

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION BUDGET WORK SEESSION
6:00 P.M.,
FIRE STATION 5, 1492 S. FLORIDA AVE
May 10, 2017**

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

**AL HERNANDEZ, MAYOR PRO-TEM
ERICA MARTIN, COMMISSIONER
MAGGIE PALUCH, ACTING CITY MANAGER
LAUREN TRUITT, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER & ROLL CALL

Mayor Boss called the meeting to order at 6: 03 p.m. Roll Call was taken by the City Clerk. Commissioner Baldwin and Commissioner Sikes were as absent. City Clerk Hughs announced there was a quorum present.

**Mayor Pro-Tem Hernandez approved the agenda.
Commissioner Turnbull second the motion.
Motion carried with a vote of 5-0-0.**

PRESENATIONS

1. The Finance Staff will present the preliminary FY 17-18 City of Alamogordo Budget. (*Julianne Hall, Finance Director*)

Acting City Manager Paluch said Finance Director Hall will give an overview of the Budget for FY 17-18. and the Directors will present their requests.

Finance Director Hall described the various sections in the Budget Book. She said the preliminary budget adoption will be at the regular Commission meeting on May 23, 2017 and the preliminary budget is due to the New Mexico Department of Finance Administration by June 1st. The final budget revisions will be done the first couple of weeks in July. The final budget adoption will be at the regular Commission meeting on July 25th and due to the New Mexico Department of Finance Administration no later than July 31st.

She went over the budgets and revenues for the funds and what they are projecting. Mayor Boss asked why other services for FY 17 was much higher, almost double. She said she would get more information and find out for him. She spoke on changes in the General Fund. She showed the FY18 savings of \$1,413,884 with a new reserve of \$1,090,052. She explained the Gross Receipts Tax and the breakdown of the gross receipts tax rates. She spoke on Hold Harmless, Implementation and the Redirect Municipal GRT. She went over the Special Revenue Funds list and the Debt Service Funds 53, 59, and 82. Finance Director Hall spoke on Capital Project Funds and the various funds. She described the changes for the Capital Projects Funds. She pointed out taxes are the main revenue in the Capital Projects Funds. She explained the Enterprise Funds and stated the User fees are where most of the revenue comes from in this Fund. She said the expenditures area higher than the revenues in these Funds.

Finance Director Finance Director Hall spoke on the Trust and Agency Funds. She said Fund 22 will be moved to various Departments. She said the largest changes are in maintenance. Finance Director Hall summarized the Outside Agency Funding. For the Chamber of Commerce the recommendation was to combine the tourism contract and the operational & maintenance contract not to exceed \$30,000. Mike Espiritu expressed his concern and stated that would be a big hit to them.

Finance Director Hall spoke on OCEDC and said the recommendation is to discontinue Operating Expenses but increase the Economic Development Services contract not to exceed \$80,000. Mike Espiritu said he sees a challenge because OCDEC helps the community by using their reserve funds. Mayor Boss told Mr. Espiritu they have more in reserves and total assets than the City by far and the City has contributed \$100,000 over many years. He said they have built up their fund balance while the City barely breaks even. Mayor Boss stated he has not seen a great benefit that the City is receiving. He said OCDEC has spent over \$50,000 in travel expenses and the City does not even spend that much money in travel expenses. Commissioner Martin asked how much was in the OCDEC reserves Mr. Espiritu answered \$40,000.

Mayor Boss asked Mr. Espiritu what the write off of \$849,999 was for, he answered it was for the OCDEC property that was donated by Presto Corporation. Mayor Boss asked who originally owned that property, Mr. Espiritu said he did not know, but could find out. Mr. Espiritu said that was the portion that was allocated for the Cookie Company from Presto was \$150,000. He said they were third in line for the lien on the property, behind the bank and the City. Mayor Boss asked if the four brothers from Guadalajara, Mexico still owned the property. Mr. Espiritu explained the City had a lien on the property according to the previous City Attorney. Mr. Espiritu said when Western Baking took over, there was never any documents. Mayor Boss asked if the City never filed any liens, he answered, the previous City Attorney said OCDEC did not have any rights, the City does. City Attorney Truitt said she just asked their paralegal and said she recalled it had been taken care of, the amount had been satisfied. Mayor Pro-Tem Hernandez said he remembers there was over a million dollars owed to the City and they never got. Mayor Boss stated when a transaction like that takes place you perfect a title and that is why he couldn't understand how the land slipped away and he wrote off \$849,000.

Mayor Boss asked Mr. Espiritu why \$25,000 was submitted by OCDEC to advance technology for drones. He stated OCDEC does not advance money to any company, the money he was speaking about was money the Commission granted in the form of LEDA dollars GRT to that company and that money does not go to OCDEC, it goes to the City. Mayor Boss said there was \$25,000 owed that was not going to be paid back. Mr. Espiritu explained that was a contract that OCDEC had with a company to hire a marketing person to market their company and they were going to reimburse OCDEC. They hired a person and the company refused to pay them back, but that was their money. Mayor Boss said he does not have a problem with the recommendation made. Acting City Manager Paluch said the reason why the recommendation is coming from Julianne and herself is neither one of them believe they should be funding an outside agency with the General Fund money and that is why they want to reduce from that fund and OCDEC should be funded by Fund 105. Mayor Boss agreed with her. Commissioner Payne asked how long the City has been funding the \$100,000 out of the General Fund. Mayor Pro-Tem Hernandez said it was around 1998. Mr. Espiritu said he does not believe so, it was a much less amount, so it had been around five years.

Mayor Boss said he thinks it would be prudent for OCDEC to have an audit. Mr. Espiritu said that would be costly and cannot pay for it unless the City pays for it. Acting City Manager Paluch said that was within the contract for operating. Mr. Espiritu said the Chamber had its last audit about five years ago and cost \$6,000.

Acting City Manager Paluch asked if the Commission had any comments on the recommendations. Mayor Pro-Tem Hernandez said they should find a way to fund them, but if they are going to ask OCDEC for an audit that they ask the other agencies they fund for one too. Mr. Espiritu said their annual budget is around \$180,000. Commissioner Payne said they should have an audit for OCDEC every other year or three years. Mr. Espiritu asked if they require an audit for every board they give

money to them. Acting City Manager Paluch stated Zia Transportation is the other board the City gives money to and they do have audits. Mayor Boss said the amount of funding and looking at the financial statements is why the audit should be done, but he would like all seven Commissioners should be there when they decide. Acting City Manager Paluch said she has the financial statements Mr. Espiritu provided in case any of the Commissioners would like a copy.

Finance Director Hall continued speaking on the Outside Agency Funding. She stated the other outside agency is Zia Transportation with the contract of \$110,000 and it will be paid out of Fund 44. Acting City Manager Paluch stated they will be reducing the fair to \$1.

Directors spoke about their departments and requests.

Acting City Manager Paluch made the following comments:

She requested a Communications & Marketing Position. She explained what this position will be responsible for including the press releases and the City Facebook. The total cost of the new position is \$67, 474.52. She said the public information job description would be removed from the Executive Assistant position and the pay scale will be reduced from the Executive Assistant position. She said the Executive Assistant for the City manager would also be working for the Assistant City Manager. Mayor Pro-Tem Hernandez asked her what the cost is without the benefits, she answered the annual would be around \$49,000. He asked what the Executive Assistant's salary was, she said it would be the exact same salary and it would be reduced, so the starting pay for the Executive Assistant/PIO for the City Manager is \$23 an hour. The Executive Assistant supporting two people, the starting rate would drop to \$14.63 an hour. She stated the current employee is interested in this job. She also spoke on the various projects the City Manager's department is currently working on.

City Attorney Truitt made the following comments:

She requested a new full time administrative assistant. She said their current paralegal has a lot of tasks, including liens and would benefit if they had an administrative assistant. She spoke on the various projects the City Attorney's department is working on, liens, increase Municipal Court cases, code violations, policy and ordinances.

Acting City Manager Paluch stated the City Clerk's department had no changes for FY18.

Finance Director Hall made the following comments:

She stated they had no change in personal and spoke on the Finance department Capital Projects.

Human Resources Director Josselyn made the following comments:

She spoke on what the Human Resources department is working on and new projects. She requested a new safety and benefits position with the cost of about \$63,000. She explained how this position would save money for the City. She went over safety training and employee benefits. She asked to add Veteran's Day to the holidays observed and for part-time employees to be paid for holidays, which the City already budgets for. Commissioner Payne asked if job descriptions are being updated, Acting City Manager Paluch said that goes with the evaluation program. Commissioner Payne asked when the insurance was last reviewed because they do not seem affordable. HR Director Josselyn said she was working on that because the benefits are being diminished and the premiums are going higher. Mayor Pro-Tem Hernandez expressed insurance is one of his concerns.

Police Chief Syling made the following comments:

He spoke on changes in the Police department and open positions. He stated there would be no increases in personnel. He requested a new speed radar trailer to enforce traffic and have people slow down. The other capital project is the handicap stripping in their parking lot in order meet ADA compliance. He also explained the hiring process for police officers.

Fire Chief Deputy of Operations Ramirez made the following comments:

He spoke on behalf of Fire Chief LeClair. He spoke on the Fire Department accomplishments and what they are currently working on. He spoke on their goals and requested to do away with the Deputy Chief of Administration position to create two additional firefighter positions that are needed to alleviate the stress associated with fire staff that have worked 3-5 days straight. He spoke on the new Code Enforcement Abatement position and what a positive impact this position has been to the community.

Community Services Director Ortega made the following comments:

She was absent, Acting City Manager Paluch spoke on her behalf. She requested a full-time parks laborer position, a Zookeeper position, and reclassify two part-time positions to one full-time position.

Public Works Director Cesar made the following comments:

He spoke on capital and personal requests. He asked to have two new positions in Facility Maintenance for the Family Fun Center. He requested to reclassify levels of mechanics in Fleet, in Weeds and Drainage reclassify two seasonal employees to one full time employee and to hire three entry level positions in the Waste Water Treatment Plant. He also requested one entry position for the Water Filter Plant. He went over his requests for Capital projects. He spoke on the Street Maintenance Program and the Vehicle Replacement policy.

Engineering Manager Johnson made the following comments:

He announced the notice to proceed for the Desal Plant is one week from Monday. He said for the Bonito Lake Restoration Project, the engineer is scheduled to stamp 100 percent drawing designs on Monday. He spoke on smaller projects and the completion dates.

Finance Director Hall gave an overview of the Budget Plan Report for net recurring revenue and expenditures. She gave a PNM update. The preliminary budget will be approved at the next Commission meeting.

ADJOURNMENT

Commissioner Turnbull moved to adjourn at 10:11 p.m.

Commissioner Martin seconded the motion.

Motion carried with a vote of 5-0-0.

 Mayor Richard Boss




City Clerk Rachel Hughes

(Prepared by Rachel Hughes, City Clerk)

Approved at the Regular Meeting held on May 23, 2017.