

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION BUDGET HEARING WORKSHOP MINUTES
6:30 P.M., DONALD E. CARROLL COMMISSION CHAMBERS
May 6, 2024**

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

**MARK TAPLEY, COMMISSIONER
WARREN ROBINSON, COMMISSIONER
RICK HOLDEN, CITY MANAGER
ASHLEY SMITH, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

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

Mayor Payne called the meeting to order at 5:31 p.m. Roll Call was taken by the City Clerk. Commissioner Burnett was present after the roll call. City Clerk Hughs announced there was a quorum present. The Invocation was given by City Clerk Hughs, and the Pledge of Allegiance was led by Mayor Pro-Tem McDonald.

APPROVAL OF AGENDA

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

WORK SESSION

1. City of Alamogordo Preliminary Budget for Fiscal Year 2025. (Evelyn Huff, Finance Director)

Finance Director Huff went over a general overview of how the budget worked and explained commonly used terms. Then, she presented the City of Alamogordo's Preliminary budget for Fiscal Year 2025.

REVENUES

Mayor Payne asked what the percentage of property tax received was. Finance Director Huff said from the residential operational property tax, we get .005% per one thousand of assessed value. We are at .0017% per one thousand appraised value on the debt. We receive \$3,700,000 for property tax operating and \$1,100,000 for debt service. In FY25, we are budgeted to receive \$4,800,000 in property tax collected in the county.

Commissioner Paul asked what miscellaneous revenue was comprised of. Finance Director Huff said it was reimbursements, refunds, donations, and sales. We also get some billing. For example, when we do an abatement of a house, that is a miscellaneous revenue.

EXPENDITURES

Mayor Payne noted that Commissioner Burnett arrived at 6:10 PM.

FUND 11 – GENERAL FUND

Commissioner Rardin said if the Police Department writes a speeding ticket and the speeder pays it so it does not go on to court, does that fine go to Municipal Court? Finance Director Huff said correct.

Executive/City Manager 11-1301

Commissioner Rardin asked if using Economic Development money to fund half of the Assistant City Manager position was legal. Finance Director Huff said it is, as long as it is up to ten percent of the Economic Development.

Finance/Accounting 011-2102

Commissioner Rardin asked where the other twenty percent of the Finance Director's budget came from. Finance Director Huff said Fund 81 for Utility Billing.

Administration/Non-Departmental 011-2400

Commissioner Rardin asked if the fees were for the Municipal League. Finance Director Huff said yes, but that is not the entirety of the fees. The memberships and dues were expected to go up \$7,000. The other fee that will go up here is the Gross Receipts Admin Fee, which is what they charge us to collect. That is going away, but it is still budgeted for FY25.

Police Department/Police 011-4104

Commissioner Rardin asked what was included in the Other category. Finance Director Huff said community relations, books and publications, travel, equipment, computer hardware and software, fuel, uniforms, and animal expenses. He asked if the fuel was for all units. She said car fuel, yes. They are budgeted for \$140,000 for FY25 and \$129,000 for FY24. He asked if it was equipment they may not need. She said that equipment under \$5,000 is the controllable property. A lot of it is replacing everyday use equipment.

Commissioner Rardin said he disagreed with cutting every department's budget by ten percent in certain months. I want to make sure the Police Department is getting what they need. City Manager Holden said they will get what they need. We had to start with a number to reduce the budget to pass requirements. Finance Director Huff said the State has recently increased the Law Enforcement Protection Fund. The minimum is now \$95,000.

Fire Department/Fire 011-4204

Commissioner Paul asked what the ISO rating was right now. Fire Chief Ramirez said ISO stands for Insurance Services Office. It is a fire service insurance that all businesses in the City are accounted by. We are rated at ISO Three. As a preliminary, we are jumping to a Two and, hopefully, a high One. Albuquerque and Las Cruces are the only two cities in New Mexico rated an ISO One. Mayor Payne said that affects our insurance rates. The lower the number, the better. Fire Chief Ramirez said that was correct.

Commissioner Rardin asked where the money for the Fire Department's supplies came from. Finance Director Huff said they get close to \$800,000 a year from Fire Protection.

Police Department/A.P.S. Resource Program 011-4704

Commissioner Rardin asked if the two resource officers cost double the budget. Finance Director Huff said that they cost us \$212,000. The school pays \$106,000 of that. He said so the total together is \$212,000. She said correct.

FUND 12 – INTERNAL SERVICES

Mayor Payne asked if salaries and benefits were budgeted with the assumption that everyone would need them. Finance Director Huff said we budget based on who is currently in the position at the time we make the projection. If you are currently in the position and have single-employee insurance and PERA, we budget based on where you are at. If the position is vacant, we budget with the assumption that you will not need a single employee; you will need an employee plus family. We budget to the top

of that. Regarding the salaries portion, we do not budget to be at the top of the wage scale. We do assume you are going to come in at the starting rate.

Finance/MIS 012-3402

Commissioner Paul said the fee increase was substantial. Is this a one-time increase? Finance Director Huff said we have around seventy-five different softwares. Some we pay on an annual basis, and others are tri-annual. A big part of that is our four hundred Microsoft licenses, which cost about \$300,000. He asked if some of the tri-annual renewals were part of the \$300,000 increase. She said yes. Some were priced at an introductory rate and are now getting closer to their full rate. We also continually add users.

SPECIAL REVENUE

Commissioner Rardin asked why the Cannabis GRT would be zero in FY2025. Finance Director Huff said that zero is a software issue. We will bring it as part of the final budget. We are receiving Cannabis GRT, and it has increased.

Fund 15 - Special Revenue/Corrections – Jail 015-0000

Mayor Payne asked why the Detention Center may think the billing may not be correct. Finance Director Huff said they are diligent in making sure the right numbers are getting billed for the right amount and time. Mayor Payne asked how much it was to house someone. Finance Director Huff said \$80 to \$95 per day.

Fund 16 – Special Revenue/Lodger's Tax-Promotions – 016-0000

Commissioner Rardin asked why there was a large Supplies increase. Finance Director Huff said the biggest increase is in promotional supplies. There were not many in FY2024, and there was a backlog. This will be stuff brought to events and conferences.

Fund 32 – Special Revenue/Cemetery 032-6006

Commissioner Rardin asked why there were no transfers in or out. Finance Director Huff said we do not tie the transfers directly to the departments. We tie it to the fund. So, there is a transfer into Fund 32, which is tied to the Capital Project of 40, but I do not try to balance it to individual departments.

Commissioner Rardin asked why the salaries and benefits were different. Total revenues show \$43,911 budgeted, but it also shows \$203,076 in salaries and benefits. Finance Director Huff said a portion of the subsidy transfer, that \$5,300,000, goes towards the Cemetery. We do not try to break it out by department.

Fund 32 – Special Revenue/Leisure Services 032-6106

Commissioner Rardin asked if the capital outlay was to resurface the pool. Finance Director Huff said \$500,000 of it was to repair the west wall. The west wall was not in bad shape, so we transferred it to resurface as much of the pool as we could. It will not take up the full \$500,000. A lot of that money will not carry over.

Fund 23 – Special Revenue/Library 032-7107

Commissioner Rardin asked what the capital outlay was for. Finance Director Huff said it was for the installation and upgrade of their fire system.

Fund 33 – Special Revenue/State Fire Protection 033-4204

Commissioner Rardin asked what the breakdown for Maintenance was. Finance Director Huff said it was for fleet's commercial parts of \$165,000, pest control of \$3,500, and equipment maintenance of \$35,000. The equipment maintenance is for the actual firefighter's gear.

Fund 37 – Special Revenue/State Highway Fund 037-0000

Commissioner Rardin asked if the New Mexico Clean and Beautiful annual grant was hard to get or worth it. Finance Director Huff said it is more paperwork than we get. We get \$25,000 and yet, we have a full-time employee who spends three-quarters of his time on it, plus a part-time intern. It is very cumbersome. In the past several years, we have not been able to expend all the funds from the grant. Administratively, it is a lot of work for a little bit of reward, and we still have local money that can be used. If something came along that fit within beautification and litter eradication, it could be funded from here. He asked what the fund balance was. She said it started FY24 with \$115,000 and is slated to end the year with \$109,000.

Fund 44 – Special Revenue/Street Maintenance 044-5203

Commissioner Rardin asked if we were going to contract out striping. Finance Director Huff said yes, that was the idea of having this in contract services. He asked if they were bidding this out. Utilities Director Dave Nunnelley said it would be through a competitive bid. Commissioner Rardin said he had not seen any bids come out. Finance Director Huff said you will see them come through soon.

Fund 71 – Special Revenue/Senior Center 071-8020

Commissioner Rardin asked how much the County contributed to this. Senior Center Manager Magdalena Morales said \$27,000 for transportation and \$18,000 for home delivery.

CAPITAL PROJECTS FUNDS**Fund 124 – Capital Projects Fund/American Rescue Plan Act 124-0000**

Commissioner Rardin asked how much of this was still not obligated and what was left. Finance Director Huff said nothing will be left after the water tanks and broadband. It is all budgeted for those projects. Right now, we have the majority of it in cash. We still need to obligate about \$2,000,000 of it. There is another tank project slated along with I.T. upgrades.

ENTERPRISE FUNDS**Fund 81 – Enterprise Fund/Water/Sewer Fund 081-0000**

Commissioner Rardin asked if the increase in User Fees was already taken into account. Finance Director Huff said some of it was taken into account, but not all of what we are bringing forward. We added maybe half a percent. So that number will have to be retooled based on what passes.

Fund 81- Enterprise Fund/Wastewater Treatment Plant 081-5603

Commissioner Burnett asked if there were any plans for future upgrades to the plant. Utilities Director Nunnelley said there were phase four and five plans.

Fund 88 – Enterprise Fund/Bonito Campground 088-0000

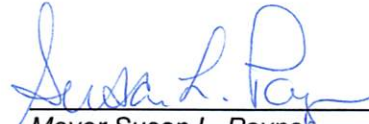
Commissioner Burnett asked if there was a charge to use the campground. Finance Director Huff said we charged about \$4 when it was open eleven years ago.

Fund 90 – Enterprise Fund/Desert Lake Golf Course 090-0000

Commissioner Rardin asked when the last rate increase was. Commissioner Burnett said it was about two years ago. City Manager Holden said the contract will be coming up next year, and we are coming up with options to present to the Commission soon. Commissioner Rardin said we used to subsidize \$175,000 a year for this, and it is currently at \$415,000. That is a huge increase. City Manager Holden said it is common for a subsidy like this to make it work. Frankly, it requires a lot of maintenance to be attractive to play. Commissioner Rardin said this is a luxury item, not a necessity, especially if it means running water or playing golf. City Manager Holden said the Commission makes those decisions. There will be a discussion and options to consider with the contract.

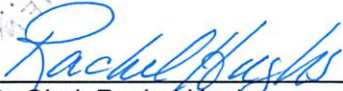
ADJOURNMENT

Mayor Pro-Tem McDonald moved to adjourn at 9:28 p.m.
Commissioner Burnett seconded the motion.
Motion carried with a vote of 7-0-0.



Mayor Susan L. Payne

ATTEST:



City Clerk Rachel Hughs

(Prepared by Dylan Aleshire, Deputy City Clerk)
Approved at the Regular Meeting held on May 28, 2024.