

CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Tuesday, May 14, 2013

WORKSHOP

Minutes

The Truth or Consequences City Commission will hold a Workshop on Tuesday, May 14, 2013 at 4:00 P. M., in the Commission Chambers, 405 W. Third, Truth or Consequences, New Mexico.

Mayor Mulcahy opened the Workshop for Discussion/Review – Preliminary Budget for FY – 13/14 for the City of Truth or Consequences.

City Manager Fuentes stated since our last meeting the Commissioners had some questions. And we talked about some of the issues on the Revenue side regarding the General Fund, and stated the biggest impact that we covered at the first budget hearing was in the Expenditure side...specifically in regards to the recommendation we are submitting...and that is in regards to the allocations of the grants to sub-recipients, and this current fiscal year it was \$106,000, and the recommendation is to reduce that allocation to \$53,400. And stated there are some other issues in regards to expenses, and that the health insurance will increase 15%, and that it was brought to our attention that PERA will increase .4%.

He stated some of the things we also did was transfers out of the General Fund, and that was reduced by 5%, and personnel merit increases, and that those are not taken into account in this preliminary budget until we start working on the final if there is room for any such increases. And we covered the Special Revenue Funds, Enterprise Funds, and Capital Projects.

Manager Fuentes stated these are some of the changes for Capital Projects that we talked about...for the most part Capital Projects these things that are currently on-going right now...and will have better numbers by the final budget.

He stated what he would like to do is go over what we are proposing, and some of the changes...so what are some of the changes since our last meeting; one of the changes for example – Temporary Salaries were decreased by \$38, and that is on page 21 in the Facility Department, and stated those positions were eliminated are having to do with positions that we would budget for the pool, and explained the pool is underway, and last week there was a meeting with the State Environment Department officials, the architect as well as the contractor, and that we were able to resolve some of the issues and concerns, and looks like it will be moving forward and working on the project soon, and we know that the cover is going to be coming up, however we do have limited resources, and one of the areas that we are recommending to reducing, and looking at is the number of positions we have allocated for the pool. And what we would ask once the cover is constructed, and start look at operating it is asking the community and the public for volunteers to help support and maintain and keep it open, and that will come up as the project is completed.

One of the other things we did as well – Transfers Out in regards to the PD GRT Fund we increased the Transfer Out by \$50,000, and under the original first grant for proposal we had \$150,000 Transfer Out of the General Fund, and after looking at the year-to-date financials Revenue & Expense report... that was a little but under estimated so we may have to transfer more money because the police department has been able to maintain their expenses below the budgeted amounts, and we also looked at the Veterans Park Fund #(47), and there is a \$10,000 Transfer Out of the General Fund to the Veterans Park, and that they deleted that Transfer Out from the Veterans Park, and because that park is a City facility, and obviously that is a City facility that would be eligible for use of lodgers tax funds...so we are using the \$10,000 to be transferred to be deleted from the General Fund...in its place we're...you'll see it at the bottom of lodgers tax, and we're increasing the Transfer Out by \$10,000 which will replace those funds, and that it does however affect another sub-recipient that received some of those funds so the recommendation is to reduce their allocation, and transfer the \$10,000 to the Veterans Park. And the total Transfers Out increase by \$40,000 in the General Fund.

The LEFP – The State Allotment will be \$28,400, an \$800.00 increase in Revenues, and stated we are increasing expenses by \$200, and decrease the Capital Outlay by \$4,604.

PD GRT – And this is related to the Transfers Out, and the Transfers In by \$50,000.

Lodgers Tax – We increased Transfers Out \$10,000 which that is going to the Veterans Wall budget, and decreased Expenditures by \$14,500 in lodgers tax, and this is specifically just the lodgers tax fund, and increased service contracts by \$4,500.

Under Capital Projects – The Veterans Wall increased Expenditures by \$800, and indicated these are all the changes that are being recommended at this time, and went over the Recap of the Preliminary Budget. (A copy of the budget is available at the Office of the City Clerk or the Finance Department during normal working hours.)

He stated in explaining the Budget Recap he indicated there is a need for further reductions because as we go into the new fiscal year we cannot have a \$200,000 gap, and that definitely needs to be addressed for the final unless the Commission wants to address it now, and definitely needs to be addressed in the next fiscal year 2014/2015. And in the Preliminary you can see \$4,000 at the end does not leave a lot of room...so unfortunately there is no Capital Outlay in the Preliminary, and if there is any it all depends what the Final Budget looks like.

Manager Fuentes – The other areas we covered with the changes are the LEFP, and you see the \$28,400 in the Revenues, and this is beginning cash balance that we're estimating that's coming in, and \$43,000 their expenses, and again these numbers will be fine-tuned in the Final, and for the most part the State would like for the Law Enforcement and Fire Fund to be used by the end of the fiscal year, and they talked about the GRT Fund for the Police Department, and for the most part these expenses represent the new Animal Shelter Contract, equipment and also be used and cover some of the activity that we'll be working on in regards to the Animal Shelter. For Lodgers Tax you will see a \$45,000 increase which also affected the overall expenses of \$204,000.

For the Veterans Wall – There is a Transfer In of \$10,000, and you see the expenses increased by \$10,000. And that represents all of the changes since our last meeting.

Commissioner Green – On page – Capital Outlay – 25-03-815, and we're pulling back a service contract from \$9,800 last year to \$3,500 this year...it refers to Geronimo...is that the Museum or the Scenic Byway.

Manager Fuentes – I believe that is the Museum.

Commissioner Green – Under equipment on page 75 – 47-03-805 we went from \$10,000 to \$5,800, and I was just wondering what type of equipment does the Museum does the City fund the money for.

Manager Fuentes – Displays, cases, mannequins, and improvements outside.

Commissioner Green – I would like to make a suggestion...we are the food bowl for the County, and we allow and want our facilities to be used by all County residents...and yet we get from the County...the only thing to the best of my knowledge, and please correct me if I'm wrong. And we get \$168,000 in property tax back, and I believe that we should petition the County for next year to get a higher percentage of the amount of taxes collected.

Manager Fuentes – Referred to the Recap, and that you will see a tax rate for residential and non-residential, and stated these rates are fixed by the City, and these rates probably have not been increased, changed or modified for a number of years. He stated the City has a limit that we can levy our property taxes.

Commissioner Green – On the pool it looks like the pool is not going to open on schedule so therefore there will be some savings, but I noticed that...are we planning to use the same life guards because I noticed that uniforms has gone up 122%.

Manager Fuentes – That’s one of the reasons it went up because obviously if we extend the operating hours, and depending on who is either volunteering or working for the City seasonal or part-time, and depending on who it is.

Commissioner Kertesz – How can we pursue that...pursuing...increasing.

Mayor Mulcahy – Perhaps which is best done through the City Manager.

Manager Fuentes – That is a City Commission action, and that is reported to the State...a new proposed tax rate.

Commissioner Richter – Raising property taxes just gives you more money to spend...it has nothing to do for being fiscally responsible...cutting expenses, operating expenses, so the idea to raise property taxes without a significant cut in operating expenses would be un-acceptable in my view.

Ms. LaRena Miller – Regarding the sub-recipient funds there are some of us if we get cut in half or don’t get the same allocation that we have been receiving we may not be able to operate anymore.

Mr. Klaus Wittern came before the Commission regarding some of the transfers for the electric and other monies going to other utilities.

Ed Williams, City employee came before the Commission, and a few things I believe we need to look at; vehicles, equipment, fuel costs, and energy efficient buildings.

Commissioner Richter – Instead of owing vehicles and equipment...there is a leasing option has anybody looked at leasing.

Don Armijo stated that Johnson Controls went through building by building, and that they are doing some type of audit for efficiency to see what we can do for savings for all the City buildings.

Manager Fuentes stated for the May 28th meeting Johnson Controls will have a follow-up presentation.

Commissioner Green - I see this year any savings that is going to come out of this budget is gonna be on the shoulders of staff, and if that is true I would like for them to enjoy the rewards of their efforts, and what I’m talking about is treating the work place as it was your own home...so I think the savings is going to come from staff, and I sense if I might...I sense kinda a hiring freeze that we’re on except on key positions. And when Klaus spoke at our last meeting, and I thought what we might consider...this is just a consideration is we take the revenue from the Electric Division, and we take 5% of the profit, and put it off to the side...retention in that fund that every year for the next 5 years we increase that by 2%, and adjust the budget...at the end of 5 years the Electric Fund would have \$765,000 of revenue for upgrades, and if we started the other way; 2, 2, 2 and 5 we would have \$561,000 over a half a million dollars...so to point out to Commissioner Richter’s point as we reduce we reduce.

City Manager Fuentes – In regards to the utilities I think...what we’ve been doing, and whether we fund it through the existing resources that the individual fund can afford or that we use some of the other resources that we may have in the budget...and we’ve already focused some of those Enterprise Funds; Solid Waste, Waste Water, Water, and the next fund we’re gonna be focusing on in this fiscal year...and in the final we’ll be coming with some recommendations of allocating some money so we can start making some improvements on the infrastructure side, and that we will be working with our engineers that will give us an idea of what projects we really need to pay attention to in regards to the Electric Division.

Ms. Marilyn Pope with the Museum came before the Commission, and stated she has learned a lot in the last 15 minutes, and that we are privately owned, sub-recipients funds to us are used for essentials until several months ago when I filled out the reports I would write exactly the check number what it was for what it was used for...it never totally paid but it was such a help. And we are very, very supportive of the Veterans Museum, and a lot of their exhibits are on loan from our Museum, and a couple of years ago they received over \$60,000 for display and security...and we were thrilled to

death for them...we don't get things like that...what we get...those items to us are luxury items, and stated we're getting a few new cases, but we had to fund raise for them, and we never got anything for shelving, or upgrades to the outside...I don't know where this came from but it didn't come to us, and what has been said today has been very disappointing.

Commissioner Green - I'm not gonna use the word cruel, but that is the word that popped into my mind...so therefore I will use it...it's almost cruel to cut a budget 50% out of the blue without any warning what so ever. And we're talking about organizations here who need our help...who have received year after year after year monies that helped them serve the community or a specific constituents in the community...I just don't...somewhere we've got to be able to find \$53,400 to at least keep our sub-recipients where they were last year, and I think they will understand that we're gonna have to whittle the support away slowly...I just don't think you can cut these organizations...not even off at the knees...we're talking about cutting them off the waist, and I don't think that is fair...it's not the organization that you're hurting it's your next door neighbor.

Commissioner Richter – I don't think you can ask staff and department heads to make cuts to their operating expenses...significant cuts without stopping the other leaks...free use of City facilities and things like that, and if staff cuts their expenses we've got to cut these other leaks too...everybody has to share...that's fiscal responsibility...we can't make everybody happy, and there has to be tough decisions made and we have to stick by them.

Ms. Majorie Powey the newly appointed Chairman of the Board of Directors with SJOA came before the Commission, and stated this is the 4th poorest County in New Mexico, and it's the County with the highest percentage of elderly, and the highest percentage of poor elderly in New Mexico. And indicated 30% of this county is made up of citizens 65 and older. Many use the Senior Center, and shared statistics of the different services they provide such as; serve meals at the site as well as meals on wheels, Senior Companion Program...keeping people in their homes and out of nursing homes, and this is critical for people especially the ones that come home from the hospital who are not capable of cooking, transportation to Albuquerque and Las Cruces several times a week for specialty care.

Commissioner Kertesz - I am somewhere between where Commissioner Richter is and Commissioner Green, and that Commissioner Green at our last meeting suggested a moderation...not a full 50% cut that would be more gentle to the sub-recipients so I would like for us to give that some thought.

Commissioner Green – To me it doesn't make sense to spend money and go out and hire a marketing firm...take lodgers tax...take money and put it aside to market our community, and then the assets that you have in place that are going to welcome those visitors...you're cutting back those financial allocations.

Mr. George Szigetti came before the Commission, and stated I think there is another thing that we need to consider, and that we're faced with declining population, and revenues. And indicated if we want to reverse that and attract people here we cannot be cutting the support off for those services and organizations that actually make the area a more attractive place to retire...and face it we're as much as a retirement community as a tourist community.

Mayor Mulcahy - I don't want to spend this money anymore like we've done in the past, and I want to thank the City Manager for making significant in-roads to it...it's not really air we should be putting back in the electric account, and putting it in to things that really are needed for those 3,800 people, and we're taking that money and funding other stuff, and when we look at this budget and see that we have \$690,000 of cash in the bank...well managed City...thank you for having that left over. And we're gonna spend \$250 of it to offset the cut that we're doing in this transfer to get us down where we're not spending so much of the transfer from the Joint Utility Fund...but we're not gonna have that money next year, and I'm gonna ask the Commissioners to consider that we direct staff to look at this, and make sure we're cutting everywhere, and I appreciate all the work on behalf of the City Manager and staff...I would like to see another \$100,000 come out of the budgeted expenditures so we can have \$104,000 on the other end, but that to me is more fiscally prudent than any other thing that we can do today, and I'd like to look at sources of revenue.

He stated I'd like to work with you City Manager to propose a letter to the County, Elephant Butte and Williamsburg without having exact numbers, and say we think the usage of the ball fields is 30%...here's what we're paying as taxpayers to support the ball fields...you're in the middle of your budget process, and we're in the middle of ours...would you please send us some money, and that these are the ways we can go back to funding these things.

City Manager Fuentes – As far as what is the next step, and this item is on the regular agenda for approval of a Resolution that would adopt the proposed Preliminary Budget with these changes, and the Mayor has a recommendation for additional cuts, and during the regular session item if that is the direction/will of the Commission then it would require the City Commission to postpone this item for the next meeting of the 28th to give us time to go back.

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Tuesday, May 14, 2013

Action 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, May 14, 2013 at 6:02 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, Commission
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.

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

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

Mayor Mulcahy stated I'd like to introduce a possible change, and that we have a number of things to talk about on the Golf Course Contract, and I'd like to ask if you're willing to allow me to propose to put that at the end of new business.

“Mayor Mulcahy moved to move item F-2 to G-11 on the Agenda.”

Seconded by Commissioner Whitehead.

Commissioner Green stated there was an e-mail that was sent from Attorney Filosa saying that he had to leave town very early, and requesting that this be put on the agenda at the location I assume that it is right now, and wanted us to take that in to consideration.

Mr. Filosa stated he was all set.

Motion carried unanimously.

COMMENTS
FROM THE
PUBLIC:

Mr. John Saridan came before the Commission, and stated on behalf of the Planning & Zoning and myself I would like to thank the City Commissioners, City Manager Fuentes and Bill Slettom for allowing us to attend the NMML Workshop on May 2nd, and that the training was very helpful and useful, and looks forward to attending all workshops in the future.

Ms. Diane Lombardo came before the Commission to give her support to Mayor Mulcahy for raising the animal licensing fees.

Ms. Marilyn Pope, Geronimo Spring Museum came before the Commission, and that earlier during the workshop it was mentioned that part of our funding as a sub-recipient was we also received another check for our electrical, and to set the record straight we have never had the electric paid by the city.

Mayor Mulcahy reminded everyone that we're having a Public Hearing tonight, and asked anyone who would like to testify as a Proponent or Opponent to sign the form.

CONSENT
CALENDAR:

Mayor Mulcahy stated they have three items under the Consent Calendar – Regular City Commission Minutes – 4/9/2013, Lodgers Tax Advisory Board – 3/28/13, Recreation Advisory Board Minutes – 4/1/13, and Accounts Payable Report – April 2013.

“Commission Green moved approval of the Consent Calendar which consists of Regular City Commission Minutes – 4/9/13, Lodgers Tax Advisory Board Minutes – 3/28/13, Recreation Advisory Board Minutes – 4/1/13, and Accounts Payable Report – April 2013.”

Seconded by Commissioner Kertesz.
Motion carried unanimously.

PUBLIC
HEARINGS:

DISCUSSION – ISSUANCE OF A NEW RESTAURANT LIQUOR LICENSE APPLICATION – BRENDA NELSON, dba; ARIZONA CAFÉ –

City Attorney Rubin would like to explain the process, and would encourage public input, and stated it is always good to remember in a case of this nature that role of the City is actually quite limited, and that in your packet is a letter from the State which describes what we're looking for, and as you go through the letter the only real question or issue that the City Commission would be discussing is whether you wish to grant a waiver due to the fact the licensee would be located less than 300 feet from a church basically everything else is pretty much straight forward.

Mayor Mulcahy stated there are no Proponents, and called the Opponents Mr. Rob Woodard.

Mr. Rob Woodard came before the Commission, and stated he had a letter from Joyce Jones to be her proxy for permission to speak on her behalf. And read a letter in its entirety from Ms. Jones objecting the request by Brenda Nelson, dba: Arizona Cafe for a liquor license. Information was provided for the record, and a complete copy of letter is available at the Office of the City Clerk during normal business days/hours.

Commissioner Kertesz – Do you have any evidence of the taxes not paid.

Mr. Woodard – There is no evidence because they haven't been paid.

Mayor Mulcahy – Taxation and Revenue collects those directly and is accountable for policing that particular item...Mr. City Attorney do we need to keep ourselves within the constraints of what we're doing here tonight.

City Attorney Rubin – Yes I think, and that's way I made those comments that I did... now the rules as far as what you can listen to during public hearing is up to you...it's wide open...you actually deliberate this issue I would advise you to stick to the terms of

