

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
BUDGET WORKSHOP
MAY 18, 2009

The Council of the City of Ruidoso Downs met in a Budget Workshop session on May 18, 2009. Mayor Armstrong called the meeting to order at 4:35 p.m. and asked Jay Smith to lead the Pledge of Allegiance. Mayor Armstrong asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Hood-arrived at 5:20 p.m.
Councilor Holman

Councilor Williams
Councilor Olivo-via telephone
conference

Carol Virden, City Clerk/Treasurer informed Mayor Armstrong there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer
Steve Dunigan, Planning & Zoning Director
Jay Smith, Museum Director
Alfred Ortiz, DPS Director
Cleatus Richards, Public Works Director
Terri Mosley, Finance Director

APPROVAL OF AGENDA

Mayor Armstrong stated next item on the agenda was approval of the agenda.

Mayor Armstrong entertained a motion to approve the agenda.

Councilor Williams moved to approve the agenda. Seconded by Councilor Holman.

Roll call votes: Councilor Hood, Nay; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

INTRODUCTION OF FISCAL YEAR 2009-2010 BUDGET

Mayor Armstrong stated next item on the agenda was Introduction of Fiscal Year 2009-2010 Budget.

Terri Mosley, Finance Director said the Budget Committee met several times with the department directors working on the 2009-2010 Preliminary Budget. We've worked with them and we believe that with just making a few cuts from their original requests that they

are presenting an acceptable and workable budget. Some of the items to point out are as follows:

We have currently excluded all Capital Outlay purchases in the General Fund and most of the other funds until the revenues justify the increase for the purchases. We will revisit this at a later date.

We have included a 3% Cost of Living increase for the employees with some additional increases for police and three foremen in Public Works. This foreman have taken on additional duties.

We had included three new positions for Public Works, two laborers, one in parks, one in streets, and a Project Manager in the Water & Sewer Department. This is the Enterprise Fund.

We combined Department 50 Executive and Department 52 Finance & Administration to help lower the overall budget.

We included a step to the next plan with the Public Employees Retirement Association Program. This moves from 7% to 9.15% for the regular City employees and a larger increase with the police and fire from 10% to 18.5%. This will bring them to a plan which more closely matches surrounding agencies. This change can be in effect after employee vote for the fee increase.

We have included the request for funds for the Senior Center with an increase of \$5,836 from \$27,108 to \$32,944 of last years budget and the same amount for activities which was \$5,000 as was approved with last years budget.

We've included the same amount of \$27,000 for the Humane Society.

We have a transfer of \$80,000 to the Hubbard Museum which is a decrease of \$20,000 this year.

Fund 56, which is Water & Sewer Improvements, has \$3,690,893 for the City's portion of construction costs for the Wastewater Treatment Plant.

We do meet our 1/12th reserve as is mandated by the DFA, which is currently \$280,644.

Terri Mosley, Finance Director asked if they wanted to go by department or line by line?

Councilor Williams, Councilor Holman, and Councilor Olivo said they wanted to go by department.

GENERAL FUND

Taxes	\$1,710,240
Intergovernmental	\$1,386,553
Licenses & Permits	\$ 25,035
Charges for Services	\$ 3,900
Fines & Forfeitures	\$ 62,705
Miscellaneous	\$ 81,200
Other Revenue Sources	\$ 37,150
TOTAL REVENUES:	\$3,306,783

Legislative	\$ 61,366
Municipal Courts Dept.	\$ 169,481
Executive Dept.	\$removed
Legal Dept.	\$ 218,100
Finance & Administration	\$ 544,513
Parks & Recreation	\$ 161,236
Senior Citizens Dept.	\$ 45,112
Public Safety Dept.	\$1,129,585
Animal Control	\$ 57,990
Code Enforcement	\$ 50,167
Planning & Zoning	\$ 193,881
Street Dept.	\$ 322,365
Garage	\$ 201,832
Fire Dept.	\$ 145,599
Nondepartmental-1	\$ 34,000
Nondepartmental-2	\$ 32,500
Total Transfers	\$ 75,677

Carol Virden, City Clerk/Treasurer said on the Nondepartmental-1 the Humane Society fee of \$27,000 came from this amount. On the Nondepartmental-2 they had the Library with \$5,000 and the council will be approving a \$24,000 fee to the Village of Ruidoso for the E-911 services that are provided through the Village of Ruidoso and that will be our share.

LOCAL GOVERNMENT CORRECTIONS

Revenue \$ 13,000
Expenditures \$ 13,000

JUDICIAL EDUCATION

Revenue \$ 1,500
Expenditures \$ 1,500

COURT AUTOMATION

Revenue \$ 3,000
Expenditures \$ 3,000

LINCOLN COUNTY TRANSIT

Charges for Services \$ 15,000
Miscellaneous - grant \$ 228,517
Other Revenue Sources - matches \$ 50,000
TOTAL REVENUES: \$ 293,517
Expenditures \$ 185,752
Transfers \$ 82,765

EMERGENCY MEDICAL SERVICES

Revenue - grant \$ 11,288
Expenditures \$ 11,288

STREET IMPROVEMENT

Revenue \$ 334,126
Expenditures \$ 456,585
Transfers \$ (142,081)

GAS TAX ROAD FUND

Revenue \$ 13,320
Expenditures \$ -0-
Transfers \$ 13,320

FIRE PROTECTION FUND

Revenue \$ 67,938
Expenditures \$ 67,938

FEDERAL EMERGENCY MGT AGENCY

Revenue \$ 9,647
Expenditures \$ 112,071

LAW ENFORCEMENT PROTECTION

Revenue \$ 23,600
Expenditures \$ 23,600

LODGERS' TAX FUND

Revenue	\$ 193,310
Expenditures-Promotional	\$ 28,000
Expenditures-Non-Promotional	\$ 22,000
Transfers	\$ 133,755

MUSEUM FUND

Revenue	\$ 736,000
Miscellaneous	\$ 279,958
Expenditures	\$1,371,169
Transfers	\$ (169,424)

RECREATION FUND

Revenue	\$ 1,400
Expenditures	\$ 1,400

INFRASTRUCTURE FUND

Revenue	\$ 273,506
Transfers	\$ 273,506

DEBT FUND

Revenue	\$ 90,528
Expenditures	\$ 94,818
Transfers	\$ 4,290

SANITATION FUND

Revenue	\$ 230,556
Expenditures	\$ 223,927
Transfers	\$ (23,000)

JOINT WATER & SEWER FUND

Water Revenue	\$ 457,955
Sewer Revenue	\$ 307,584

Water Expenditures	\$ 500,771
Sewer Expenditures	\$ 302,248
Water & Sewer Non-Departmental Transfers	\$ 132,333
	\$ (88,833)

WATER & SEWER IMPROVEMENTS

Revenue	\$3,530,893
Expenditures	\$3,690,893
Transfers	\$ 88,833

SEWER SYSTEM CAP EQUIP & INFRASTRUCTURE

Revenue	\$ 7,500
Expenditures	\$ -0-

WATER SECURITY FUND

Revenue	\$ 2,500
Expenditures	\$ 1,900

Mayor Armstrong asked if there were any questions?

Councilor Olivo said he had no questions.

Carol Virden, City Clerk/Treasurer said with those numbers in the General Fund, Local Government Correction, Judicial and Court Automation she would like to explain that those revenues come in and go out through the administrative office of the court so, we don't keep them. She said we can use some of the Correction Fund fees for certain items in the Police Department such as if there was a contract or agreement with the Lincoln County Detention Center we could use those funds to offset the cost of keeping the prisoner for a day or two or whatever the situation may be. The court under the Judicial Education is used for training purposes and is a reimbursement type situation for the judge and his staff or for any equipment that we buy for the court. The Transit was self-explanatory and is a new program that we started this fiscal year from September to every October of any given year. The program is running very well and is well used by members of the City of Ruidoso Downs, Ruidoso, and outside of those boundaries. EMS as Terri said in the grant that is used for the Emergency Medical Services that the Fire Department does provide is an in and out. She said she did want to talk about the Water & Sewer Improvement and that when they heard the \$3 million coming in and the \$3 million going out. That is the majority of the Ruidoso Downs cost of the Wastewater

Treatment Plant. The majority of those funds are grant and a portion of it is loan. The Water Security is a Trust Account for residents and we don't rely on revenues or expenditures and we cannot use those funds for anything other than returning their water security deposit. The Law Enforcement Protection Fund and Fire Protection Fund are what is called Special Funds and the revenues that we get come from the State of New Mexico through the Fire Department is insurance that everyone pays and a portion of that does come to all municipalities. The Law Enforcement Protection Fund often come from the State and can only be used for certain expenditures that are listed by state law. Carol said she wanted to explain a little bit of that to the audience in case they didn't understand where the funding comes from and where they do get spent.

Carol Virden, City Clerk/Treasurer said municipalities are required to keep 1/12th of local reserve requirement for unbudgeted purposes for such things as emergencies. We have to keep at least 3 months of 12 months in reserve and in the General Fund estimated Cap balance at the end of June 30, 2010 will be \$1,366,762. When the Budget Committee reviewed and worked on the budget they were very conservative and were taking into consideration any wasteful spending. They did a very fine job, gave a lot of input and suggestions. There were cuts and the department heads understand and worked well with the Budget Committee.

Bonnie Richardson asked them to explain out of Parks & Rec and how much of the \$161,236 goes to Riverside Park and the Forest Guardians?

Carol Virden, City Clerk/Treasurer said they are required under the federal agreement to set aside some funds for that and it is not part of the Parks & Rec, it is part of the Water & Sewer. Bonnie Richardson asked if that was already budgeted for the river restoration? She asked what the \$161,236 was for? Carol said operations. Under the Settlement Agreement both municipalities of Ruidoso and Ruidoso Downs are mandated to set aside and spend \$1 million dollars over the next five years for the Rio Ruidoso restoration and there is a committee of appointed members from Ruidoso and Ruidoso Downs. They are coming up with a plan on how to use those funds for the improvement for the Rio Ruidoso such as parks and we do have one that will be going before them Friday.

A gentleman from the audience said he was here today because he heard they were considering closing the Senior Center and wanted to know if there was any truth to that? Carol Virden, City Clerk/Treasurer said it hasn't been discussed in any of the budget meetings. The gentleman said it was a wonderful thing for the community. Mayor Armstrong said they agree. The gentleman said that was the reason they bought a home here and the folks they could meet and they should be commended for the good work at the Senior Center.

Wayne Williams said he had a question on the expenditures allotted for the Senior Center and said he noticed it increased some \$6,000 where they were at \$35,000 last year. Terri Mosley, Finance Director said they did request an increase. Wayne asked if they budgeted for a new van and a driver? He said the contract requires that and either that or you are breaking your own contract. If you pay for a driver without the van and have that person cook or wash dishes that is a waste of our taxpayer's money. He said if you are going to do it, do it right and do it above board. He said in his opinion the \$35,000 that was given last year it was totally misused. They paid for a cook with money that was allotted for a driver. He said Terri and Carol and Tom Armstrong will avow, they were supposed to get him copies of those expenditures by the county and they never did. He said he still requests it. He said he wants to know what happens to that money once it goes to the county. If the county buys all the meals, we're not contract and we are supposed to buy a van, a driver, and of course they gave away our van. He asked if we were going to live up to our contract? He asked if they budgeted for a driver?

Carol Virden, City Clerk/Treasurer said what they budgeted for was a position of a cook/van driver and that is the position. She said she did want to explain to the audience that this was a Budget Workshop and this was not what the members of the Council actually approved the preliminary budget. That will happen on Tuesday, May 26th and this is just the preliminary. Wayne Williams said he knows that and just wants them to know where he stands because last year her main rebuttal was that he was there and didn't say anything so now he is saying something. He said he expects her, Terri, and the mayor to live up to their word that they gave him and another person to get a copy of the expenditures of our money and where it went from the county. He said he went to the county and didn't get it and their word he didn't go back and sue them like he should have. He said if he knew they weren't going to live up to their word he would have gone back and sued them and got it. He said Carol, Terri, and the mayor promised them they would get those figures and never did but would still like to have them.

Shirley Collinworth said she was here on behalf of the Senior Center and in order to stop the rumors that were floating she would like to know if the same amount has been scheduled this year for \$5,000 for activities that has been given for the last nine years that she has been the Activity Director there?

Mayor Armstrong said this was a workshop to let the rest of the councilors review. Two of them have looked at it with the staff. The Senior Citizens will not be closed and there has never been any talk of closing it. He said he has seen some letters but they did not come from the City of Ruidoso Downs. The City of Ruidoso Downs does own the building. Mayor Armstrong said they are always looking into saving and wasteful spending and what it is paying for and where do we need to spend our dollars. He said the seniors should realize the dollar is very important and it is to us here too because it is

their dollar. Mayor Armstrong said they are not through and this is the first time they have had to look at this. There is no plan with the City of Ruidoso Downs to close the Senior Citizens Center of Ruidoso Downs.

Shirley Collinsworth asked if the money that was allotted if there was any question about what they do with it? Mayor Armstrong said there could be because of the contract but didn't know yet. He said they just got this information and would be looking at it. He said they have their Senior Citizen building and said he hoped it would just continue on at what it was supposed to be. We have a transit system now that we haven't had in the past. It's great that we are looking at helping in other areas and there is always need for money in other places. Shirley said she was sure if Tommy Hood was here he could answer it better than she could because we know where the money goes and she could show him where it goes that is allotted to the Senior Center. Mayor Armstrong said that is what he's been hearing at this meeting, where the money is going.

Carol Virden, City Clerk/Treasurer said the process with the county on both the position and the activity fund is that the county invoices us. Once we get that invoice we bring it up to the council for approval and once they approve it we turn around and make the check and send it to the county. Mayor Armstrong said we also feel that in the past there was grant money to build this complex or to finish it and there was a time frame that was ten years. After that the building, everything would go back to the city to do as they please. He said we are probably going to look at the contract to give us a better idea but not to do away with it.

Peggy Burton asked what the county was invoicing the City of Ruidoso Downs for on the Senior Center building? Carol Virden, City Clerk/Treasurer said the County of Lincoln requested the City of Ruidoso Downs to budget activities at \$5,000. Funds for a cook/van driver and last year they requested \$27,108 and this year they have requested an increase of over \$5,000 for a total of \$32,944. Peggy asked who is comprised in the Budget Committee. Carol said the mayor after the organization after an election and then he appoints all of his committees. Peggy asked for some names. Carol said Councilor Williams and Councilor Holman plus the staff and the mayor is not involved. Peggy said she had one last question and maybe it was splitting hairs but maybe this is where the confusion and emotions were coming from on these issues, she asked if there was consideration of changing the Senior Center to a Community Center? Mayor Armstrong said no.

Sue Garrett said so the money that the city gives for the trips uptown, we have public transportation for residents to use, if resident calls and can't afford public transportation, a senior will go and pick them up. She said it doesn't sound like a lot that \$2 a day is a lot of money for a senior on a fixed income. She said the main thing they do is a trip to

Albuquerque, Alamogordo, and Roswell and those are expensive trips, so just imagine what it would cost if you had to drive and pay a cab to Albuquerque. There are several different levels under Medicaid and some people don't fit in the transportation level but the transportation has to be given. She said she didn't think anyone in this room could dish out enough money to be taken to and from Albuquerque. She said they need that funding for trips and knows of at least three trips in the past three months to Albuquerque and with that program you might get a donation but you are not allowed to ask. She said this seniors program really appreciates what the City does.

Warren Beaver said he noticed there was a \$5,800 increase for the Senior Center and asked what that was for? Carol Virden, City Clerk/Treasurer said that was for a salary for a position for cook/van driver. He said so, you hired a van driver. Carol said no. Lincoln County has submitted their budget request for the Senior Citizens Center. The Senior Citizens Center is leased to the County from the City of Ruidoso Downs. They requested a budget increase for that position to \$32,944. Warren asked how many people from Ruidoso Downs go to that Senior Center? Shirley Hollinsworth said Thursday when this hit us they fed 73 people and 32 people stayed for entertainment. She said they sent out 22 meals for Meals on Wheels. When summertime comes and the Texas people are here it goes up to well over 150 people. The gentleman asked if all of those people and from Texas were from the Downs? Shirley said no but they are seniors and they pay and they eat there. Warren said in comparison, people from the Downs compared to somewhere else within the area, what's the ratio? Shirley said you can look around here and see who comes to the Senior Center everyday or at least two or three times a week. Warren asked if the City of Ruidoso Downs puts in any money to the Ruidoso Downs Senior Center? Carol Virden, City Clerk/Treasurer said yes, what is requested by the County for the position of \$32,944 plus \$5,000 for the activities. Warren asked how much Ruidoso puts into this? Carol said he would have to ask them, the council members or the County Manager. Mayor Armstrong said the county puts in the money to run this one and it's about \$200,000 per year to run this one and he said he believes there are five in the county

Mr. Lacewell said there was \$80,000 to the museum and asked how they were funded and if it was strictly by Ruidoso Downs?

Carol Virden, City Clerk/Treasurer said she would have to take them back a few years. Mr. Hubbard had offered as a gift to the City of Ruidoso Downs the Hubbard Museum of the American West along with \$1.5 million attached to that. Setting aside the revenues that the museum brings in, we do use a portion of that \$1.5 million that is in a CD. Terri Mosley, Finance Director said they use \$150,000 each year. Carol said last year they had \$100,000 come from Lodgers' Tax that they can use by state statute that they can transfer from that for a museum. Mr. Lacewell asked if the City of Ruidoso Downs puts in \$80,000 a year? Carol said this year yes if the council approves it. Mr. Lacewell asked how much

the museum brings in of its own accord? Jay Smith said they bring in money from several different revenue sources, the gift shop, grants, a private foundation, seed money from the \$1.5 million that the Hubbards set aside for us over a ten year period, programming revenues, and we also do their own fundraising for special projects. Initially the City provided \$150,000 in 2006 from the General Fund and said the museum has trimmed that amount down to \$80,000 as reported today, a 47% reduction over a 4-year period.

Mr. Lacewell asked if that museum is worth \$80,000 to Ruidoso Downs? There was an overwhelming consensus from the audience and council that it was. He asked for an example. There were comments such as that tourists come in and spend money and that several people come in to businesses asking about the museum. Mayor Armstrong said the numbers are here and they could get them the numbers.

Mayor Armstrong said anytime they have a question they can come in to City Hall. He said he would like to make note that Councilor Hood has been at the meeting for about five minutes now for the record.

Joyce Gustafson asked what Lincoln County pays the City to lease the building per year? Carol Virden, City Clerk/Treasurer said one dollar a year. Joyce asked what other responsibility the City has for the maintenance of the building and if it was included in the \$35,000? Carol said the City of Ruidoso Downs is responsible for minor maintenance and major maintenance is taken care of by the County. Joyce asked if the building could be used for other activities since it was leased by the County? Carol said since the County leases the building she didn't think they would let them use it for a private event. The City of Ruidoso Downs can use it for a public event and has used it for meetings and twice a year for the cleanup for the Beautification Committee. The County uses it for voting. There also was an emergency in July and was open for those that needed it. Joyce said she wanted to make it clear that no one, including herself have never tried closing that Senior Center. All they were trying to do was look out for the tax dollars of the residents of Ruidoso Downs.

Wayne Williams and Mayor Armstrong said they had not heard her name or anyone else who was trying to close the Senior Center or use it for other things and didn't know where that came from. Mayor Armstrong said they were very proud of their Senior Citizens Center and that they have obligations of how much money they want to put into it and how much they can afford. He said it would be up to the councilors to make that determination. He said the senior citizens could feel comfortable that it is not going to close.

Councilor Olivo said he was sorry he couldn't be at the meeting but he was in Las Cruces in the hospital. He said he has gotten calls and people are saying that he personally is

trying to close the Senior Center and that it was a lie. His concern is how we spend our citizens money on the center and there is no way he is trying to close the Senior Center, it is one of the best things going for our citizens and asked them to stop those rumors.

Mayor Armstrong said he has had conversations with people from other towns with Senior Centers and that we have a lot going with ours and can't believe that people would think they are trying to close it down.

Shirley Collinsworth said if there was any way they should come over and have lunch with them and see what they do. On Thursdays they have at least 20 people playing shuffleboard and having a great time. Mayor Armstrong said he has talked to the people and they are maybe not so much into the game but the fellowship with other seniors was worth more than they could say.

Carol Virden, City Clerk/Treasurer asked if the mayor or councilors had any specific questions on any department?

Councilor Olivo said he did not have any questions. Councilor Williams said he thought it was important for them to know that he and Councilor Holman they weren't out there to abuse anything that they provide for them and they provide the tax dollars that allows them to run at the level they are trying to make it. When they review the budget they are doing it in every respectable way by department. Everything that was done was done proper and the numbers that were give were numbers that were discussed over and over with expectations of what may happen in the future with revenues and hopefully we would see an increase in that. Right now the gross receipts is at or a little above the past year so financially we are doing just fine. He said they work for them and will continue working for them everyday. Councilor Holman said he just wanted to reinforce what Councilor Williams said and that the City is financially sound and the citizens and council owe a lot of thanks to Carol Virden and Terri Mosley and they've done a good job of taking care of their money. That doesn't mean everyone is going to be happy but overall we probably live in the best community in the State of New Mexico. He said he met with the governor and he did mention the Wastewater Treatment Plant and they have spent countless hours on that and it has been an awesome ordeal. The governor has said he hopes he never hears another word on this Wastewater Treatment Plant. He said he thinks we got lucky with the President's Stimulus Package and then they will be able to look at water and sewer in Agua Fria and some streets around town that are in extremely bad shape but they are doing the best they can.

Carol Virden, City Clerk/Treasurer said they do have a second budget workshop scheduled for tomorrow and asked if they felt it was necessary to hold it? Councilor Williams said not unless something comes up. Councilor Hood said he would call if he

had any questions. She said it was her understanding then that they would cancel the second budget workshop and the council will approve or not approve the preliminary on May 26th.

Councilor Olivo thanked the crowd from Ruidoso Downs for coming and said it was a brand new administration and a brand new budget and they were here to work for the people of Ruidoso Downs. He said he wanted to make Ruidoso Downs the number one city of southern New Mexico.

Joyce Gustafson said she wanted the mayor to extend an invitation to all of the people of Ruidoso Downs to start attending these council meetings. Mayor Armstrong said he would.

ADJOURNMENT

There being no further business to attend to Mayor Armstrong entertained a motion to adjourn.

Councilor Holman moved to adjourn at 5:38 p.m. Seconded by Councilor Williams.

All were in favor and motion passed.

Tom E. Armstrong, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer