

CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Tuesday, April 23, 2013

REGULAR MEETING

Minutes

TIME & PLACE: The Mayor and the City Commission of the City of Truth or Consequences in the County of Sierra, and State of New Mexico met in Regular Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Tuesday, April 23, 2013 at 6:00 P.M.

PRESIDING OFFICER: The meeting was called to order by Mayor Mulcahy who presided and Mary B. Penner, City Clerk acted as Secretary of the meeting.

ATTENDANCE: Upon calling the roll the following Commissioners were reported present:

Hon. John Mulcahy, Mayor
Hon. Sandra Whitehead, Mayor Pro-tem
Hon. Steve Green, Commissioner
Hon. Mike Kertesz, Commissioner
Hon. Jeff Richter, Commissioner

Also present:

Juan Fuentes, City Manager
Jay Rubin, City Attorney
Mary B. Penner, City Clerk

QUORUM: There being a quorum present the Commission proceeded with the business at hand.

CEREMONY: Mayor Mulcahy called for fifteen seconds of Silent Meditation, and reminded everyone what has been going on the last couple of weeks.

Mayor Mulcahy called for the Pledge of Allegiance with Commissioner Green leading the Pledge of Allegiance.

APPROVAL OF AGENDA: Mayor Mulcahy called for approval of the Agenda.

City Attorney Rubin referred to the last item Under New Business – Discussion/Action – Golf Course Contract, and that I’ve been contacted by the contractor’s Attorney...and we’ve discussed the contract, and he convinced me there are a couple of legal issues that we still need to iron out...so keeping that in mind I suggest that we pull item F-6 from the Agenda.

“Commissioner Green stated since Counsel is advising this it would make our time better spent to postponing it, and putting it on the Agenda when the proper time is. So therefore if there are no other alterations I move for approval of the Agenda with the deletion of F-6.”

Seconded by Commissioner Kertesz.

City Attorney Rubin stated I'll be pretty confident that we'll have this back at the next meeting.

Motion carried unanimously.

COMMENTS
FROM THE
PUBLIC:

Mr. George Szigeti came before the Commission in support of the job that Howie Tucker has done at the Golf Course.

Ms. Marilyn Pope with the Geronimo Springs Museum came before the Commission in regards to some general information about the museum...the hours and staff, and provided some information to the Commission.

Captain Morgan with the T or C Police Department came before the Commission to let everyone know about the National Take Back Program regarding prescription drugs that will be held on Saturday, April 27th from 10:00 – 2:00 at the T or C Police Department.

Mr. Hans Townsend came before the Commission in support for Howie at the Golf Course, and also about a Goal or Vision regarding our community.

Ms. January Roberts came before the Commission with comments regarding the presentation on the Young da Vincis in how much she supports any art or paintings that we can encourage our young people to be involved with.

CONSENT
CALENDAR:

Mayor Mulcahy stated we have three items under the Consent Calendar – City Commission Minutes – Regular – 3/26/13 Golf Course Advisory Board Minutes – 4/10/13 & DAIC Monthly Report – March 2013.

“Commissioner Green moved approval of the Consent Calendar as presented.”

Seconded by Commissioner Kertesz.
Motion carried unanimously.

PRESENTA-
TIONS:

**JOHNSON CONTROLS – INFRASTRUCTURE RENEWAL
UTILIZING PERFORMANCE CONTRACTING – SCOTT K.
GRIFFITH –**

Ms. Lila Garza with Alma Energy Group came before the Commission, and stated about a year ago she met Mr. Green at one of the Recycling Shows, and that she was extremely impressed by the work that he has done for our recycling program, and he was so impressed with the desire that he had to improve our energy efficiencies in our City. And she has been working for almost a year to provide Mr. Fuentes and Mr. Green information of the presentation that we are about to give.

And she introduced Mr. Scott Griffith the Account Executive with Johnson Control, and Mr. Rory Fisher, Sales Manager for Texas and New Mexico, and Mr. Neal Skiver the Funder for Green Campus Partners.

Mr. Scott Griffith came before the Commission, and indicated we work with energy efficiency through a process called Performance Contracting.

He stated one of the things we try to do is: Reduce energy usage, water usage, operating and maintenance costs, emissions, and waste.

He stated that Performance Contracting is a vehicle for procurement tool that allows the savings to pay for all the improvements over a period of time. And what happens is during a project they are going to come in and take a look at how this process works, and they come in and do an audit of your City, and right now we have done some preliminary work with some numbers that we were able to pull off the internet, and from public information.

Mr. Griffith stated...how it works essentially is we do a very simple MOU with your City to explore everything that we're going to explore, and we do a preliminary engineering analysis, and then we go out for an RFQ/RFP for all the different vendors, and then have a detailed engineering audit will be performed.

He indicated this plan would involve an extensive assessment of the City's infrastructure to identify areas where upgrades would allow the City to see significant savings.

There were several questions and comments from the Commission, and Commissioner Kertesz asked of them when they thought they could come back for a work session.

They stated they would have to get with their project development engineer that would be over this project, and found out their availability.

The information presented is available in its entirety at the Office of the City Clerk.

City Manager Fuentes stated it looks as if there is sufficient interest to explore this further, and have a work session, and what he would recommend is to have a joint work session with our Public Utility Advisory Board, and schedule something in the near future.

Commissioner Green stated he appreciates Commissioner Kertesz desire to go to the next step, and that there is a cost involved here that the City is spending every month, every day, every year, and if we can be more efficient in delivering of services, and being guardians of public's dollars...what's the short-fall.

Mayor Mulcahy stated what we've heard tonight is we need to talk about how we can do a phase for a small City on something that's really important.

PRESENTATION – THE YOUNG da VINCIS – JIA APPLE -

Ms. Jia Apple came before the Commission, and stated she represents a group of young artists in the community who are interested in public art...beautification of our town, and learning how to create murals. She stated she has agreed to spearhead this group working with MainStreet in order to continue my work in outdoor art, and to pass along my knowledge, and help these young

people learn something about muraling in the process.

She stated she is here because she is committed to this town, and putting us on the map for things other than our name, and that she cares about Truth or Consequences, and these young people, and indicated she will donate her time to make our group, and any project that we undertake a success.

Ms. Apple stated we need canvass and paint, and we need a wall, and a way to pay for the supplies. She stated they will put together 2-3 designs proposals, and submit them to the appropriate group for approval, and once approved they would get to work, and what I need now are instructions on what to do next, and with whom we should work with.

Commissioner Kertesz – Do you have any particular location in mind?

Ms. Apple stated my natural thought was to go to the historic downtown area, and that there are a few walls that I have seen that are City buildings...one is the Lee Belle Johnson building...otherwise no I'm just open for suggestions.

Commissioner Green – First I want to applaud you to give of your energy...your talent and your time. And we do as you know I think when we were talking about this at the MainStreet Board meeting that the City does put aside 1% of our lodgers tax to be used for public art...so the funding is there, and how the City Manager wants to deal with the mechanism of just an individual applying for a dollar amount that you would need, or if you have to issue a public call for public participation other people want to have an idea to come forward...I guess would be the Managers call, but I also asked our City Attorney...if we do City buildings, but if you do buildings that are owned by a private individual or a company...how do you take public dollars, and enhance the value of a private building that is owned by an individual or corporation, and the answer...you can't if it's permanent, but if you do a mural that is blocked out on different pieces of canvass, and somehow is locked on the corner so it can't be ripped off the building then you can use public dollars and put them on private buildings, and we can have over the years art that moves around our City on different buildings.

City Manager Fuentes stated under the procurement code it does exempt...for example public art, now it appears that a project like this...and we can definitely if the Commission wishes we can definitely work with Ms. Apple on a mural type of project so I don't for see any issues moving forward with this type of proposal.

Commissioner Whitehead – Do we have an idea of what this...what type of monies we're looking at.

Ms. Apple – Right now it would just depend on the wall, and the scope of the coverage of that wall...right now I'm just looking at something small scale...so I'm guessing that supplies I think I can do it in the neighborhood of \$500-\$700.00...that's a generous amount I think.

Mayor Mulcahy – I think you could work with the City Manager and keep the Commission involved.

Commissioner Green – I would suggest since this is under

Presentation, and we cannot vote on anything that I would like to request that we it be put on the Agenda for our next meeting so we can legally move forward.

PRESENTATION – SCRDA – PRE-BUDGET FY 2013-2014 –

Ms. Barb Schalkofski, Administrator with the Sierra County Regional Dispatch Authority came before the Commission, and reported that Sierra County Regional Dispatch is first in the State to become Emergency Medical Dispatch certified as a center, and this is over Albuquerque, Bernalillo County, Las Cruces...so as a small community we can still achieve great things, and so with our Emergency Medical Dispatch what that is...we get pre-arrival instructions to citizens in need before the ambulance gets there, and that a lot of times it does save lives.

Ms. Schalkofski stated she provided them with their Pre-Budget FY 2013-2014, and that she is not asking for any more money because we have stayed within our budget this year, and wanted to see what we are doing, and what we are asking for. She also provided the Commission with a copy of a letter from the Village of Williamsburg reducing their contribution to \$10,000 a year, and in the JPA it has a set amount that each entity is to pay, and Williamsburg's contribution was \$25,000 a year, and indicated it will be up to each entity whether to agree to accept this or not, and that you will speak directly through your board member that is on the SCRDA Board with your decision if this is what you want, or this is not what you want because the City also pays a good amount into the SCRDA budget...so it's up to you whether you think it's fair that they should be able to do this or not do this.

She stated one of our long term goals is to make us self-sufficient in that the entities don't have to pay as much into our budget so we are looking at doing a County area emergency communications GRT, and indicated this is a long-term goal, and with this long-term goal, and I'm gonna say if a lot because that is probably going to be the word, so if we get it passed through the constituents, and if we get the amount of expected revenue that we're looking at, and there is a possibility that the amount of money coming back to each entity is probably going to be half or more.

Ms. Schalkofski stated there are 7 other counties with 911 centers that have been successful with it, Union, Torrance, San Juan, Guadalupe, Grant, McKinley and Rio Arriba Counties, and that some of them can actually run their dispatch center for the complete year on that GRT, so tonight I wanted to give an update on our long-term goals as well as looking for your support in order to do this.

Commissioner Kertesz – In the details itemizing each of the budgets items you have and the explanation...you have an item in there called holiday pay, and it's the same number as full time salaries.

Ms. Schalkofski – It should be included in the full-time salaries.

Commissioner Kertesz – It says the line items pays for holidays that work, and broke down to the pay when not working...I don't follow what that means.

Ms. Schalkofski – We are in the process of re-doing our personnel manual in which right now when we have a holiday...whether you

work it or don't work it you still get paid 8 hours.

Commissioner Green – On some of the explanations of the different account numbers and lines...it says on some of these the majority of the time the training is reimbursed from DFA 911 Grant funding, and on 2012-2013 there is \$46,000 that was training, lodging, travel, equipment and maintenance, and I was wondering out of that \$46,000 how much did 911 Grant funding pick-up.

Ms. Schalkofski – It actually paid a lot more last year, but it didn't go through our budget, and last year we had an up-grade on our 911 system, and that funding that comes from your telephone bill...the 51 cents...part of it goes for training, and part of it goes into the State fund for equipment, and that it was our year to upgrade our equipment in the amount of \$313,000, and part of that money is a \$30,000 amount which is for incidentals like...it also paid and reimbursed through that \$30,000 for us to have our consoles refurbished, and part of that is GIS reimbursement for mapping and sending one of my employees for training, so when we have an 911 call that comes up on our mapping screen we know exactly where that person is calling from, and part of it is for our training that we have to do that is required by law...we have 24 hours of medical continued education credits, and we have 20 hours of law enforcement, and explained that dispatchers in New Mexico, and that we were actually first in the nation to make it mandatory that dispatcher have to attend the law enforcement academy.

Commissioner Green – So that would not help you make up the short fall with Williamsburg.

Ms. Schalkofski – No.

Presentation Only.

NEW BUSINESS: DISCUSSION/ACTION – AWARD OF PROPOSAL FOR THE DOWNTOWN MASTER PLAN FOR REVITALIZATION –

Mr. Bill Slettom, Community Development Director came before the Commission, and stated this item is the award of proposal for the Downtown Master Plan for Revitalization to Consensus Planning, Inc. He stated the review committee looked at 5 proposals that we received for this plan, and the top score was Consensus Planning.

He is asking for approval of the granting of the proposal at this point with a contingency that we include two representatives from the MainStreet Organization to review the proposals that we received in a confidential setting, so we are not violating some of the State Statutes on confidentiality.

Mr. Slettom stated at this time this is just the award of proposal that we're dealing with, and after it is approved by MainStreet then we will come back, and we will ask Consensus Planning to submit their contract to us...so the next step would be acceptance of the contract, and adjustment to the budget for this project.

Mayor Mulcahy – Or MainStreet doesn't like it...and we don't want to do it...is that what you're saying.

Mr. Slettom – Not the contract...MainStreet is coming in to look at the proposals that we received.

Mayor Mulcahy – And if they don't like Consensus, or they don't want to go forward with that is that another possibility.

Mr. Slettom – MainStreet wants to be part of the review process...we took the approach that in order to meet the State Statutes for confidentiality that they would not be included...so in a sense this is for a chance for them to check our work. So we are going to award this to Consensus...with the Commission's approval.

City Manager Fuentes – If the...the consideration here is of course...recommendation for approval of the RFP with the consideration that it's also reviewed by two members of the MainStreet Group...the contract will come back in the event that for whatever reason two members may disagree...our recommendation is to come forward, and obviously it would be up to the City Commission to either maintain with the approval of the contract because this will be the first step...the next step will be the contract, and for any reason there is a difference of opinion as far as the proposal then it will be at that time when the contract is presented to the Commission if the Commission gives the go ahead at this stage to go up or down with that contract, and if it is voted down we will start the whole process again.

Mr. Slettom stated this is the award of proposal, and not the award of the contract.

Mayor Mulcahy – Is it our ability to know who was on the approval committee.

City Attorney Rubin – I think it's permissible to know the identity of the people who are on the committee...I think yes.

Mr. Slettom – The members of the committee were myself...Bill Slettom, Robbie Travis, Linda Lanham, Pat O'Hanlon, and Mary Penner.

City Manager Fuentes – We do get the input from MainStreet, and initially our recommendation was to be able to move forward with this project so that we can work on a contract, but I will also submit a second recommendation, and if you feel more comfortable this can be postponed until the next agenda, and I would recommend...and we have our Executive Director here from MainStreet, and also the President of MainStreet as well, and they can take a look at those proposals, and then we will bring this item back if that will make the Commission feel more comfortable to proceed with this item.

Mayor Mulcahy – I don't think so I think we got what we need here...I think we figured out what we're gonna do with respect to MainStreet.

“Commissioner Green moved award of the proposal for the Downtown Master Plan for Revitalization to Consensus Planning, Inc., with two representatives from MainStreet Organization to review that proposal.”

Seconded by Commissioner Whitehead.
Motion carried unanimously.

DISCUSSION/ACTION FYE 2013 – 3rd QUARTERLY

FINANCIAL REPORT – LINDA LANHAM, FINANCE DIRECTOR –

Ms. Linda Lanham, Finance Director came before the Commission to present the 3rd Quarterly Report from July 1, 2012 – March 31, 2013. Complete copy of report is available at the Office of the City Clerk or from the Finance Department upon request.

First Page – Is the breakdown of our Revenues and Expenditures for the funding sources, and that we are at 73% for Revenues, and 65% for our Expenditures, and below you will see the breakdown which consists of the Special Revenue Funds, and the Capital Project Funds.

2nd Page – You will see what those funds consist of. You will see the Special Revenues and the Capital Projects.

Page 3 – It gives you a breakdown of the General Fund Revenues.

Mayor Mulcahy – Asked the Commissioners...if it is helpful to you if you have a question as we go to the page...if we have questions on a particular page, and that maybe we can resolve an issue as we go through it.

Page 3 – Ms. Lanham stated everything should be at 75% which we are under on Licenses & Permits, and Fines & Forfeits, but other than that overall we're doing well.

Commissioner Kertesz – Is there any explanation why Fines & Forefeits are so much different than they were.

Ms. Lanham – When I was looking at it the Court Fines are under.

Page 4 – This is prior vs. current on the GRT, and I did change this form to show where we are in this quarter from January – March...where we were at 2012, and where we are at 2013, and we have a net of \$76,087 on the GRT as far as the quarter goes. Last year to date and today's year to date we have a net income of \$332,264, and again that has mostly to do with the GRT for the PD.

Mayor Mulcahy questioned the Miscellaneous Revenue.

City Manager Fuentes stated under this category we receive some un-anticipated revenues that come in...either a refund on some sort of insurance payment. And they will look at the detail.

Page 5 – This gives you the prior vs. current for the Lodgers' Tax Revenue...

Mayor Mulcahy – Referred back to page 4 – This year to date GRT...\$2,179,018...I couldn't add up any GRT figures to come to that number.

City Manager Fuentes – If you look at the detail page...if you add both the GRT categories.

Ms. Lanham – Page 6 has a breakdown of it.

City Manager Fuentes – If you turn to the following page. The detail on the GRT that shows the graph where every month it goes up and down.

Page 5 – This is the Lodgers' Tax with a net of \$16,996, and last year to date...and today's year to date we have a net income of \$37,021.52.

Commissioner Green – Is there anyone delinquent on their lodger's tax owed to the City.

City Manager Fuentes – I'm seeing City Clerk Mary Penner saying we do have some that are delinquent.

Page 6 – We have already gone over it, and that this is revenues by month of GRT.

Page 7 – This is a breakdown of the revenues for the General Fund, Electric Fund, and the Debt Service...the actual revenue, and the quarter revenue, the difference, and that we're right at where we should be.

Page 8 – The revenues for the Special Revenue, Capital Projects, Utility Office, Water, Wastewater, Solid Waste, Golf, Cemetery, Airport and Internal Services.

Page 9 – General & Enterprise Fund Expenditures to date and we're at 71% for the General Fund, and 73% for the Enterprise Fund.

Page 10 – These are the expenditures for the General Fund, Electric Fund and Debt Services.

Page 11- These are the Special Revenues the Capital Projects, Utility Office, Water, Wastewater, Solid Waste, Golf, Cemetery, Airport and Internal Services.

Ms. Lanham stated Commissioner Green had asked what category 7 was, and she did some research, and that has to do with our money that brings in the revenues is the movie theater, museums...that's where that GRT is coming from.

City Manager Fuentes stated overall in the 3rd Quarter if you look under page 1...when you look at the General Fund expenditures...for most part all of them are under their percentage as of the end of the 3rd Quarter...even in its entirety the whole budget it's 65%, and the department heads have been doing an excellent job keeping within their approved budgets. And stated there is probably one more Resolution that we will be bringing forth for budget adjustments, and I'd like to commend staff for keeping in line, and staying below the approved budget. He stated next week when we have our budget workshop we will just give a general summary we won't go into the details of this again...but I do for those members of the public just give an overview of where we're at again because this activity will give us an indication...possibly could be our ending cash balance that we will be starting with in the new fiscal year.

“Commissioner Green moved to accept FYE 2013 – 3rd Quarter Financial Report.

Seconded by Commissioner Whitehead.
Motion carried unanimously.

DISCUSSION/ACTION – CONTRACT SERVICES AGREEMENT FOR AN AFFORDABLE HOUSING PLAN

BETWEEN THE NMFA & CITY OF T OR C – JUAN FUENTES, CITY MANAGER –

City Manager Fuentes stated last month Mayor Mulcahy, Bill Slettom and myself met with Joseph Montoya, Deputy Director of programs to talk about affordable housing...affordable housing program, and stated the Mortgage Finance Authority has a program that grants a grant to municipalities who are interested in providing the plan that allows municipalities to have a public private partnership to provide affordable housing throughout the community.

He stated he provided a Contract Services Agreement with the Mortgage Finance Authority that calls for a \$15,000 grant from MFA with a match from the City of \$15,000, and indicated we do have the available funds for the match, and that the contract will begin in May should the Commission approve it, and it is our recommendation that the contract is approved, and there are only a handful of municipalities currently that have an affordable housing plan...and this definitely would be a good step, and we would also like to couple this plan with our Comprehensive Plan, and this is a separate contract...a separate plan. He stated he provided in the board action form some detailed information on this "Act", and that the Mayor has been very instrumental and encouraging and researching this issue.

Mayor Mulcahy stated there are investors who want to help us with housing...affordable housing in our community, and if they have this plan in place they can go and reach for these funds that will allow them to actually do this. And the Mortgage Finance Authority has the power to issue tax free bonds to support this sort of progress, but once again they need an affordable housing study. I think we need affordable housing or the opportunity for affordable housing for a number of reasons...we have a population a poor population of people who would live in this type of housing...we qualify for it. And I want to make sure we have housing for the people who live here now...today and for the future, and an opportunity for them to have the kind of housing we need. And I appreciate any support you can give to this and that we need our Comprehensive Plan to establish investment for our infrastructure and all the other things that we need to do.

Commissioner Green – On page 2, #6...The Contractor and or its staff will perform the services unless otherwise agreed to in writing by MFA. Are we gonna do this in-house.

City Manager Fuentes – We would go out and issue an RFP.

“Commissioner Green moved approval of the Contract Services Agreement for an Affordable Housing Plan between NMMFA & City of Truth or Consequences.”

Seconded by Commissioner Whitehead.
Motion carried unanimously.

DISCUSSION/ACTION – PROPOSED ORDINANCE (FOR PUBLICATION) – SIERRA COUNTY ED BOARD – CITY MANAGER, JUAN FUENTES –

City Manager Fuentes stated the Proposed Ordinance is recommending the deletion of Article IV, Division 10 which deals with the Sierra County Higher Education Council, and it was the

recommendation of staff, and also in discussion with Commissioner Richter to recommend to the City Commission to delete this section of the City Code, and issues that we can deal with in regards to the Learning Center we may be able to do that through the lease agreement, and the relationship we have with Western New Mexico University.

Commissioner Kertesz – As I gather the amendments in red that are lined out are the ones we are going to delete...

City Attorney Rubin – We're deleting the whole thing.

Commissioner Richter – I've been on this board since I've been in office, and stated there has been limited activity...and limited meeting attendance, and the members that were attending discussed this option, and we reviewed the MOU between Western and the City of Truth or Consequences, and the consensus we came to is Western is doing everything they said there were going to do, and we really saw no real need for oversight, and they don't receive any funding from the City or grant funding...they are paying their bills...they're educating the public...so I don't see any reason for this board to continue.

“Commissioner Green moved approval of publication an Ordinance – Amending The Article IV, Division 10 ‘Sierra County Higher Education Council’ of the City Code.”

Seconded by Commissioner Whitehead.
Motion carried unanimously.

RECOMMENDATIONS FROM GOLF COURSE ADVISORY BOARD – TERRY VANDERVENTER –

Mr. Terry Vanderventer came before the Commission, and stated we have three items, and the first item:

1. Requesting \$15,276.40 of the Expansion & Improvements funds to pay for the restrooms –

Mr. Vanderventer stated that the Golf Course Advisory Board is requesting \$15,276.40 of the Expansion and Improvements funds to pay for the restrooms to be built on the golf course. This fund comes from the \$1.00 sign-in fee that is paid by all golfers.

He stated he understands that an agreement has been reached between the City and the low bidder for this restroom...I cannot say for certain because no one on the Advisory Board, or any of the golfers was invited to attend this meeting.

City Manager Fuentes stated that the \$1.00 fee that Mr. Vanderventer is referring to also includes as part of the existing contract the City match that dollar to dollar, and as of this date according to our financial records they have approximately \$63,000 in that fund...so there are definitely sufficient funds for the restroom project. And I believe a meeting with the contractor included the Golf Course Manager, and that this is a public works project that will be...is on City property, and indicated we have staff working with the contractor as well, and with the manager at the Golf Course, and staff recommends approval of this project.

Commissioner Kertesz – Please clarify for me the matching fund issue.

City Manager Fuentes stated some years back in January of 2008 the City adopted a Resolution that provided for various fees to be implemented at the Golf Course...and one of those fees was a \$1.00 fee for the expansion of the golf course improvement fund, and as part of the contract with the golf-pro...in the contract itself it called for the City to match that \$1.00 at the end of the fiscal year...so if they collected \$10,000 throughout the year then the City would match it at the end of the year. And so from 2007 until now...and we did have some small projects, and they have some expenses...and the balance is \$63,000.

Commissioner Kertesz – So that’s matching funds...City matching funds and the \$1.00 surcharge.

City Manager Fuentes – That’s correct.

Mr. Vanderverter – May I make a comment on that fund amount that you’re talking about...okay the match from the City has not been put in this year...once the match has been put in this for year that total fund should equal around \$80,000.

City Manager Fuentes – That is incorrect...staff has already reviewed the financial records...and it stands at \$63, and you’re more than welcome to review those records.

Mr. Vanderverter – Does that include the City’s match?

City Manager Fuentes – It will include up to the end of the 3rd quarter. As I stated this...the balance that I’m presenting to you...as the end of the 3rd quarter which is April of 2013, and obviously we won’t know what amount is going to be collected for the next 3 months...obviously at the end of the year that will be revisited when we do the final budget.

“Commissioner Green moved on the recommendation from the Golf Course Advisory Board and making \$15,276.40 of the expansion and improvement funds available to pay for the restrooms to be built on the golf course.”

Seconded by Commissioner Whitehead.
Motion carried unanimously.

#2 – RECOMMENDING THE CHANGES IN THE FOLLOWING TIMES AND RATES FOR THE TWILIGHT PLAY –

Mr. Vanderverter stated the Golf Course Advisory Board is recommending changes in the following times and rates for twilight play on the golf course...changing the time from 5:00 PM to 1:30 PM, and changing the rates for 18 holes with carts from \$25.95 to \$15.00 per player. And the reason for this change is to encourage new golfers and winter visitors to play and hopefully they will then participate in organized golf activities.

Commissioner Kertesz – Have you any speculation on what kind of difference and money total.

Mr. Vanderverter – The only thing we’re thinking about on this is changing that twilight time earlier...there is some of these Winter visitors that sit around, and don’t have time to play a full round of golf.

Commissioner Green – Was the golf course manager in on this decision...

Mr. Vanderventer – He's the one that wrote it...I'm just presenting it.

City Manager Fuentes – Mr. Vanderventer...are you familiar with the Resolution 11/12 that sets forth the fees. And stated I couldn't find the \$25.95 in this Resolution. And if the Commission agrees with the recommendation from the Golf Course Advisory Board it will require the adoption of a Resolution...so the action tonight would be for staff to proceed, and move forward with a new Resolution to be adopted at the next meeting by the Commission.

Mayor Mulcahy – I agree with the City Manager we've got to come up with a Resolution that indicates what we're doing here.

"Mayor Mulcahy moved to direct staff to modify the Resolution of fees to accommodate this request for twilight times."

Seconded by Commissioner Green.
Motion carried unanimously.

#3 – BUDGET ADJUSTMENT OF \$22,000 FOR THE O & M AND MAINTENANCE OF THE GOLF COURSE –

Ms. Vanderventer stated on April 1st of this year the Pro-Manager was told he could spend no more funds on the golf course because the budget was spent, also they said the reason for the budget being 3-months short was mismanagement...this is the first time in 5 years the budget has come up short...if there is mismanagement it is not traced back to the pro-manager it traces back to this very room.

He stated on March 16, 2012 over a year ago the Advisory Board delivered a letter to the City Clerk recommending the City negotiate a new lease...agreement was Club Car for new carts, and stated the carts were 4 years old, and that is the life of the batteries...this was ignored, and they were purchased as a result there are no funds now for seed, fertilizer and restrooms on the golf course. And at the budget meeting a year ago I tried to explain this problem but no one was interested in hearing it, and I indicated it would cost approximately \$20,000 for batteries and tires, and that our O&M budget needed to be increased by at least \$20,000...I was wrong on that figure it actually cost us \$22,000.

Mr. Vanderventer stated I realize that the Golf Course Advisory Board is nothing more than an advisory board...we have no authority or anything else...but in the contract that has been in place for 5 years, and in Exhibit 'B' Section 6 it says any written thing that we put in to the City Commission or the City Manager has to be responded to in writing in 10 days, and in my 3 years on the board we have never received a response on anything.

Commissioner Richter – I believe the golf course is an Enterprise Fund, and I would pose the question, and since it's an Enterprise Fund it has to be self-supporting, so I think in our...so I think the Commission shouldn't do anything...we're considering funding the golf course is to make sure that it's a self-supporting as possible.

Commissioner Green – Do we know what the O&M budget is for

the golf course in fiscal 2013.

City Manager Fuentes – What I'm passing out is a copy of this year's activity, and what you have is a copy from our system that shows the budget for this fiscal year, and the line-item that I highlighted is 3303-416...the O&M purchases, and that is the line-item Mr. Vanderverter referred to that the golf course uses, and it is a \$35,000 line-item...and as you can see the actual year-to-date expenditures are at \$33,000, and use see the o/s encumbrances there is a \$16,000 encumbrance that has already been submitted, but however that encumbrance is actually the restroom project, and you have just given the authority to approve for that project...so that line-item of 35 will be increased by the restroom project.

He stated when I met with the Golf-Pro Howie Tucker I also made a note that the O&M is throughout the fiscal year obviously he submits payments requisitions so the total amount was over-expended by the end of the work order, and as you can see in the detail of that line-item in the back it shows all of the different PO's and expenses that hit that line-item...towards the back of page #2 if you look in December, and that this started December 21st of 2012 you will see the first purchase order that was issued for \$900.00 for deep cycle batteries, and ever since December of 2012 there has been numerous PO's and expenses for batteries and tires, and the City was never made aware that all 20 tires or all 20 batteries from those vehicles were no longer functioning, and that we don't know what the conditions were for the batteries or tires, and that he pretty much used it all up by the end of the 3rd quarter, and so under the new contract...the new proposed contract the City will no longer be providing any O&M, and that will be part of the responsibility of the contractor so it is my position my recommendation, and I stated to Mr. Tucker it is his responsibility...now any expenses incurred should fall under the contractor Mr. Tucker, and not the City.

Mayor Mulcahy – We have 20 golf carts? And you would buy 20 batteries.

Mr. Vanderverter – No those golf cart have 4 batteries in them...and they're gonna run you \$1,000 a cart, and I tried to tell you that over a year ago.

Mayor Mulcahy – 80...Who bought them? Who made the decision to buy the batteries?

Mr. Vanderverter – Howie did. He stated right now we should be over-seeding and fertilizing the fairways which are done twice a year, and that seed and fertilizer is going to run between 4 and \$5,000.

Mayor Mulcahy – So we need \$22,000 in order to keep our golf course going through the end of the year basically.

Mr. Vanderverter – Not necessarily. If we could get enough up there...the \$22,000 is what we had to spend out of our O&M budget to replace the batteries, tires for these carts, and if we could get enough to over-seed and fertilize the fairways, and get the port-a-potties put back up there...

Mayor Mulcahy – Can you give me that number.

Mr. Vanderverter – I would say four and a half for the port-a-potties per month.

Mayor Mulcahy – So what’s the number that needs to get the golf course through the season...to the rest of this budget cycle rather?

Mr. Vanderverter – Through the end of June...port-a-potties are \$450.00 a month for 3 months...that’s \$1,350...on the seed and fertilizer I’m guessing between \$4,500 and \$5,000...so maybe \$6,500.

Mayor Mulcahy – Mr. City Manager...Commissioners is there some reason we can’t get that \$6,500 out of the \$63,000.

Mr. Vanderverter – No way.

Mayor Mulcahy – I’m not asking you...I appreciate your in-put, but I’m talking to the City Manager at this time, and I will ask you to be quiet for just a minute. Thank you sir.

Manager Fuentes – As I stated there is a balance in that account, and that the Commission is the Board of Finance, and has that discretion to allocate those funds...as I stated the City Commission under the existing contract will be matching up until the new contract is approved, and once the new contract is in place the City will no longer be matching that...under the new contract will not be matching the dollar to dollar, but the City will be allocating the matching fund.

Mr. Vanderverter – This...it was specifically put in there for golf course expansion and improvement, and it cannot be used for golf course maintenance.

Commissioner Green – A point of clarification...you had mentioned that the \$1.00 fee is no longer going to be into effect on the new contract...so what is gonna happen to that money...expansion and improvement funds...I mean obviously the golf course is an asset, so therefore I don’t think it’s too much of stretch to say expansion – no, but improvements – yes, and having to going from no bathrooms to bathrooms out there or port-a-potties that is an improvement, and I think that is a fair and a legitimate use of those dollars.

“Mayor Mulcahy moved that we move \$6,500 out of this account into the O&M account, and allow Mr. Tucker to use that to keep our golf course open.”

Seconded by Commissioner Green.
Motion carried unanimously.

REPORTS:

CITY MANAGER –

City Manager Fuentes stated we received a letter from the NM Environment Department from Ms. Auralie Ashley-Marx giving the City a 6-month extension to postpone the incremental closure of cells 1-8 at our landfill, and what this does it will allow us to use these cells to deposit C&D at our landfill. He stated currently we’re only taking in MSW at the Collection Center, but however this is giving us putting everybody in the County on notice, and the City that we need a long term solution to the C&D that needs to be disposed of as well, because obviously we cannot handle C&D because of the heaviness and the load, wear and tear on the trucks at our Collection Center.

Mayor Mulcahy – We have 6 months more to put the heavy stuff in the landfill...in 6 months we will come to our facility and either choose...but we will not allow people to bring C&D to our Transfer Center or accept it at an enormous increase in our weight, and our contractors have got to have a place to put this, and I submit we need to work toward that...maybe once again with our without other entities who have stepped up but not done, or who have committed but not followed through, and I think City staff and this Commission needs to explore what do we do, and need to figure out right now what direction we're gonna go in if nobody else is gonna follow us...because this is another big, big deal for us...different problem...same problem.

Commissioner Green – I know at one of our workshops the County said that they were gonna try to find out if they could apply for a permit to build a C&D landfill...do we know anything...have they done anything.

Manager Fuentes – Not specifics that I'm aware of, and I'm not aware of what we will do after these 6 months so I do not know if the County is moving forward on that, but I can certainly follow-up with the County Manager Carrejo and inquire, and I will be providing this letter to the Elephant Butte City Manager, and the County Manager as well.

Commissioner Green – Is there a possibility since Auralie was generous in pushing the time clock back in our favor that she might considering doing the same...because we will still have space from what I understand that if we continue the level of C&D deliveries to the landfill that we would have more space available even after the 6 months. Is it worth pretty please type visit...we're gonna work on it we understand it can you see it in your heart to give us another 6 months on top of the 6 months...is that a worth-while trip to go to Santa Fe.

Manager Fuentes – I think at this time we've gotten the approval for the 6 months definitely as we get closer we'll be asking possibly, but I know in discussions with...she's been in communication with Mike Crepeau our contract engineers with Gordon Environmental they definitely want to start seeing some closure, and it would really help our case if there was some activity towards that as opposed to no activity at all...and here the 6 months comes up so this is putting us on notice and everybody...we need to start working on something so that we can show and help us make the case for additional time if there is room for that additional time.

Commissioner Green – Is this something that we should call a workshop with our fellow communities because it's going to affect everybody.

Commissioner Richter – I think we've started one step we have a Solid Waste Collection Center, and I think we need to look further down the road a more comprehensive square plan because we're facing these obstacles...they're not gonna go away, and we do have time constraints. And we need to start looking at number one, and maybe perhaps trying to make the dumpster problem go away...I think we need to move towards curb-side pickup, and we need to look a little further beyond just having a functioning waste collection center...we need to look at curb-side pickup, and possibly if nobody in the County, or have other entities that don't want to share the burden, and if we can't get a local concrete demolition yard then we have to look at having that stuff hauled

out, and we have to have a place to collect it at, and take the solid waste issue further than what we're looking at right now...let's start looking at long-term far sided solution.

Mayor Mulcahy – I believe a workshop is a good one, and as soon as we can we've got to sit down with the County and Elephant Butte, and say what do you want to do really...and we've got to start now.

CITY ATTORNEY – No report.

COMMISSIONERS –

Commissioner Kertesz – No report.

Commissioner Richter stated we've talked in the past about branding our community, and why people come here, and people are coming here for hot mineral water. And stated he was at the City Rodeo Arena, and a couple pulled up with a horse trailer, and stated on their way home to Canada...they always come to T or C...and what do they do here...go to the hot mineral baths, so that is what people are coming here for...and that you see it in a historic perspective.

Commissioner Green stated that the City and the Bountiful Alliance is starting up the last Saturday of every month the recycling drive at our recycling center 10:00 am – 2:00 pm, and that there will be City staff, and Bountiful Alliance recycling committee volunteers to help unload materials...and we thank-you for that.

He stated that MainStreet is doing a downtown clean-up before Fiesta on May 1st at 5:00 pm, and the City will supply some bags, and some pickup sticks, and a clean-up on May 2nd on Exit-79 at 6:00, and he would like to compliment the Solid Waste Department, and I thank the City Manager for providing them with the tonnage reports, and that we're averaging almost 19 tons a load.

Commissioner Whitehead stated she would like to recognize a few of our City personnel...the Parks Department personnel as well as those that helped putting the new basketball court in place at the Ralph Edwards Park. And that last week parts of the City experienced an electrical outage for about an hour, and I would like to thank the Electric Department for locating the problem and resolving that issue and for Gil Avelar for his prompt reporting on that.

She stated yesterday morning along with Manager Fuentes, Bill Slettom, Ray Chavez I was honored in presenting to the Sierra Elementary Complex 4th & 5th graders...apparently the City of Truth or Consequences sponsored a conservation mascot contest Naming of the Mascot, and that we had 2 winners...well they were all winners that participated, but...our 2nd place winner gave her mascot the name "Gusher", and that was Midori Yuen, and the 1st place winner she gave her mascot the name "Chiagua", and that was Angela Apodaca, and she would like to thank all the students for participating...and it was a lot of fun, and the artist of the mascot was David Johnson.

City Manager Fuentes stated they wanted to show that, but we are having technical difficulties, but I will certainly e-mail those to you, and that it was a really nice event.

Mayor Mulcahy stated we have all been invited to "Miss Fiesta", and I haven't received any information inviting us to the parade, but any Commissioner who would like to join me or is interested...we'll find a car and get registered in the parade.

He stated the City hosted a very high level meeting of 40 people from all over the State yesterday, and that 3 of them played golf, and that we met at Dam Site and had a luncheon, and that it was all about economic development...and at the end I have a pass to the Spaceport...but we had to use Follow the Sun Tours, and that about 20 of them went out to the Spaceport...but I am frankly a little bit concerned that we're not getting enough attention for the fact that it is in Sierra County. And mentioned there is a board meeting tomorrow at Elephant Butte at the City Chambers, and on May 2nd we've been invited by the Mayor of Las Cruces to go to Hatch for a Spaceport meeting from 9:00 am to Noon.

Commissioner Green stated that Griffin & Associates will be here on May 2nd from 9:00 am until 12:00 which will be here the same time as the event at Hatch, and I think it behooves us to have representation with Ms. Griffin.

City Manager Fuentes stated Ms. Griffin has been working with the City, and Kim Skinner from the Sierra County Tourism Advisory Board, and one of their ideas, and projects was banners...and that you will start seeing those banners hopefully next week in preparation for Fiesta...so we can start branding the City, and beautifying the community.

Commissioner Green referred to Geronimo Museum...on their guest register Ms. Pope mentions a lot about on line and everything is a social media...but they don't have anything for e-mail, and I think we should encourage this type of information gathering.

RESPONSE TO PUBLIC COMMENT: None.

ADJOURNMENT: There being no further business to come before the Commission the meeting was adjourned.

APPROVAL: PASSED AND APPROVED this ____ day of _____, 2013 on a motion duly made by Commissioner _____, seconded by Commissioner _____, and carried.

JOHN A. MULCAHY, MAYOR

ATTEST:

MARY PENNER
CITY CLERK

CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Tuesday, April 30, 2013

WORKSHOP

Minutes

TIME & PLACE: The Mayor and the City Commission of the City of Truth or Consequences in the County of Sierra, and State of New Mexico met in a Workshop in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Tuesday, April 30, 2013 at 2:00 P.M.

PRESIDING OFFICER: The meeting was called to order by Mayor Mulcahy who presided and Mary B. Penner, City Clerk acted as Secretary of the meeting.

ATTENDANCE: Upon calling the roll the following Commissioners were reported present:

Hon. John Mulcahy, Mayor
Hon. Steve Green, Commissioner
Hon. Mike Kertesz, Commissioner
Hon. Jeff Richter, Commissioner

Also present:

Juan Fuentes, City Manager
Linda Lanham, Finance Director
Mary B. Penner, City Clerk

Absent was:

Hon. Sandra Whitehead, Mayor Pro-tem

QUORUM: There being a quorum present the Commission proceeded with the business at hand.

CEREMONY: Mayor Mulcahy called for the Pledge of Allegiance.

DISCUSSION – REVIEW: PRELIMINARY BUDGET FOR FY-13/14 FOR THE CITY OF TRUTH OR CONSEQUENCES –

City Manager Fuentes stated that he will summarize the power point presentation, and go through it and hit the highlights so we can focus more on any questions.

He stated this is an overview of the Budget Process, an overview of the 3rd FYE 13 Quarterly Report, and indicated that at our last meeting Ms. Lanham, Finance Director gave a presentation already...so I won't go into too much detail on that. And will give an overview of the FYE 14 Preliminary Budget, and talk about the General Fund, Special Revenue, Enterprise, Capital Projects, Debt Service, and Trust & Agency Funds, and will follow-up with a summary of the significant changes in this preliminary budget.

He explained The Budget Process; Estimate Revenue/Costs –

Previous Historical Data, Current Conditions, any Development Patterns, you look at Fiscal Capacity – Department Heads, and meeting with the Elected Officials, and have public meetings and workshops, and then finalize the budget...this is the preliminary, and that the final will be brought back at the end of July to submit to the Department of Finance and Administration, and explained Developing A Budget. And explained that the annual budget process is composed of four phrases: Preparation, Approval, Execution and Review.

City Manager Fuentes also explained that DFA/LGD requires a balanced budget, and this means that the City must have a positive or zero cash fund balance at the end of the fiscal year that meet the statutory requirements of Section 6-6-11. The General Fund must have a cash and reserve balance at June 30th, and the City is required to maintain 1/12th of total general fund expenditures in reserve, and stated that 1/12th requirement is only required for the General Fund...and it is not required for all the other funds.

He stated Preliminary Approval is required to be approved by the City Commission by the end of May to be submitted by June 1st to DFA/LGD, and our role is to hopefully have this if it is ready to have it on the agenda for the May 14th meeting so we can approve it, and if we are not ready at that time then we have the May 28th meeting to approve it. And stated once the fiscal year closes we will be preparing a Final Budget in July, and will have to be approved in August to submit to DFA by September 1st.

City Manager Fuentes explained the Fund Categories that make up the T or C Budget...General Fund, Special Revenue, Enterprise, Fiduciary Fund, Internal Service, Debt Service, and Capital Projects, and that all those make up the General Fund, and the General Fund accounts for all financial resources except those required to be accounted for in a special or other fund. He stated the majority of our personnel fall within the General Fund, and the majority of our operations and expenses fall within the General Fund. And we have the Special Revenue categories; Corrections, Fire, EMS, Law Enforcement, Lodgers Tax, Street and Recreation.

He stated you have the Capital Projects Fund – Street, NMFA Loan Funds, and then you have the Enterprise Funds; Electric, Water, Waste Water, Solid Waste and now a new Enterprise Fund our Landfill/Collection Center. And then you have the Internal Service Funds, and that accounts for the costs and maintaining our City equipment; Fiduciary Funds, and Debt Service Funds, and that accounts for all our loan payments to NMFA & USDA, and Fund 12 which is at the very end of the budget, and that is the Debt Service that pays all the loans.

Manager Fuentes referred to the 3rd quarter overview, and that we already covered it, and basically we should be at the 3rd Quarter at 75% both on the Revenue and Expenditure side. He referred to the Special Revenue Funds, and there are some that are highlighted where the Revenue side exceeds the percentage of the 3rd quarter, and that some of them maybe due to the activity...for example...the street and recreation, and since a lot of that activity is happening now, and we are spending more...yet we are also receiving more, and the percentage is not necessarily going to match according to that.

He stated looking at the General and all the other Enterprise Funds, and that we should be at 75%, and overall the General Fund is

under that 75%, and as far as the Enterprise Funds for the most part all of them are also under the 75%, and we're hoping towards the end of the fiscal year all of those numbers will be in line with the approved budget that the Commission approves. And referred to the Preliminary Budget – Recap, and we'll start with the General Fund, and we're looking at \$690,000 that we are estimating will end up on June 30th, and stated this is a moving number obviously we won't know until June 30th what that number is...but it plays a very significant role because that determines how much we transfer-in, but that determines also how much we use of that ending cash balance of the General Fund. And stated that is the beginning cash balance of the General Fund, and we are estimating Revenues of \$3,276,025, and we are estimating the net transfer-in of \$1,667,500, and that we anticipate expenditures of \$5,197,889 with an estimated ending cash balance of \$435,000, and this is the DFA requirement of the 1/12...\$433,000, and at the end of the fiscal year we need to have \$433,000 that is required by DFA, so after taking out the reserve...it's money that is not available we end up with \$2,478...so we are pretty tight.

City Manager Fuentes explained the 2013-2014 General Fund Budget estimated revenues, and the preliminary expenses, and the General Fund Taxes. He explained the FYE 14 General Fund Revenues & Transfers In, and referred to the Detail of the pie chart...the FYE 14 General Fund Revenues & Transfers In (Detail).

He explained the Expense side of the General Fund, and that the pie chart shows 66% is spent on salaries & benefits, and this year we received notice that our insurance plan has gone up by 15%, and 29% is operating budget for all of the funds, and transfers out of 5%, and referred to the FYE 14 General Fund Expenditures – Detail. He explained the General Fund, and that 65% of city employees are paid from the GF, and the salaries stayed about the same, and stated there was a slight decrease in salaries and explained that part of that was in the police department, and that we have had some turnover ...new hires have come in at a lower pay, and turnover in other departments.

City Manager Fuentes stated we are anticipating a credit from NMSIF of \$88,000, and this is workers-comp, and that all the City employees were instrumental in attending the required safety training classes. Operating expenses decreased, Capital Outlay was \$11,000 from the General Fund this year, transfer-outs from \$317, to \$252,000, and transfer-in is at \$1.9 million dollars from the General Fund. And went through the Summary of changes in the General Fund, and the Special Revenue Funds.

He referred to the FYE 14 Preliminary – Recap – Enterprise Funds, and explained in detail the following funds; Cemetery – Pretty straight forward...next funds; Utility Office, Electric Division, Water Division, Solid Waste Division, Waste Water, and stated these funds have been split in our accounting system so we are tracking them separately. Additional Enterprise Funds include; Landfill/SW Collection Center, Golf Course and the Municipal Airport. And explained the Summary of Changes for the Enterprise Funds. The following page he referred to was the FYE 14 Budget Recap, and went through the Summary of Changes for the Capital Projects.

Presentation - A complete copy of Power Point Presentation is available at the Office of the City Clerk's Office during regular hours.

Mayor Mulcahy thanked staff for a great presentation.

Commissioner Kertesz – The sub-recipients...the grants for that, and asked if you could go over that briefly in terms of how we're gonna sort that out...it's basically a 50% cut isn't it.

Manager Fuentes – That is correct, and the proposal on the Preliminary Budget does call for the reduction in the sub-recipient allocations of \$53,000...which currently right now it's about \$106,000. And explained what we've done in the past the applications go out...and the applicants have a deadline to submit those applications then they would come before the Commission with their presentation and request for funding.

Commissioner Kertesz – When does that happen?

Manager Fuentes – That will be happening soon.

Commissioner Kertesz – Separate of the final budget approval.

Manager Fuentes – The goal of what we had intended is to mail out those applications is we wanted to present what we're recommending so if the general direction is yes we need to take some measures to begin to cut down then everybody is on the same page about what to expect...I didn't want to send out the applications, and mislead anybody thinking that we still have the \$106,000...I'm not recommending that obviously in the Preliminary Budget as it's reflected here so that's why once we discussed it, and it doesn't mean what I'm recommending will be approved but at least I'm throwing it out there.

Commissioner Richter – As far as sub-recipient grants I would propose summarily reject the sub-recipient claims for this year and on into the future. He stated he saw in the Preliminary Budget there were some departments that had a reduction in health insurance premiums...is that due to a reduction in staff.

Manager Fuentes – Stated some of the employees...when new hires come in some of them are not signing up for that or have changed the plan.

Commissioner Richter – Perhaps we need to start changing the way we do business and manage the City...combination of departments...we seem to be operating a lot of depreciated junk equipment...there is a different way maybe leasing rather than owning our equipment.

Commissioner Green – I just want to make sure our employees are covered...and referred to page 26 – General Fund – All budgets were increased in Salaries and Benefits due to an increase in Health Insurance of 15%.

Manager Fuentes – Only those employees that have health insurance.

Commissioner Green – The way it reads...Salaries and Benefits.

Manager Fuentes – It's the category...Salaries and Benefits.

Commissioner Green – On page 20 – General Fund Taxes – Detail, and stated last year we came in for Franchise Taxes at around \$66,000, and we're estimating for \$83,000...why the projected

jump.

Manager Fuentes – Right now for the 3rd quarter we have received \$61,000.

Commissioner Green – On that same page we have 2 property taxes.

Manager Fuentes – The first property tax...that is for the current year...the second property tax is for prior year collections.

Commissioner Green – On page 3 of the Preliminary Budget...under Business Licenses we're expecting an increase of \$3,000...but that's 85 new businesses is that a realistic number.

Manager Fuentes – Our activity as of the end of the 3rd quarter we have received \$17,000 close to \$18,000, and that is about 90% from the estimated number that we thought we were going to get...so we have seen an increase.

Commissioner Green – On page 20 – Health Insurance increases of 298%.

Ms. Lanham – Two of the gentlemen went to the family plan.

Commissioner Green – Library Fund – page 30...we're going from \$25,000 to \$43,000...

Manager Fuentes – Look at page 44, I believe the State Library Grant increased.

Ms. Pat O'Hanlon, Librarian stated that the General Obligation Bond that passed last November, and it's about I believe \$19,000.

Commissioner Green – On page 31 – Utilities for the Fire Department...increasing by 50%...is that because we are taking over Williamsburg.

Manager Fuentes – Yes.

Commissioner Green – On page 50 under 44 – Actual 2011 was \$277 then we drop down...

Manager Fuentes – Referred to page 64.

Commissioner Green – We show under Revenues – Line item 44-414...projected 46,900 as Revenues, but 44-03-319 on page 65 we have expenses as \$52,000...I think those numbers might have been inverted.

Manager Fuentes – This fiscal year we budgeted at \$65,000, and we're only at 57%.

Ed Williams stated right now it's the downside for AV gas...it should pick-up, but the economy is affecting the pilots as well as everybody else.

Commissioner Green – Can you explain what merchandising and jobbing for the Water Division...I see where we're increasing that by 56% line 38-3773.

Commissioner Green – On page 59, line 39-04-770 - \$2,600 last

year, \$2,600 this year...is it an assumption what that department requested last year for advertising.

And on page 60 under line 40-3555 Sewer Tap fees from \$2,500 to \$10,500...what don't I know.

Manager Fuentes – Some of these are based on actual activity...so far sewer tap installations...we're at \$7,900.

Commissioner Green – on page 64, Jet Fuel sales 44-416 we've gone from \$104,000 up to projected \$160,000.

City Manager Fuentes – We are right now is \$126,000.

Ms. Lanham stated under the Water Division that is to hook-up new services.

Commissioner Green stated as the Mayor has rightly pointed out we are tasked with operating an efficient and fiscally responsible government, and I understand that, and I think in the future as the year's progress we have got to wean ourselves off of the profits of these Enterprise funds that really support and hold up this City...if you were to take that transfer away we wouldn't be in business, however I also believe that when you are gonna make changes that to make a change arbitrarily on one entity on one group of entities we are only basically talking about 50/50 \$3,000 that has an impact on the...of our community, and has an impact on the youth of our community...I'm not saying that in a perfect world it would be wonderful that all these organizations were self-sufficient and self-sustained, but it is not a perfect world and you have to help those who are helping others, and I think in this particular instance in this particular year with grant funding and availability of outside money so tight, and everyone is fishing in a small pond that this is not the year to go cold turkey or to drastically cut these sub-recipients...they perform a vital service, and a quality of life service to our community, and I'm not saying 3 or 4 years from now that things might not change, and things will be different, but I don't think now is the time to take the knife, and cut the baby in half.

Mayor Mulcahy stated I would like to talk about some million dollar stuff...we do have to nail down some of this stuff but I think the general idea of the budget of what our strategy tells the City to do.

He stated he took the liberty of calling DFA, and getting the budget for the City of Belen...the next nearest population of our City, and their General Fund is \$4.6 million...ours is \$5.2 so we're \$600,000 more than they are in a population of a similar size doing overall similar services. And when we look at our local property allocation from the County...we get \$145,000 not really a significant revenue source, but their rates are actually double what ours are...are we missing a possible way to fund some of the things that we want to fund maybe without twisting the logic of taking from the utility to pay for a General fund city service.

Mayor Mulcahy – I noticed you cut \$200,000 out of the General Fund, and I think I have to thank you for that because that's where we can take the \$200,000 that you've taken out of the Electric Joint Utility transfer...that's a real cut, but I'd like to take a look at that...2.1 million dollars last year currently we're heading to 2.1 million dollar taking it out of the Electric Utility, and putting it

back in the General Fund to support to supply services...is that right...right off here...right.

Manager Fuentes – This year...the majority of that is going to the General Fund but some of that is going to other funds as well.

On page 4 – 2.1 is going into the General Fund revenues, and you have budgeted due to have a million seven and a half...so that's going into the General Fund isn't it.

Manager Fuentes – Yes.

Mayor Mulcahy – So I congratulate it's \$350,000 reduction in that but right under that is \$200,000 transfer from the Water which is \$50,000 increase from the year before...is that not true.

Manager Fuentes – That's a typo on this page...it should be actually \$170,000.

Mayor Mulcahy – I saw that on another page...so it's \$170,000, so we're really not taking 350 if you look at the Joint Utility Fund we're taking the 350 minus 170, so it comes back to about 200 grand that you're pulling out which is reflected in the General Fund expenditures...and that makes perfect sense...my point is this...the Electric Utility...you've received complaints...you've received your own bills as a commercial operator you've received yours as the lessor of the IGA building...I received mine \$400.00 for an empty building every month...empty building with no light on...that's a lot of money that we are taking from an organization or whoever, and saying you need electricity...you got no choice, and I suggest we're gonna be looking at some rate type of decisions to take some of the un-fairness out of it as we go forward.

I would challenge you to see if we can't figure out how to get that money back where it belongs, and out of areas where it's just going to support City services that Belen can't provide that we can. I challenge the City can you find me another \$170,000, and if it pleases the Commission maybe we can find some way to negotiate that or do something with that...that's real money.

Mayor Mulcahy – The \$115,000 we're taking out of the P.D. GRT I lost where that's going...is that going to animal control.

Manager Fuentes – No; that is going to a separate police department fund that we created.

Mayor Mulcahy – In the police department we have \$210,000 in contractual services...

Manager Fuentes – The majority is SCRDA.

Mayor Mulcahy – In the...we bought a machine that will allow us to handle documents easier for the Clerk's office where is that is that comprehended in the budget.

Manager Fuentes - There is in the Clerk's office...it was purchased this fiscal year.

Mayor Mulcahy – We're collecting past-due utility bills...do we forecast...is that an increase in the revenue somewhere in the budget for that.

Manager Fuentes – I'm not sure if we accounted for that in here...I'll have to get back to you on that.

Mayor Mulcahy – At the end of the day for my stand point this Utility Fund is very important so that we can finance some of the things that we're probably gonna have to do in the utility, and to offer an opportunity for commercial businesses to go up...the other possible use without calling an electrical utility but joint utility is to understand, and we talked in the last meeting about solid waste and all the stuff that has to happen like right now including C&D because as you know we are taking a truck a day down plus on two days we're sending two trucks.

He stated we need to do something now to reverse something that was built a long time ago...no one here built this, and has now become a huge deal in my opinion in a City that we got \$25,000 income per household.

Manager Fuentes – Just a couple of points, and that we are going to start looking at all the fees...everything that we collect...it might not make a big impact, but at least it will help towards that goal. He stated the shortfall that we have...my recommendation to the Commission...any cuts or additional revenues to be kinda towards the reduction of that transfer...ultimately if we got to start reducing that transfer in then, and by reducing the transfer in then you bring more funds in the electric, and water then in turn be used for operating our infrastructure with the electric side, and the water side. He stated increasing our GRT is the key, and that we need to invest back into our infrastructure and our streets...and so forth in order for us to be more competitive.

Commissioner Kertesz – Mayor Mulcahy made a comment about electrical re-generation or I should say repairing infrastructure I would be willing to speculate if we have a company such as Johnson Controls who comes in here that we're going to need a lot of money for repairs to existing infrastructure...transformers.

Mr. Gil Avelar Department Head for the Electric Department came before the Commission, and stated transformer wise we're still in pretty good shape...I think infrastructure wise...poles is where we need to concentrate right now, and upgrade the system as we can afford it. He stated we have poles from the 60's, 25-30 years is the range of a pole life, and that he is more concerned about pole replacement.

Mayor Mulcahy – Please take a look go back and see what we can do, and see what we can do to restore the reality of our electric utility, and its money back to where it belongs.

Mr. Klaus Wittern came before the Commission to address the gas system, and brought up the City's funds...the electric system being in serious need of multi-year attention...upgrades.

Ms. Jane Darland came before the Commission, and that she is here on behalf of the Bountiful Alliance and that it grew out of the Farmer's Market, and stated the Farmer's Market is a wonderful venue.

Mr. Peter Cacoperdo a Priest with the Episcopal Church came before the Commission, and that he has been asked to chair the Firework's Committee with the Friends of the Lake, and to ask that we consider in our budget supporting the fireworks this year.

Mr. Ed Williams came before the Commission – He stated we have certain things that may have been out of sight...i.e. the Airport, and we've worked on trying to get the Airport squared away when we see action at the Spaceport...but it's going to cost money, and referred to the tower at the Airport, and that it is an old tower...but eventually I'm going to have to replace that tower.

ADJOURNMENT: There being no further business to come before the Commission the meeting was adjourned.

APPROVAL: PASSED AND APPROVED this _____ day of _____, 2013 on a motion duly made by Commissioner _____, seconded by Commissioner _____, and carried.

JOHN MULCAHY, MAYOR

ATTEST:

MARY PENNER
CITY CLERK

