CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION SPECIAL MEETING MINUTES
6:30 PM, DONALD E. CARROLL COMMISSION CHAMBERS
July 30, 2024

SUSAN PAYNE, MAYOR
SHARON MCDONALD, MAYOR PRO-TEM
NICHOLAS PAUL, COMMISSIONER
STEPHEN BURNETT, COMMISSIONER
WARREN ROBINSON, COMMISSIONER
JOSHUA RARDIN, COMMISSIONER
MARK TAPLEY, COMMISSIONER
RICK HOLDEN, CITY MANAGER
ASHLEY SMITH, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK

CALL TO ORDER & ROLL CALL

Mayor Pro-Tem McDonald called the meeting to order at 6:29 PM. Roll Call was taken by the City Clerk. Mayor Payne was absent. City Clerk Hughs announced there was a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

Invocation was given by Commissioner Robinson and the Pledge of Allegiance was led by Commissioner Rardin.

APPROVAL OF AGENDA

Commissioner Burnett moved to Approve.
Commissioner Tapley seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.

PUBLIC COMMENT

None.

NEW BUSINESS

1. Consider and act upon, Resolution 2024-50 approving the Department of Finance Authority Quarterly Report for the period ending June 30, 2024. *(Evelyn Huff, Finance Director). (Roll Call Vote Required)*

Finance Director Huff said we are required to approve this resolution every year. It allows us to submit the final quarterly report for Fiscal Year 2024.This will be the balances as of June 30, 2024. As a recap, we began the year with $92,900,000, brought in $69,700,000 of revenue, expended $63,800,000 in expenditures, and we will end the year with $98,800,000 spread over liquid cash and investments.

Commissioner Rardin asked for sheets with a breakdown in the future, like when we do the budget. Finance Director Huff said we could include the recap. He said it looks like this is everything. She said it was every line.

Commissioner Robinson moved to Approve.
Commissioner Rardin seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.

2. Consider and act upon, the approval of Resolution 2024-51 amending the Preliminary FY 2024-2025 Budget with carry-over fund balances, and adopting the Final Budget for 2024-2025. *(Evelyn Huff, Finance Director). (Roll Call Vote Required)*

Finance Director Huff said this is an annual resolution where we bring the actual cash balances as of July 1st.

Revision One is that we are revising our estimated cash balances presented at the Budget Hearings; the balances were $61,700,000, and are being revised up by $33,100,000 to an ending cash balance of $94,800,000. The difference between this and the last item is that the New Mexico Finance Authority reserve accounts are included in our monthly reporting, but not in our budgeted cash.

Revision Two is carrying over any revenues, expenditures, transfers-in, and transfers-out that were not completed in FY24. We currently have one hundred and ninty-two open projects. These are not just capital improvement or construction-type projects, but also operating projects that carry over every year that we use to track financials. We go through every projects and see if there are any balances left to be transferred over. Departments can submit to have their purchase orders carried over from the previous fiscal year as long as they have an outstanding invoice or work pending per that purchase order. This revision is a long one with all the different funds and projects that were carried over. The total being carried over is $8,400,000 in revenues, $4,700,000 in transfers in between funds, and $35,500,00 in expenditures. The largest portion of the expenditures is the capital improvement projects. There is also our typical State carry over with the State Fire Fund, where they are allowed to carry balances over. The Law Enforcement Protection Fund is also allowed to carry balances over.

Revision Three is to add the Cannabis GRT budget for FY25. At the Preliminary Budget Hearings, we had not developed that budget at that point. For our final budget, we are budgeting $269,000,000 in Cannabis GRT revenue. The bulk of that will go to our Capital Equipment line. This year, we are looking to use the Cannabis GRT to help jump start our Equipment Replacement Program for all departments that do not have a revenue or funding stream for capital equipment. Specific examples include Parks & Recreation and Community Services. Those are the two big ones that are severely lacking in equipment replacement. Some of the trucks they drive are over twenty years old. We have been working with the Fleet department so we can start replacing those vehicles and come up with a revolving replacement program rather than just trying to piecemeal it every year.

Commissioner Robinson said if we did not have the cannabis money, would we have to continue to limp along and patch things? Finance Director Huff said either that, or look at a re-dedication of gross receipts tax. We may still need to look at a re-dedication of gross receipts tax because we are budgeted to bring in $269,000, but this is only the second full year we are receiving the cannabis money. It is still a little in the air; this is an average for the first two years. We hope it exceeds expectations, but we may need to add more funding. Trucks are getting close to $100,000 for even a regular F-150.

Commissioner Rardin asked if the cannabis money was no longer going to be used for the Police Department's sign-on bonuses. Finance Director Huff said we do not recommend that this year. Once we pass the budget today, it can still be revised. We can bring it back at any point in time. There is a cash balance of $43,175 still earmarked for sign-on bonuses. He said that was just two bonuses; the bonuses are $20,000 or $25,000. She said it depends on if they come in fully certified or not. He said the cannabis money was dedicated to be used for that purpose. She said that was what we recommended for the last year and a half. We have not seen a fully staffed Police Department, and we still have people coming and going. We recommend trying to do something else with it. He asked if they put almost $300,000 in there last time. She said the FY23 actual for cannabis was $224,000. The FY24 original budget was $204,000, and we adjusted that up to $275,000, and then our final number was $310,000. He asked if that was all already spent on bonuses. She said yes. He said he didn't want to see that fund dry up so you have to bring a budget adjustment forward. She said we spent $296,372 in FY23, which was all on retention bonuses. In FY24, we tried to move that over to sign-on bonuses, and we spent $290,000 on that. He asked what would happen if we use up the $43,175 for sign-on bonuses. Where would we get the money? She said that would come from the vacancy savings; we are not filling up all the police officer spots we have budgeted. It would come out of Fund 11, 4104. They still have over $1,000,000 worth of vacancy savings. He asked what would happen if we fill the vacancies. She said that would be amazing, and we would come back with a new plan. He said concerning Parks, have we looked at putting truck replacements on the ICIP? We do that with police cars. She said for the last several years, the Legislatures in the ICIP meetings indicated they prefer we focus on infrastructure projects. That is why we were putting infrastructure projects forward. ICIP says that whatever you buy must have a lifespan of ten years. If you don't meet the lifespan of ten years, you are supposed to pay the money back to the State. Vehicles can be touchy in that ten year lifespan.

Revision Four is a correction to the Library contract services. We accidentally removed their budget twice during the budget process, and we need to add that back.

Revision Five adds funds to engineer improvements to the road to the Water Filter Plant.

Revisions Six, Eight, and Nine are to bring the Senior Center awards up to what they were actually awarded. We projected what they would receive from the State, Federal Government, and Federal NSIP program.

Revision Seven adds funds to the New York SMP. The lowest bidder was higher than the projected costs. We are adding $450,000 to complete the SMP. That project is going in front of the Great Blocks project that MainStreet received the grant for. The Great Blocks bid will open tomorrow.

Commissioner Rardin asked if the $450,000 was just being moved. She said the New York SMP, which is our match for Great Blocks, is funded out of Fund 81 for water and sewer pipes, and Fund 109 for the streets. Water/sewer is adding an additional $290,000, and streets is adding an additional $160,000. That is to the $1,500,000 already allocated. The project will go from $1,500,000 to $1,950,000. The Great Blocks have $1,900,000 in grant funds. We will see tomorrow what it comes in at. He asked if she was referring to what the bids come in at. She said yes. We talked to New Mexico MainStreet, and they do have additional funding we could apply for. We have a meeting with them scheduled for Friday. Once we have the bids, we can see if they are over $1,900,000 and if the difference can be made up. He said we could phase the project to where we can afford it.

Revision Eleven is to bring the project for the Blue 2 Fire recovery at Bonito Lake. NRCS agreed to provide $206,000 of additional funding.

The **Final Revision** is our usual true up revision. This is where we are adjusting our transfer-outs to the subsidized fund. Once we look at carry overs, like projects and PO's, we almost always have to do a true up. In this case, we had to increase the transfer into Community Services, the Senior Center, the Golf Course, Streets Maintenance, and Engineering.

Commissioner Rardin moved to Approve.
Commissioner Burnett seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.

ADJOURNMENT

Commissioner Rardin moved to Adjourn at 6:55 PM.
Commissioner Robinson seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.

Susan Payne
Mayor Susan Payne

ATTEST:

Rachel Hughs
City Clerk Rachel Hughs

(Prepared by Dylan Aleshire, Deputy Clerk)
Approved at the Regular Meeting held on August 13, 2024.

CITY OF ALAMOGORDO, NEW MEXICO SEAL