

CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Tuesday, June 17, 2013

SPECIAL MEETING

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 Special Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Tuesday, June 17, 2013 at 4:00 P.M.

PRESIDING OFFICER: The meeting was called to order by Mayor Mulcahy who presided and Judy M. Harris, Deputy 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 (arrived later in meeting)
Hon. Steve Green, Commissioner
Hon. Jeff Richter, Commissioner
Hon. Mike Kertesz, Commissioner

Also present:

Juan Fuentes, City Manager
Jay Rubin, City Attorney
Judy M. Harris, Deputy City Clerk

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

CEREMONY: Mayor Mulcahy called for the Pledge of Allegiance with Commissioner Jeff Richter leading the Pledge.

DISCUSSION/ REVIEW: Mayor Mulcahy noted the Commission had called this Special Meeting to award Lodgers Tax Allocations and Sub-Recipient Grants, asking how they had been done in the past.

Commissioner Green noted that usually at this point, the presentations have already been made to the Lodgers Tax Advisory Board, and they have given us their recommendation, and what we have done in the past is take each application one at a time and work on that and see if we're comfortable.

Mayor Mulcahy noted that they would have some discussion and there were groups in the audience, if they had questions, stating they would just go down the Lodgers Tax Allocation request form.

Mayor Mulcahy stated the first group on the list would be Fiesta, who had \$5,000 dollars allocated last year, and they've used \$3,762.00; and they're requesting \$9,100.00 this year. The Mayor opened the floor for discussion.

Audon Trujillo approached the podium, stating he was a Board Member but not an Officer, but none of the Officers were able to attend. He stated they did receive \$5,000 and they actually used all the funds, but some were not allowed. The items that were not allowed, they had not put "paid for by Lodgers Tax" funds and they did not do that. He had no information or numbers on how they

tracked attendance.

Mayor Mulcahy asked about the EIN Number (or Fiesta, Inc.), noting it was not registered with the IRS and asked Mr. Trujillo if he knew why.

Mr. Trujillo stated that his understanding was that several years ago that Fiesta lost their non-profit status, stating that this is one of the issues of this Board.

Commissioner Kertesz asked why the application showed two different tax numbers.

Mr. Trujillo noted this was a can of worms; stating that he did not know the answer.

Commissioner Green asked about the fact that Merry Jo Fahl had mentioned (in the Lodgers Tax Advisory Board) they did not have an IRS number but did have a New Mexico nonprofit number.

The Board discussed the problem of Groups not having a nonprofit status from the IRS.

Mayor Mulcahy stated the next application was from the Geronimo Springs Museum.

Director Marylyn Pope approached the podium.

Mayor Mulcahy stated he one concern, he noted he thought Geronimo Springs Museum was a very important visitor destination, where people can get information and look at world class exhibits in a Museum. Noting he had been reading and hearing about potential financial issues/difficulties, relating to accountability; he asked Ms. Pope if she could answer any concerns she may have.

Ms. Pope stated they had that taken care of, they had a procedural audit done recently and had tightened up a couple of areas that had been little bit loose; and the Museum is doing fine. She noted they had excellent tracking system and with the money they requested it has a built in tracking system, noting they were open 7 days a week and had someone at the front desk. Noting they kept the 990 at the front desk, and they had open records for anyone who wished to ask questions.

Mayor Mulcahy stated he wished to see a bill of health for the organization, in report form.

Commissioner Richter noted he felt it was just to ask those getting awards to provide the City with an audit and a detailed one, the City has to provide audits and felt it was only just to have those requesting funding to provide records.

Mayor Mulcahy noted next was Geronimo Trail Scenic Byway.

City Manager Fuentes stated that Geronimo Trail Scenic Byway is a co-applicant with the New Mexico True co-op grant, and both Geronimo Tail Scenic Byway and Sierra County Recreation Tourism Advisory Board, those two will be funded through the allocations set aside by the Commission for the matching funds for the co-op grant. Those funds have already been allocated and those will be

funded by the matching funds by the co-op grant; noting that is why they have been stricken out.

Mayor Mulcahy noted the next item is H.E.R.O.S.

Scott Kennicutt approached the podium.

Commissioner Green asked how many people are you looking for this year?

Mr. Kennicutt noted they moved everything to a two day event in September, looking for 500 adult athletes and 100 youth which participate; plus additionally each family member they bring with them. He noted that they will receive \$4,000.00 from Elephant Butte Lodgers Tax funding.

Mayor Mulcahy noted the next item is Mainstreet Truth or Consequences, Last year they received \$6,000.00, they have used \$3000.00 and this year they are looking for \$9,650.00, why the increase?

Linda DeMarino approached the podium, addressing the question stating they never have enough money, noting they had spent more monies but because the Hot Springs Festival was later, they have used most of the remaining monies. Ms. De Marino noted they had approximately 16 events.

Commissioner Kertesz asked questions about their website.

Ms. De Marino answered, noting updates and then went on to explain events the Organization held.

Mayor Mulcahy noted the next item is the New Mexico Old Time Fiddlers.

Zelma Iorio approached the podium and explained how people came in overnight; explaining the bigger events held. Ms. Iorio spoke of advertising and discounts several of the different events and promotions they held. Ms. Iorio spoke of attendees and the tracking they used.

Mayor Mulcahy noted the next was TorC Chamber of Commerce, who did not turn in an application.

Hans Townsend explained the missing application, and presented a reason for funding for a visitor's guide for the Chamber, noting last year they did 15,000 and this year they plan to print 30,000 guides this year.

Mayor Mulcahy stated he did not feel those who did not turn in allocations or show for the mandatory meeting, should be considered; noting that the TorC Golf Course was not a nonprofit.

Commissioner Green asked if any representative was in the audience for the

Veteran's Memorial Board.

No one was in attendance for the Veterans Memorial Board, and it was noted they did not turn in an application.

Commission Members discussed entertaining amounts to distribute to various organizations.

It was noted that TorC Community Theater attended the mandatory meeting, but did not turn in an application.

The TorC Golf Course does not qualify as a non-profit.

Starting with the Chamber of Commerce, the Commission discussed awarding \$10,000.00; contingent on receipt of an application and the Non-Profit status with the IRS.

In the discussion they noted that Fiesta is to receive \$8,000.00, contingent on Proof of Non-Profit Status with the IRS.

In discussion they noted that Geronimo Springs Museum will receive \$10,000.00 contingent on a financial report.

In discussion they noted that MainStreet Truth or Consequences are to receive \$8,000.00.

In discussion they noted that H.E.R.O.S. is to receive \$5,000.00.

In discussion they noted that New Mexico Old Time Fiddlers is to receive \$3,000.00.

In discussion they noted that Sierra County Art's Council is to receive \$2,000.00.

In discussion they noted that Chamber of Commerce is to receive \$10,000.00.

Commissioner Richter noted those numbers are contingent on Chamber of Commerce turning in an application and nonprofit status with the IRS.

"Commissioner Kertesz moved to approve the amounts discussed, and requested the amounts be re-read."

"Mayor Mulcahy repeated the amounts discussed and moved to approve the amounts. *Fiesta \$8,000.00, Geronimo Springs Museum \$10,000.00, H.E.R.O.S. \$5,000.00, MainStreet \$8,000.00, New Mexico Old Time Fiddlers \$3,000.00, Sierra County Art's Council \$2,000.00 and Chamber of Commerce \$10,000.00.*"

Commissioner Richter stated those numbers would be contingent upon the nonprofit status from Fiesta Incorporated and the report of funds from the Museum,"

"Mayor Mulcahy noted the amended motion."

"Seconded by Commissioner Green."
Motion carried unanimously,

SUBRECIPIENT
FUNDING:

Mayor Mulcahy noted next on the Agenda was the sub-recipient funding, stating they had a \$53,000.00 budget and requests for \$216,000.00. Noting they were funding sub-recipient, this is part of the Governing Board budget essentially with Public Utility funds, charging our utility customers more than we are taking in, noting they had cut that amount literally in half, and noting it was not appropriate use of infrastructure funds. Stating they spoke in the meetings of the hurt it will cause to those Organizations to cut the funding, he noted two options; line by line, or say there are some organizations we wish to fund.

Commissioner Richter noted his attitude was that there were three things we could fund; Boys and Girls Club, Domestic Abuse Intervention Center and Sierra Joint Office on Aging, he recommended funding those three.

Commissioner Green note how unfair the comments were, suggesting the funding comes out of utility funding, speaking of GRT and the insult it would be to those attempting to bring a quality of life to the community, how worthy of our support these Organizations were, noting they should cut the funding for each in half.

Commissioners discussed various Organizations, noting they did not have the money to do everything they wanted to do; noting that these are nonprofit so they have the ability to raise funds on a tax exempt basis.

The Sierra Joint Office on Aging spoke about their application not being signed.

Commissioner Richter noted the importance of filling out the applications correctly and fully,

Commissioner Kertesz spoke of the importance of different Organizations, and how tough this decision is, but understood the tight budget, understood they had to cut the budget.

Commissioner Green suggested funding 50% of the funding for everybody, cut the request in half and task the City Manager to find the funding to make up for the shortfalls, with the understanding we're not going to be able to do this at this level anymore.

Commissioner Richter stated we have a preliminary budget approved at sub-recipient funding \$53,000 for the next fiscal year, and that's the way we're going to keep it; we're not going to come back to staff and ask them for more money that we don't have, this is coming out of the utility fund, we have to prioritize the money we have available, we have to make some tough decisions and stated he is not afraid to make them. He stated we have \$53,000 and we need to pick out the sub-recipients we're going to fund.

Commissioner Kertesz asked how in kind would be cut.

Commissioner Green noted in kind was not under discussion.

City Manager Fuentes noted no, in kind was not included in the amounts to be funded.

Commissioner Richter suggested funding the three Organizations he mentioned at the start of the discussion, and if it's the will of the Commission to fund those three, then they decide how much each would get. Those three being the Boys and Girls Club, Domestic Abuse Intervention and Sierra Joint Office on Aging,

City Manager Fuentes explained in-kind funding.

Commissioners discussed funding the three Organizations and how much funding that would be; possibly taking those three and cutting those in half. The Commissioners looked at those three and cutting the amounts from last year in half.

City Manager Fuentes spoke of different percentages for the three Organizations, using percentages. Noting that would make Boys and Girls Club \$19,610.00, Domestic Abuse \$3,180.00, and Sierra Joint Office on Ageing \$30,210.00, which would be \$53,000.00.

Commissioners discussed funding the three Organizations. City Manager Fuentes explained the funding for Lodgers Tax and the Sub-Recipient funding.

“Mayor Mulcahy moved to fund three Organizations, the Boys and Girls Club \$19,610.00, Domestic Abuse Intervention \$3,180.00 and the Sierra Joint Office on Aging (pending approval of their audit and application) in the amount of \$30,216.00.”

“Seconded by Commissioner Richter.”

Commissioner Green went on record with objection on choosing the value of one Organization over another, they all do an incredible job, and stated he would vote against it.

Commissioner Kertesz noted his reluctance on funding only the three Organizations, noting he would probably vote against it also.

Mayor Pro-tem Whitehead noted this was only a preliminary budget, noting the need and protecting everyone right now, and she would vote yes, and come back later on and see what we can do about funding others,

With no further discussion, Mayor Mulcahy called for a vote.

Mayor Mulcahy, Commissioner Richter and Mayor Pro-tem Whitehead voted Aye.

Commissioner Green and Commissioner Kertesz voted nay,

With a three (3) to two (2) vote, funding passed.

ADJOURNMENT: With no further business to come before the Commission;
“Commissioner Richter moved to adjourn,”

“Seconded by Mayor Mulcahy.

Carl Morgan from Morgan Marine approached the podium and spoke regarding the Utility charges and the Mims addition charges on the Utilities.

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

ATTEST:

John A. Mulcahy, Mayor