it was OCEDC, but the OCEDC contract was cancelled about a year ago. She said she was working with Trish Livingston and June Lucero. They are going through Small Business Development and then sending them toward us or the State, depending on the type of economic development. We updated our LEDA application to make it easier than what OCEDC was doing. The financial and tax statements are concerns that the Commission previously expressed. However, as the State says, you are requesting public money. You need an acknowledgment that if you are requesting taxpayer money, then you should be able to show you are a solvent company. Mayor Payne said she agreed and was in support of bringing it in-house. She just thought that not everyone needs small business development. Acting City Manager Hernandez said the State has been extremely helpful and showed us possible projects. It was slow running, but now we have gotten everything aligned.

**FUND 109 – STREET CAPITAL GROSS RECEIPTS TAX**

Commissioner Rardin asked if stoplight heads needed to be replaced. He said he would rather see that money going toward the roads' surface than traffic lights. Finance Director Huff said there is a substantial fund balance in 109; it is projected to end the year at eleven point three. There is a street assessment to be presented to you, and she expected to see a healthy revision out of that once it is determined what to do with it and what to do with the underlying water infrastructure. Commissioner Rardin said we had not had any major projects in a while. Finance Director Huff said that the plan is nearly ready to go; they just need to answer some water and sewer questions. Commissioner Rardin asked if we are looking at doing a bond on the street or are we going to do it strictly out of 109. Finance Director Huff said we did not talk about bonding because, based on what was presented on the initial plan, we gave them what we are taking in, and they gave us a plan based on the revenues we get from this GRT. We did not ask them for a plan with a balloon where we could bond \$10,000,000, but she was sure they would give us one. Commissioner Rardin said we did the \$15,000,000 with Hamilton, South Florida, and a bunch of different ones; he said he thought we just refinanced that one about a year ago. It may have been two different ones for \$7,500,000 each time. Finance Director Huff said that might be something we have to look at to afford the water and sewer infrastructure in conjunction with the road. We may have to start dipping into our bonding capacity. We have been good and building that back up, so we are in a good place. Commissioner Rardin said two other bonds should be dropping off soon or could be refinanced. Finance Director Huff said that refinancing right now is too high. We did good, though; we got in when the rates were great.

**FUND 114 – SIDEWALK REVOLVING LOAN**

Commissioner Rardin said he thought we would do away with this because no one was utilizing it. Finance Director Huff said we discussed it, but there was concern that doing away with it with the standards and specs coming in would lead to people using it. However, we haven't seen that. So, we can look at doing away with it. Commissioner Rardin asked how much this was. Finance Director Huff said \$145,000. Mayor Payne asked Finance Director Huff if she thought people knew about this, or how the City offers it to them. Finance Director Huff said she didn't think it was well publicized. It could possibly use a revamp of policy because it has a steep interest rate and short payback timeframe. She said she has never seen the application but has been told that when people see it, they say it is not conducive to their situation. Commissioner Rardin asked if it had ever been used. Finance Director Huff said not that she was aware of. Commissioner Rardin said they set this up while doing road projects, and most people don't do anything with their sidewalks until they are forced to by the City. When we would go in and do the street, we would let them know if their sidewalk needs to be updated. That is why that program was developed; it was set up so that it wouldn't be a hardship. It was a way to help homeowners have a way of doing it. Commissioner Melton asked what it would typically cost to do a sidewalk. Finance Director Huff said she wasn't sure. Commissioner Rardin said it depends; sixty feet on a standard lot is probably \$5000 to \$6000. With today's prices, it would be more. Commissioner Melton said a lot of people do not have \$6000 on hand. Commissioner Rardin asked if we wanted to bring this back before the Commission and look at the policy on that, just to take a look and decide whether to keep or do away with it. Finance Director Huff said we could do that. We could look up the policy and bring it back as a discussion item. Commissioner Rardin said it had been around twelve years since we set that up, around 2009 or 2010.

#### **FUND 124 – AMERICAN RESCUE PLAN ACT**

Commissioner Rardin asked how long we have to spend that. Finance Director Huff said four. Commissioner Rardin asked how many years it has been so far. She said two.

#### **DEBT SERVICE – FUNDS 53, 59, & 82**

##### **FUND 53 – GENERAL OBLIGATION PRINCIPLE & INTEREST**

Commissioner Rardin asked what the 2017 bond was. Finance Director Huff said that would be the Natatorium. He asked if that was upgrades to the REC Center. She said yes, that was originally supposed to be the pool, but it wasn't enough money, so it ended up being quality of life improvements. It has probably funded about twenty-five different projects.

#### **ENTERPRISE – FUNDS 81, 86, 88, 90, 91, & 94**

##### **FUND 81 – WATER/SEWER OPERATING**

###### **Customer Service/Utility Billing**

Commissioner Rardin asked if the City was going to ask for more meter readers. Finance Director Huff said we preliminarily asked for another meter reader position, but City Manager Cesar said no. Commissioner Rardin said they were told we didn't need any on this new system, but last year you guys asked to hire three additional ones. Finance Director Huff said that up until the national system crashed, we could keep our local system at reporting over 97%. We could finally keep up with replacing batteries, MIUs, and broken or stolen things. Commissioner Rardin asked what the national system had to do with ours. Finance Director Huff said it all runs through Zenner's operating system. We don't own the operating system, and their system has been down. Commissioner Rardin asked if they gave us any reason why. Finance Director Huff said that Customer Service Manager Sierra said that they didn't directly say they were hacked, but that was the feeling she got.

###### **Utility Maintenance**

Commissioner Rardin asked if we have had trouble filling the three additional Journeyman positions. Finance Director Huff said there were eight vacant positions in Utility Maintenance. There are not only problems in recruiting but retaining. He asked if we paid for them to get their CDL. Finance Director

Huff said yes, we pay for them to get their CDL. Commissioner Rardin asked if there was an implementation or something to keep them long enough to get our money back. Acting City Manager Hernandez said we have a plan for that; we are working with Utilities Director Nunnolley and Human Resources Director Torres because Police and Utilities are having the same issues. We will try to be more aggressive in keeping any money we put into the employee. Commissioner Rardin asked why they left; did they do exit interviews? What were the specifics? Finance Director Huff said everyone does an exit interview. Human Resources Director Torres said a couple was for more money, others went to other contractors in Alamogordo, and one said they worked too hard.

#### **Wastewater Treatment Plant**

Commissioner Rardin asked how long it has been since we revamped that plant. Finance Director Huff said eleven years.

#### **FUND 90 – DESERT LAKES GOLF COURSE**

Mayor Pro-Tem Wright asked about the status of the Superintendent position. Human Resources Director Torres said they are still collecting applications. Mayor Pro-Tem Wright asked if they had looked at the option of contracting that out. Acting City Manager Hernandez said we have not talked about that. Mayor Pro-Tem Wright said without a Superintendent coming in, the condition of the Course could go downhill fast, and we are pumping money into irrigation. It is something we should look into. Commissioner Rardin asked if we were fully staffed regarding maintenance, disregarding the Superintendent position. Acting City Manager Hernandez said yes, we have an Acting Superintendent. Parks and Recreation Director Bass is looking into stepping in. Mayor Payne said it was questionable if we are letting it go down, but she has gotten a lot of comments and feedback from people. Mayor Pro-Tem Wright said the concern is that it is much more than just running a weed eater or lawnmower. You must know how to work with effluent water, the greens; it is a major quality of life feature, especially since Holloman shut their course down. Acting City Manager Hernandez said that Parks and Recreation Director Bass is well-educated in the wastewater part of it. We know there is a problem, and we are keeping an eye on it. Commissioner Rardin asked if we contracted that out, it would be substantially more expensive than in-house. Acting City Manager Hernandez said we have not looked at contracting that out. Commissioner Rardin said he thought that contracting would be substantially more expensive. Finance Director Huff said it would depend on the contract's setup. The supervisory expense is \$64,534, and the operational is \$273,000. It is a consideration if you are talking about fully contracting it out with no City employees.

Commissioner Melton said that going back to other services, of the \$1,700,000 in user fees, we are paying a little over \$1,000,000 to the pro contract. Finance Director Huff said yes; he runs the Pro Shop and the restaurant. We take a portion of that revenue, and so does he. It is an accounting exercise in terms of how much he brings in, the portion that he keeps ends up going into expense. Commissioner Melton asked who owned the land. Finance Director Huff said it belongs to the City. The building, Pro Shop, and restaurant belong to the City.

#### **FUND 91 – WHITE SANDS REGIONAL AIRPORT**

Mayor Payne asked what the grant was for. Finance Director Huff said it was for lights on the runway. Commissioner Rardin said didn't we just get State Capitol money for the Airport, or are we fixing to? Finance Director Huff said we are fixing to, but she has not read that final bill, so she was unsure how much would be allocated. Commissioner Rardin asked how much that was. Acting City Manager Hernandez said they have been asking, but we don't know what it is. It is not \$15,000,000 because they significantly reduced. She said she thought it was \$251,000,000, and the final bill ended up being \$55,000,000, and she was not sure what part of that was ours. Nobody seems to know. Finance Director Huff said we had not gotten a sheet that lays it out. He asked if the Governor had signed it. Finance Director Huff said she must have signed it. If she did not, it would be dead.

**FUND 94 – GREEN TREE REGIONAL LANDFILL**

Commissioner Rardin asked if it was still on fire. Acting City Manager Hernandez said yes, there was still a subsurface fire.

**OUTSIDE AGENCIES**

Commissioner Burnette asked for Alamogordo Mainstreet's budget amount last year. Finance Director Huff said \$40,000. Commissioner Rardin asked what they used the money for. Finance Director Huff said regular operations, marketing, communications, and the salary for the Director. Commissioner Rardin said we pay for their Director. Finance Director Huff said yes. Acting City Manager Hernandez said the MOU requires some partnership from the City. For the population we have, the suggested amount is \$40,000. Commissioner Rardin asked why we bumped it to \$55,000. Acting City Manager Hernandez said nothing had been finalized, and we are still going back and forth. Finance Director Huff said we put it in as a placeholder here, knowing that contract negotiations would be ongoing when we submit our preliminary budget. Commissioner Rardin asked what the benefit was to the City and community for \$55,000. Finance Director Huff said they do their events; they bring a lot to the small businesses in that part of town. All of their events, like Christmas on Mainstreet, and their Comic-Con, they do all those. Those are not part of the City of Alamogordo's Special Events. They do a lot of lobbying of the City for improvements in that area and galvanize the workforce to make some improvements through volunteer labor. Commissioner McDonald said they are looking at \$1,900,000. Finance Director Huff said yes, from the Great Blocks. That is a huge infusion of cash in that area. Mayor Payne said they had brought a lot of awareness to Alamogordo, especially if you look at where we were and are now. We have been accepted into a state program for which very few municipalities have been slated. That will give them access to special grants. There has been a huge benefit, and Alamogordo Mainstreet Director Nolan Ojeda works passionately. They have worked hard to prove themselves over the last couple of years. Commissioner Rardin asked regarding the grant money they received; is that just for New York Avenue? Finance Director Huff said she thought it spans 10<sup>th</sup> Street. Commissioner Rardin asked if we were the fiscal agent for that money. Finance Director Huff said yes, we are the fiscal agent. Commissioner Rardin asked what projects we were looking to use that money for. Finance Director Huff said it is all designed, benches, light posts, sidewalks, and a lot of aesthetics. Our match was going in and doing infrastructure underneath. Commissioner Rardin asked when we got this grant. Finance Director Huff said we just got the grant paperwork. He asked when we got the agreement. Finance Director Huff said she didn't know if the agreement was on the agenda yet. Initially, we were supposed to get the agreement in November, but it got delayed. Grant Coordinator Osborne has been working with the State to finalize everything, so it is ready for the agenda. Commissioner Rardin asked if we had those improvements budgeted. Finance Director Huff said they were done.

**GENERAL QUESTIONS**

Commissioner Melton asked for more information about our portfolio risk, what we invested in, and how much. Finance Director Huff said the majority of our investments are in certificates of deposits. Governmental CDs are very safe and pay between one and one and half percent, depending on when we are in them. We contract with Morton Securities, and they are our main investment provider. Larry Lundberg, out of Utah, is our Portfolio Advisor. We have some bonds, depending on what he finds. We also use our money market account; it pays two-point-five percent but is governmental and fully collateralized. We are not in anything that is not governmental. We are invested in some of the banks in town. We have certificates of deposit and a money market account with First Savings. We have certificates of deposits with Pioneer. We recently turned in our certificates of deposit with Washington Federal, to move those into Morton and try to centralize. The majority of things are CDs or municipal bonds. Commissioner Melton asked if we had any exposure to equities or stocks. Finance Director Huff said no; we are not in any sort of speculative investments. No mutual funds or anything like that.

This Commission probably hasn't seen it, it was approved before that, but we have an investment policy that says we cannot do any speculation.

Commissioner Rardin stated that when you bring budget resolutions forward with staff changes, if we are going to have positions created or moved around, please be more transparent and tell us. Finance Director Huff said we could move those off the consent agenda and put them under new business. Commissioner Rardin said that in the past, whenever we created positions, it was always done around or during budget time. It wasn't done mid-year. Commissioner Rardin said if it was normal routine business that was one thing, but he thought they should be told about newly created positions.

Commissioner Rardin asked if we just had the three bonds right now. Finance Director Huff said yes; we have the 2017 one, the Fund Center, and the roads. He asked about the \$15,000,000 from 2008. Finance Director Huff said that one is gone. Commissioner Rardin asked if we paid that off. Finance Director Huff said she thought we paid that off; we refinanced it into a loan, and it switched debt service funds. He said if you could, we can have a picture of where we are at with that. Finance Director Huff said we still have that from the last time John came; he had all of them included there. He asked if that was from when we financed them. Finance Director Huff said yes.

Commissioner Melton asked how our debt compares to Roswell or Hobbs. Finance Director Huff said we are debt conservative. We do not go out for debt as some other places do. Partially, it comes down to whether it is a general obligation bond. Are we going to get that passed? We have had mixed successes. Roswell does more debt than we do, but they also have a bigger tax base.

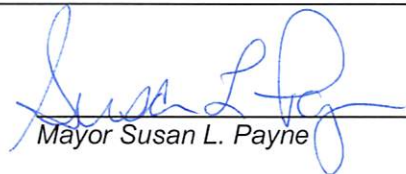
Commissioner Rardin said that in years past, they would put a cheat sheet of the other services. Finance Director Huff said that was in the front. He said it used to be broken down by the Department. She said there is a list of all the different lines that go into other services. It is on page 5. Commissioner Rardin said it used to have dollar amounts. Finance Director Huff said her group has never done that. He said instead of asking the question; it allowed us to just flip to the back and look at it. You can remember that for next year. She said that we will be on new software by next year, and it will all look different. Hopefully, the reporting will be easier. The funds are the same, but the account numbers are different.

**Commissioner Rardin moved to adjourn at 9:38 p.m.**

**Commissioner McDonald seconded the motion.**

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

## **ADJOURNMENT**



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Mayor Susan L. Payne

ATTEST:



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City Clerk Rachel Hughes

(Prepared by Dylan Aleshire, Deputy City Clerk)  
Approved at the Regular Meeting held on May 9, 2023.