

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION SPECIAL MEETINGS (BUDGET HEARINGS)
2:00 P.M. AT WILLIE ESTRADA MEMORIAL CIVIC CENTER, 800 E. FIRST ST.
MINUTES FOR MAY 5, 6, 7, and 8, 2008**

**MAYOR STEVE BROCKETT
MAYOR PRO-TEM CHRIS LUJAN
COMMISSIONER RON GRIGGS
COMMISSIONER ED COLE
COMMISSIONER MARION LEDFORD**

**COMMISSIONER ERIC BREWER
COMMISSIONER JOE FERGUSON
CITY MANAGER PAT McCOURT
FINANCE DIRECTOR LEEANN NICHOLS
CITY CLERK RENEE CANTIN**

MONDAY, MAY 5, 2008 - 2:00 P.M.

Call Meeting to Order and Roll Call. The meeting was called to order at 2:00 p.m. Mayor Pro-tem Lujan and Commissioner Brewer were absent.

1. **BUDGET REVIEW** - LeeAnn Nichols, Finance Director.
 - A. **BUDGET ADOPTION PROCESS**
 - B. **BUDGET POLICY & PROCEDURES**
 - C. **OVERVIEW OF FY08 BUDGET**

Overall Funds

**Current Year Projections
Restricted Funds
Unrestricted Funds
Major Fund Highlights**

Mrs. Nichols gave a presentation regarding the budget adoption process, the budget policies, and procedures, and the overview of the FY 08 Budget. She also reviewed the agenda. The preliminary budget is due June 1st. Final budget will be brought to the Commission at the July 22nd meeting and will be due to the Department of Finance & Administration by July 30th.

Mrs. Nichols notified the Commission of the estimated fund balance for FY 2008. We've estimated that we are going to have \$5,425,345 less in revenues in FY 2009. She gave a detailed overview of what each of the revenues are and what we are expecting to receive in FY 2009. The difference between the FY 2008 projected revenues and the FY 2009 estimated revenues were also explained to the Commission. She also explained that grants are the reason for the substantial decrease in FY 09.

Commissioner Brewer joined the meeting at 2:14 p.m.

Mr. McCourt added this is an overview and creates a simplified picture. As we go through the budget we will attempt to discuss each of the areas and the requirements for those areas.

2. **PERSONNEL SERVICE LEVELS – Elsie West, Acting Personnel & Safety Manager**
 - Personnel Changes
 - Benefit Changes
 - Union Negotiated Changes
 - Classification Schedules
 - Other changes

Elsie West, Personnel & Safety Manager read the Compensation, Classification, and staffing plan for FY 2009 on page P-1 (miscellaneous tab) which included: Changes occurring during FY 2008, Changes proposed and included for FY 2009, Personnel Budget Factors, Municipal Court Personnel Requests, Personnel Summary by Department/Division, and Classification Plans.

Mr. McCourt reviewed the personnel summaries by Department/Division and the Classification plans (P-5 to P-21). The supplemental pages under the miscellaneous tab were reviewed, beginning with Page M-1. Mr. McCourt also called the attention to the other services detail page that was included.

Mayor Pro-tem Lujan joined the meeting at 2:54 p.m.

Commissioner Ledford brought up some comments about debt service. He was trying to reconcile the detail summary because it was off. There was a \$9,000 difference. He's asking if it is a one time savings. We're showing a \$628,000 deficit. So we're using reserves.

Mr. McCourt called attention to page 2-C which is the all funds summary. He gave an overview of that page and explained what Commissioner Ledford was saying is true, we are eating up our reserves. This budget only shows \$18,227 over our 1/12th reserve that is required by the state. Unless our revenues go up considerably or our expenses go down considerable we cannot sustain our current level of operations.

Commissioner Ledford is also concerned with the 5% increase in GRT. He feels we've received higher than that in the past. Mr. McCourt stated that in the past we have barely made the 5% increase.

3. FUND/DEPARTMENT REVIEWS:

A. GENERAL FUND OVERVIEW – REVENUES & EXPENSES (page 19) - Commissioner Cole would like a chart showing the amount of revenue versus the cost of living. He also mentioned the reduction of troops at the Base will also affect the number of civilian employees and the amount of funding that will be taking place at the Base due to this. Commissioner Ledford wanted to discuss the estimations for projections of revenues, shown on pages 20 to 23. The Commission may want to take a General Obligation bond to an election which requires voter approval.

B. LEGISLATIVE (F11-1101) - Renee Cantin, City Clerk mentioned to the Commission that we discontinued the membership dues in the US Conference of Mayors and also the SPIRIT dues.

C. ADMINISTRATION

1. City Manager - Commissioner Ledford asked what the consultant change was. Mr. McCourt explained the change. He also reduced travel by about \$3500. He cut the economic development. Commissioner Cole asked about the consulting fees. Mr. McCourt said we also have it for financial advisor that we might need to hire somebody for. We reduced it by \$10,000. It could be a variety of topics that aren't covered any where else in the budget that we may need a consultant for. Previously some of these funds were used for the Tularosa Basin Water project.

2. Legal – Steve Thies, City Attorney. Mayor Brockett asked about the Assistant City Attorney position. Mr. Thies doesn't see a need for one at this time. Mayor Brockett asked if the administrative assistant can be used with the Paralegal to handle some of the duties. Mr. Thies commented that without the assistant the Paralegal may be overwhelmed.

Commissioner Cole said the city has two attorneys', one for the city and one for DPS. Of the people in those positions as attorneys is there anyway they can do more work together. Mr. Thies commented that the DPS Legal Advisor handles quite a bit of the code amendments.

3. Operations Analyst – Mark Threadgill, Operations Analyst. Commissioner Ledford asked if he had been in the position for a whole year. There is a \$16,000 increase from last year. He was not employed for the entire fiscal year. He is currently also the Acting Community Development Director. Mr. Threadgill explained what he is working on regarding the constituents in the community and how they feel about the job we are doing in the community.
4. City Clerk – Reneé Cantin, City Clerk. Commissioner Ledford asked about the other services and what the decrease is. Ms. Cantin stated the decrease was due to one election that was budgeted which was about \$27,000 less. Mayor Brockett asked the City Clerk to discuss the issue about changing the final adopted minutes to summary minutes. Ms. Cantin presented her wish to pursue changing the Commission Meeting Minutes to summary minutes.

Recessed at 4:04 p.m. and reconvened at 4:35 p.m.

5. Personnel & Safety - Mayor Brockett asked a question on the HR Generalist position.
6. Non Departmental - Mr. McCourt the Capital Improvements are the radio replacement projects that were discussed.

C. FINANCE - Mayor Brockett thanked those in Finance who provided food.

1. Finance & Accounting
2. Accounts Receivable
3. Purchasing & Central Receiving
4. MIS
5. Insurance

Mayor Brockett asked what errors and omissions details. Bob Johnson, Purchasing Manager stated it covers fraudulent issues in the state. It is an insurance policy that we pay.

Mayor Brockett asked that Community Development be the last item to discuss on Thursday.

6. TRUST & AGENCY – All funds below were reviewed.

A. Trust & Agency Funds

1. Police Court Bonds
2. Designated Gift Fund
3. Cemetery Perpetual – this is a fund set up by the City Commission.
4. State Judicial
5. HA Low Rent Housing Program
6. Utility Deposits
7. Otero/Lincoln County Joint Landfill – the board is the legal entity that owns the landfill, they hire the City of Alamogordo to take care of it. It will continue to exist. The bond indebtedness will be paid off. We have been very successful where the landfill collects enough in fees.
- 7a. ESGRT Income Fund
8. Alamogordo Senior Center Gift Fund

Recessed at 5:03 p.m., and will reconvened at Tuesday, May 6, 2008 at 2:00 p.m.

TUESDAY, MAY 6, 2008 - 2:00 P.M.

Meeting reconvened at 2:02 p.m.

Mayor Pro-tem Lujan, Commissioner Ferguson, & Commissioner Ledford were absent.

4. OUTSIDE AGENCIES

MUNICIPAL COURT - Judge Steve Lee and Rhonda Baldonado. Commissioner Cole asked how the Alternate Municipal Judge is selected. Judge Lee announced that he selects that person and the Commission approves. There are two because sometimes one is not available. Mayor Brockett asked Judge Lee to explain the committees that he is on. He is on sub committees through the state including the Judicial Education Committee where all of the Judges set the standards for the state; he is also a Mentor for other Judges in the state. Mayor Brockett commended Judge Lee for his service and accomplishments.

Commissioner Ledford joined the meeting at 2:05 p.m.

1. Municipal Court Operations
2. Court Automation – Judge Lee gave an overview of the Court Automation Fee through the state statutes, these are the funds that can be used for Court Automation replacement or purchase.

Commissioner Griggs asked about when we go into fines and grants and revenues, you're reducing your fines collection in the budget, do you think that's where you're going to be? Judge Lee stated that he tried not to over project the revenues to be safe. Commissioner Griggs recognizes that the budget request for FY 09 shows \$20,000. Judge Lee stated that doesn't reflect the increase that was approved and it was not in the budget at that time. Commissioner Cole asked about the citation fees. Judge Lee explained the penalty assessment, court automation fees, judicial education fees, jail maintenance fees.

Mayor Pro-tem Lujan joined the meeting at 2:16 p.m.

- A. ZIA THERAPY - Joe Hardin, Director, Sharon Gilsdorf CFO, Becky Lane, Marketing and Development Director. Mr. McCourt announced that we work as a partnership with Zia Therapy so we support them. This year they are scheduled with 68,959. They are requesting \$72,000 for this fiscal year. They will need to accommodate this reduction in funding by a reduction in the times for the transportation.

There was discussion regarding the hours they operate. Mayor Brockett asked if they have had to cut any current things. Mr. Joe Hardin said they have not. The feedback he stated is shown in the numbers. They have taken into account the cost of fuel in their budget request. Mayor Brockett asked them to define the number of riders per trip. Mr. Hardin explained if someone gets on for the first trip that's considered a rider, not when they transfer or have a return trip.

Mayor Brockett thanked them and appreciated them coming down from \$72,000.

We will move to Debt service until the other outside agencies arrive.

7. DEBT SERVICE FUNDS

B. Debt Service Funds – Debt Service Funds tab in the budget book. Mrs. Nichols gave an overview of page 186 – 203.

1. General Obligation – Property Tax
2. 1993 JPA ESGRT P & I

3. Revenue Bond P & I
4. 98 Jt. Water/Sewer Bond P & I

Flood Control Project Reserve – Commissioner Cole asked if this is the project going on right now. Mr. McCourt stated it is the project we're doing with the Corps of Engineers. We are anticipating additional bond issues that the city will have to put up. This will be addressed on page 190.

Mayor Brockett asked what would happen if a bond payment is missed. Mrs. Nichols assured the Commission that naturally we make our payments. If we are late on a payment we will be notified. Mr. McCourt added that two of the loans we have are intercept loans, that if we defaulted on those the state would intercept our gross receipts tax. Others we have insurance policies on, the long term impact on the community is it would cost more for us to borrow as far as the percentage.

Mrs. Nichols stated our last payment will be June 1st, 2010. We do have some bond reserves on page 203, the amount of required reserves is \$371,740.

- B. PROMOTIONS BOARD – Jan Wafful and Bob Flotte. Mr. McCourt explained the promotions board is a restricted fund. Fund 16 requires a board to advise the City Commission on the use of the funds. The funds are restricted to promotional types of opportunities. The proper phrase is “heads & beds”. Mr. Flotte announced the promotion funds are used with various advertising, including radio and television advertising. Ms. Wafful gave an explanation of the contracts. We contract with three different television stations. We advertise in the North, Albuquerque, Santa Fe, and Lubbock/Odessa area also. Mayor Brockett asked if they have ever looked into Mexico. Ms. Wafful, stated they do advertise in Mexico.
- C. OCEDC & CHAMBER OF COMMERCE – Mike Espiritu
 1. Chamber of Commerce Contract – Visitors Center of Operations
 2. Chamber of Commerce Contract - Promotions
 3. Otero County Economic Development Council – 209 -
 4. Economic Development Gross Receipts Tax – page 218 – this tax is essential in creating jobs here in Alamogordo. In the past we've had a lot of success with this tax. He touched on the success of the new Cookie Factory.

The Chamber of Commerce is the fourth largest in the state of New Mexico. Mr. Espiritu gave an overview of what the Chamber does and how they work hard at showcasing our community.

Mayor Brockett asked about the relocation numbers. Mr. Espiritu said it's too early to tell right now. The biggest turnover will be June or July so the numbers should be available over the summer.

Jan Wafful gave a report on the White Sands Film Festival and its success. Eventually we will have an industry that is sustainable. Mr. McCourt informed the Commission that Ms. Wafful is a city employee that the Commission has supported these projects.

Commissioner Ledford mentioned the cookie factory and the best way to solve a problem is to move forward. As you described it turned out to be better. Mr. Espiritu explained the committee is a body formed by the President of the OCEDC, they have specific goals to review economic development to assure solidarity. This Committee will make a recommendation to the Commission based on the information they receive. We are working on a deal that will mean big things for Otero County. The Committee has about six individuals.

Mayor Brockett thanked Jan for her involvement and he's heard a lot of positive comments on Mr. Espiritu and his involvement.

D. GOLF COURSE – Grant Dalpes & Ron Borunda.

Mayor Brockett asked Mr. Dalpes about the rounds of play in the current fiscal year under the Performance Measures. Commissioner Ledford feels the Golf Course has come along way and that's due to Grant and his crew. Do we see the Golf Course being able to support itself in the future? Mr. McCourt announced what happened years ago was a transfer that was agreed upon was \$200,000 and this year because of budget cuts they have reduced it to \$159,815. We get a percentage on quite a few activities that Grant receives out there. They do not receive any other subsidies, if they have a bad year; they have to tighten their belts also.

Mr. Dalpes stated we are about up for RFP to contract out for the services to run the Golf Course. He doesn't see the Golf Course breaking even on any short term period, maybe on a long term. Mr. McCourt stated it's far from self sustaining. Commissioner Griggs mentioned that so far what we've talked about is what the contractor has done. The grounds are maintained by the City and Superintendent Ron Borunda has been responsible for the improvement. I think we have an asset that more and more people are going to want to see. We are close to the best course in the state; it will draw people to the community.

Mayor Brockett commented that people that come to play the course will spend money in the community. Mr. McCourt mentioned that one item that is often overlooked is that a Golf Course is also a form of economic development. It's an amenity that people look for.

Mayor Pro-tem Lujan apologized for the misinterpretation of his comments in the newspaper from the last commission meeting. He also commented on the grounds.

Commissioner Brewer stated he has lived in California and Arizona, he commented that they are doing a great job on the course.

Recessed at 3:51 p.m. and reconvened at 4:21 p.m.

C. SPECIAL REVENUE FUNDS:

1. Corrections – Jail – This is where we have contracts with Otero County and two in Texas, and one with the Detention Center. Mr. McCourt announced that this was budgeted conservatively. We left a margin to take care of unexpected items. Sam Trujillo, DPS Director clarified some of the contracts and what they are used for. Mr. McCourt stated many of the Counties don't get reimbursed for state prisons. Commissioner Griggs stated the property tax that is paid almost entirely funds the jail and a good part of the property tax comes from people who live inside of the city. We need to be aware that the residents are already paying for the jail. The county has no other means for funding. It all falls on the backs of the citizens of Alamogordo to pay for the jail. Mr. McCourt stated we have looked at other options, one being building our own facility. There was a proposal about eight years ago to build one in the community.
2. ESGRT – Mrs. Nichols gave a description. As of July 1, 2008 we will not have to transfer that money back. This fund could also be used for the expansion of the new treatment plant.
3. Fleet Collision – We are self insured for fleet collision. We charge the same premium as New Mexico Self Insurers' Fund. This fund has built up to a

substantial amount. Because of the budget shortfall we went back and eliminated the premiums for FY 08 and FY 09. Mark Threadgill, Operations Analyst reported his analysis. He noticed this rather large balance in the fleet insurance. We had close to \$800,000. We have kept these funds on the hopes that we might be able to replace some vehicles. We determined the best way was to take the vehicles \$50,000 and above and purchase an individual policy for them. A piece of fire equipment costs about \$1400 a year. The collision insurance is actually quite low. Our loss experience was reviewed. We would only have to retain the \$400,000 fund balance...

Mr. McCourt said this would allow us to send a portion of funds back to the various operating funds. On page M-3 you will find that number broken down. This is a change in policy so we want you to be fully aware of this. On page 182 the recommendation is buried down in there to buy rolling stock.

Mr. McNeile announced we are actually applying for a clean energy grant to purchase a fleet of electric vehicles. We're going to apply for ten vehicles. We need to decide where the best place would be to use them such as, parks, animal control, meter readers, etc. They would cost about \$20,000 and would probably pay for themselves in a few years.

4. Liabilities/Deductible – This account was set up for our liability claims. When we receive a claim we have a \$500 deductible.

Recessed at 5:00 p.m., and will reconvene on Wednesday, May 7, 2008 at 2:00 p.m.

WEDNESDAY – MAY 7, 2008 - 2:00 P.M.

Meeting reconvened at 2:00 p.m.
Commissioner Brewer was absent.

5. FUND/DEPARTMENT REVIEWS

Sam Trujillo, DPS Director gave the Commission an overview of the following funds.

A. PUBLIC SAFETY – Sam Trujillo, DPS Director

1. Bench Warrants – this charge was determined by the City Commission.
2. Code Enforcement
3. Animal Control
4. DPS – Dispatch Services – Director Trujillo updated the City Commission on the PSAP. We are waiting for a response from the DFA on the Joint Powers Agreement that was approved by the Commission. He clarified the maintenance fees that were zero this year. When we purchased this equipment it was paid for up front.
5. DPS – Public Safety – Commissioner Cole asked about the two officer positions that are not filled at this time. One was replaced by the School Resource Officer at the school. They are not included in this fund, it is included in fund 011-4704. We had a significant increase in rapes and stolen vehicles.
6. DPS – Fire – We operate a unique system where fire is covered by patrol officers. We have 59 officers and the normal city of our size has 75 full time firefighters. The ENMRD wildland fire JPA was discussed with Fire Services Commander Joe Bailey. The agreement was reviewed with other departments of the city and we decided it would not be in the best interest of

the city. In the city we don't abut any forest areas and do not feel it would be a benefit to the city. There were questions of how we would be reimbursed. He mentioned that since there were so many communities that were not willing to sign the agreement, they may look into revising it.

Commissioner Brewer joined the meeting at 2:21 p.m.

7. Alamogordo Public Schools Program – We have four School Resource Officers in schools in Alamogordo. Mr. McCourt said we do have contracts with the school district but they do not pay the total cost of the contract. This program brings in about \$220,000 to offset costs for the officers.
8. D.A.R.E Donation – this is a special revenue fund that is operated off of donations. The officers go to the public schools and teach about 500 students on the dangers of drugs. We think it's a very worthwhile program.
9. Police Contingency – seizures of narcotics and cash from vehicles and we use this cash for undercover operations. Director Trujillo said there are a lot of restrictions for evidence.
10. State Fire Protection – special revenue fund. This is money that the state collects from insurance companies and it's distributed throughout the state. Mr. McCourt feels that Director Trujillo did not touch on the importance of our police department. Commissioner Cole asked them to go into the ISO rating. Director Trujillo said the ISO is a rating determined by the State. Most volunteer fire departments operate at a level 10. We now operate at a level 4 rating, which is better than 87% of the communities in New Mexico. The savings would be determined by each residence and property when they pay their fire insurance. Joe Bailey said the cost savings was \$200-\$300 per household. It may cost the city money to invest in fire stations and personnel but it is lowering the payments for the citizens. Mr. McCourt wants to emphasize what an excellent operation we have in this community. We also are affected with the water, which is also a factor that we work on with the new water tanks and the Westside water project.
11. Law Enforcement Grants – This is another special revenue. We get money through the state for various projects. First is Law Enforcement Protection, second is the Juvenile Justice grant, the last is a traffic safety grant to pay overtime for DWI saturation patrols, etc.
12. Traffic Safety – this is a separate fund that we receive a portion of fines from citations to purchase equipment associated with traffic. He gave some last year's accomplishments. Commissioner Cole asked if that program is a formal program. Director Trujillo said we do formal programs, but we also do informal programs like DWI patrols.

B. COMMUNITY SERVICES – Matt McNeile, Community Services Director/Asst. City Manager – Mr. McNeile announced the Community Services provide quality of life projects for the community. He said occasionally we get funding for the state and some year's we do not.

1. Lodger's Tax – City Share/Civic Center – This is the 60% of Lodger's tax, the other 40% goes to the Promotion Board. Mr. McCourt has some concerns about the future funding for the Civic Center. Commissioner Cole asked about the rental of this facility and the type of income we get and there are a lot of organizations that rent this facility. He also asked for the estimated amounts for the cost of operations versus rent income. Mr. McNeile presented those numbers to the Commission.
2. Community Services

3. Cemetery – Mayor Brockett asked a question of implementing a customer satisfaction survey. Eric Marion explained the survey program that will be implemented regarding customer satisfaction.
4. Leisure Services – The tennis grant update was presented by Mr. McNeile. The Alamogordo Public Schools land exchange did not go through. The city owns a strip of land between the cemetery and the soccer fields that may be able to be used. The schools got a legislative grant to construct a tennis courts. The schools cannot use it for various reasons, and they asked us to move forward with it. We wanted to build it adjacent to the Senior Center. It should be used for football, soccer, etc.
5. Parks – We have over 430 acres of open space for parks in the City. Mayor Brockett asked about the Balloon Park. Mr. McNeile said we have a couple of possible spades. We hired a professional to review our request and get it moving. The installation of the pavilions at Hoosier and Griggs Field will be picnic tables and structures.
6. Alameda Zoo – The oldest zoo in the Southwest. We are an AZA accredited zoo, with Albuquerque and Carlsbad.
7. Library – Ami Segna, Bonnie Meagher, Jeannie Houghtaling.

They are interested in cutting some hours on Sunday to help save money in the budget. The NMSU library is open on Sunday's and open to the public. They would be willing to increase staff coverage in all departments on Monday-Saturday. Jeanne stated they conducted a survey online and in the paper, they did not receive one comment against closing on Sunday's. Mayor Pro-tem Lujan asked what other investigative work they did to look into closing on Sunday. Ms. Segna said right now everyone is behind on their work, there is no one with extra time. Mayor Pro-tem Lujan expressed his reason that he is against this and the comments he's received against closing on Sunday. He met with the City Manager, Mr. McNeile and the temporary Library Director to see if there were other things we could do. He didn't appreciate that no one got back to him and he didn't feel they even looked into his suggestion. He suggested rearranging the library and putting the secretary in a different area so she can keep an eye on both areas of the library. Ms. Houghtaling replied the person you're talking about is the reference librarian. She explained why they cannot make that move and she also explained each available position and what they are responsible for. One of the reason we have a high volume of patrons is because of high circulation. Mayor Pro-tem Lujan strongly disagrees with closing on Sunday. Commissioner Griggs doesn't know if it's a good idea or a bad idea, it looks like if this is a discussion we might want to have in a regular city commission meeting in front of the public to have a better chance of receiving more comments on the issue. Jeanne stated that they did do a survey. Mayor Brockett noted that the Sunday hours are 1-5 right now, he agrees with Commissioner Griggs about bringing it to the City Commission meeting for a public hearing. Mayor Brockett advised them to talk to the NMSU library advisor. Commissioner Brewer announced that these kids are our future and the biggest problem seems to be the kids. Ms. Segna announced that they are our first priority. She said the first reason is to close the whole day would save money and second is scheduling would be easier; the third would be covering the children's area where we did not have enough coverage. They asked Mayor Pro-tem Lujan to come in and visit with them on the issue. Commissioner Ledford stated that this is the budget, and if this is about saving money that's great. He asked what the status of the revenue for the grants and the purpose of those grants. Mr. McCourt stated the biggest chunk of money for the library grant is presenting options to the public. We have a piece of property to use for library purpose by a certain time or we would lose the use of the property, also tied to that was a cash grant. Commissioner Ledford was talking about the 1.2 million. Mr. McCourt said it has not all been spent, some has been spent for architectural and planning services. This funding was discussed. Commissioner Ledford would like to know what we are planning to spend it on. Mrs. Nichols stated the \$63,000 was spent with SE Architecture. Mr. Threadgill stated that was for architecture services where two or three designs were presented.

Commissioner Ledford said the Library is not out of hot water. The voters have spoken about this issue, and he feels we should look at serious alternatives for the library. I think they are scared about the additional taxes. We should look at something that will help us and give us some direction for the library. Commissioner Ledford said we need to really look and see what our real alternatives are. Mr. McCourt stated the staff's goal was to reduce the budget by providing minimal service reductions to the community. Commissioner Cole said he is not going to debate anything there are a lot of departments that will have to suffer financially. He feels he uses the library about as much as anybody. He thinks Sunday afternoon is a fine time for everyone to come to the library. He questions reducing the hours. Right now he would not support reducing the library hours. Mayor Brockett stated we do need some clarity of where we want to go.

Recessed at 3:50 p.m. and reconvened at 4:20 p.m.

8. Keep Alamogordo Beautiful – Cynthia Pierpoint. Commissioner Ferguson asked about the medians for First Street. Mr. McNeile stated that eventually we are going to bring that to the White Sands Rotary Club to try to finish Scenic, North Scenic and eventually to First Street. Commissioner Cole asked about tree planting and donating money in memory of someone. Mr. McNeile responded to his question. Commissioner Brewer asked if there were any plans for White Sands. Mr. McNeile responded right now they are focusing on medians, there is not a program for private property. Mr. McCourt commented on the utility poles and the advertising banners on the poles.
9. Alamo Senior Center – Veronica Ortega, Manger. Mr. McCourt stated this is a large service area within the community and it has various grant funding sources and various programs associated with the services. He referred to page 167 in the book. You will see a total amount will be \$61,198 and not all will be expended in the current FY, some will be used in the FY08-09 budget. The expenses \$39,341 should be crossed out for 08-09. That position on the top of page 166 for Senior Center Health Coordinator, if we do not receive new grant funds that position will be laid off at the end of the grant period. He reviewed each of the programs and the funding and city contribution for each of them. Commissioner Cole would like to receive the percentage of the funding for each city, state, and local funding. Ms. Ortega responded it is about 38% from United Way so it would be about 62% from state and federal. Mr. McCourt stated this is one of the quality of life programs that we provide. Commissioner Griggs stated that Ms. Ortega has done a great job of trying to cut the amount the senior's pay for their meals. We are decreasing the general fund transfer by about \$250,000. The revenues are going down and the expenses are going up. Ms. Ortega guaranteed that they would meet their revenues even if they have to make and sell burritos to make that revenue. All communities are in the same boat, and have been receiving the same amount each year. Commissioner Griggs referred to the goals and objectives on page 169 referring to increasing outside funding. Maybe we need to look at how we can change the meals we provide. Ms. Ortega stated we are mandated with what we have to provide to the seniors. They have to obtain approval on their menus. She stated they probably use about five or six vendor's right now. Mayor Brockett commented that they do a great job at the Senior Center.
10. Senior Center Gift Fund – Funds restricted to Senior Center improvements or events.
11. Retired Senior Volunteer Program (RSVP) – This program is for our volunteers that help out with services in the county that is paid through

federal and state funding for their travel reimbursement. There are currently about 600 volunteers. Our Senior Companion program allows seniors to be a companion to another senior. The Foster Grandparent Program is where the volunteers go out into the schools to help children with reading and other things and is only state funded.

12. Fleet Maintenance – Pat White, Fleet Manager. Mayor Brockett stated yesterday we heard about the electric vehicles. He explained that we will have some vehicles that would work for different departments with their different needs. They have some with crew cab or even a dump bed. They are very economical and the battery life will last about five years. We're looking at these and we know what we want, we're working on finding out the cost. It's something that is going to be very economical because of the low maintenance cost. Mayor Brockett asked if we could do this tomorrow, how many vehicles and cost per vehicle. Mr. White stated what we looked at is the fuel cost, and based on ten vehicles we could probably replace 20-25 vehicles, just on these vehicles gas alone we are looking at \$45,000/year just in gas. This company has been in business since 1946 and has many contracts. Mayor Brockett stated he strongly thinks this is what we are going to be looking at in the future. Mayor Pro-tem Lujan asked what kind of added cost in maintenance. Pat White stated to maintain the batteries, and replacing lights and such. Mr. McCourt re-stated that Mr. White is one of the people in the city who is extremely concerned about the price of fuel. We're projecting we will easily get up to \$4.00/gallon by next year. We're looking at an increase of about \$200,000 per year. The electric vehicles are not appropriate for every use in the city, but as they said before for water billing, parks, and other departments could easily use these vehicles. Mr. McNeile announced we are applying for a grant for ten of these vehicles.

C. PUBLIC WORKS – Brian Cesar, Public Works Director

1. Facility Maintenance
2. Transportation Fund – there is a grant line item on page 138 that went from 7.8 million to 0.00 in the 08-09 FY.
 - a. Public Works Admin. – We are in the process of negotiations right now.
 - b. Street Maintenance – Mayor Brockett asked about the extra employees.
 - c. Weeds & Drainage - Commissioner Cole asked how our tumbleweeds in the arroyos handled. Brian Cesar, Public Works Director announced they are checked on a consistent basis and cleaned as needed.

Recessed at 5:30 p.m., and will reconvene on Thursday, May 8, 2008 at 2:00 p.m.

THURSDAY – MAY 8, 2008 - 2:00 P.M.

Meeting reconvened at 2:00 p.m.

Mayor Pro-tem Lujan and Commissioner Brewer were absent.

Mayor Pro-tem Lujan joined the meeting at 2:04 p.m.

3. Water & Sewer Fund – Katie Josselyn & Armando Ortega.
Finance: Utility Billing – There are some rate proposals that have been projected. Mr. McCourt announced on page 230 is the summary. We are

planning an elaborate hearing process on these rate proposals, and they will be brought to the Commission for approval at a later date.

Public Works – Non Departmental – Administration

Utility Maintenance – there is a decrease of one employee

Water Filter Plant – Brian Cesar, Public Works Director stated the contract with Severn Trent will be over July 1, 2010. We will go out for bid eight to nine months prior to that.

Public Works Inspector

Water & Sewer Capital – Commissioner Cole asked for the difference between the \$200,000 and the \$800,000? Mr. McCourt explained we plan on using that for pipeline replacement during the streets program improvements and other water line breaks that they may use these funds for.

4. Solid Waste Collection System
5. Bonito Lake – Mayor Brockett asked what the update on the fish is? Mr. McCourt stated that's our contract with the Dept. of Game and Fish. Brian Cesar, Public Works Director said the last contact was they would stock the lake, we don't have any other information from them at this time.
6. Airport
8. **CAPITAL** – LeeAnn Nichols, Finance Director. Mrs. Nichols explained on page M8 is all of the capital projects budgeted in 2009. Mr. McCourt explained the CER, rolling stock that we place in the budgets. There is not a whole lot of new capital planned in this book. The ICIP will cover most of these projects and will be reviewed next.
 - A. CAPITAL OUTLAY SUMMARY REPORT (Misc. Tab Section)
 - B. CAPITAL FUNDING RESOURCES
 1. 1984 GRT (Street, Drainage & Flood Control)
 2. Infrastructure GRT – 1/16th% of GRT used in fund 63 for engineering fees, traffic control, flood control. (Community Development Fund)
 3. 1996 GRT – This involves a couple of items that transfers out and it's used in the capital area. We are transferring \$270,000 to the general fund. And also transferring money for the drainage project.
 4. Environmental Service Gross Receipts Tax (ESGRT) – This is 1/16th% that has been used as security for our share of the bond at the regional landfill to help pay for the La Velle Convenience Center.
 - C. CAPITAL PROJECTS PROPOSED IN FY09
 1. Grant Capital Projects (Pass-troughs')
 2. Airport Improvements
 3. Bonito Pipeline Replacement – Closing Fund
 4. Community Development Block Grant (CDBG)
 5. 1986 GRT (Outside City Limits Water Improvements)
 6. Snake Tank/RO Project
 7. Flood control Corp Project
 8. 2002 GRT Refunding Bond Projects
 9. 2004 GRT Refunding Bond Projects
 10. 2004 Water & Sewer Revenue Bond/Emergency Sewer
 11. 2009 Sewer Plant Project
 12. Street Capital Projects (44-9499_ - Aside from Street maintenance Program/New GRT Capital for streets

D. STREET CAPITAL MAINTENANCE & CAPITAL IMPROVEMENTS – will be both the existing street programs below. Mayor Brockett suggested making it as brief as possible. Mr. Cesar said at this time we are still on track with the two projects we started this year. He read the schedule of streets that will be affected.

F44-9003 – Street Maintenance Program FY08
Combined Fund – 2004 ¼% GRT and 2008 ¼% GRT.

5-YEAR INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECTS (ICIP)

Mr. McCourt gave an overview of the ICIP and how it is set up. Then the items that are included in the ICIP were reviewed.

Changes requested:

Satellite update of the aerial maps - move to 2010

First Street bike walking path – move to 2010

Playground replacement and Sun Shade structure money was not received - move to 2010.

Master Drainage Plan – Commissioner Cole asked if it is the same plan that was discussed years ago. Mr. McCourt stated we do not currently have a master plan in the City of Alamogordo.

Intake structure repair – cross out the 4 million it is duplicated by the Bonito Dam Intake Tower repair study.

Mayor Pro-tem Lujan left the meeting at 2:50 P.M.

Commissioner Ledford stated this ICIP is kind of a wish list. He was trying to reconcile this with our budget, there are several that don't. In fund 49 on page 210 the error is the \$225,000 for special legal, and consultant services. Mrs. Nichols explained the change. Commissioner Ledford thinks we should also look at Fund 49 because the numbers do not match.

Recessed at 3:10 p.m. and reconvened at 3:46 p.m.

5-D. COMMUNITY DEVELOPMENT

1. Building Codes
2. Planning – Commissioner Griggs announced that currently we are involved in the re-draft of the ordinance. Marc South, City Planner addressed the Commission. One of the questions of conditional use variances. What will be done is take what has been presented take another good look and clean it up and then it will be brought back for approval. Commissioner Griggs would like to see the application package become substantially smaller. Mayor Brockett asked how difficult it is to prepare for the census. Mr. South also announced a CDBG Grant in the budget that the city's match is \$5,000.
3. GIS/Land Management -
4. Property Acquisition – Commissioner Cole asked the City Manager the reason for the decrease from \$545,000 to \$20,000 in the budget. Mr. McCourt announced that we anticipate that amount to roll over to the next fiscal year.
5. Community Development – Engineering – Commissioner Griggs mentioned it was last year we approved the position for a project manager. Mr. Threadgill announced the new employee will start on May 19th.

Building codes – Mayor Brockett asked for this to be the last topic that was discussed. This week we've heard the bad news of the price of gasoline and the economy and it's downturn. This is something we have no control over, but building codes is something that I believe we do

have some control over. Mayor Brockett had been in contact with Lisa Martinez from CID and is working on a relationship with them. The comment that we're not talking about the contractor's who are hearing today, we're talking about the next generation of contractors and the next generation of homeowners was made by the Mayor Pro-Tem. This is the reason I want to work on whatever we can to keep this in the city. We need to look into what we need to do in the division. For both sides to work, even the contractor's have taken time out of their work. We need these things to be positive in nature. He opened it up for Commissioners to comment.

Commissioner Ledford stated he knows he would like to keep it open, he thinks it's better for our community to have it local. The most calls he gets has to do with the vision of trying to be helpful, pleasant, and proactive. We need to try to resolve the roadblocks.

Commissioner Ferguson would like to see us keep the building codes department, but he can see the big turnover of inspector's and if Albuquerque needs one, they are going to be out of here. He doesn't want the contractor's to have to go to the state and slow everything down. He doesn't know what the answer is to get the inspector's here and keep them here.

Commissioner Griggs thinks we've been at this stuff for awhile and some of those things are being looked into now. In order to get this thing done we need to be sure to provide the staffing level that is needed, then we've certainly got to look at the processes. Salaries are a part of that as well. These things as a package can make it work. He doesn't however share Mayor Brockett's optimism about Lisa Martinez because we worked with her preparing the ordinance. It appears we had to have the change in our ordinance and they wouldn't allow the changes in our ordinance. Now they are not letting our candidates sit for the test to get them certified to work. State Representative Gloria Vaughn was here and was asked to look into the CID. Commissioner Griggs asked if we need a full-time plan reviewer and if that would assist with this problem.

Commissioner Cole added that he supports the comments the other Commissioners have made. If a building inspector moves here he has to take the test again. Mr. Threadgill stated it's at the state's discretion. He also agrees we need to hire more staff.

Mark Threadgill stated that we are engaged in active dialog at least on a weekly basis with the Building & Contractor's Association of Otero County (BCAOC) and working with the processes. I've learned there is a misunderstanding to what we require and to why we do things. Our primary constituencies are the 35,000+ people who live in the city, not the BCAOC. We also have to serve the contractor's and the builders, we cannot sit on something for 90 or 100 days or whatever, and we have to do their job the way we have to do it. As we fill these positions we are going forward with the testing of the new employees. We are making some changes that will hopefully speed up the process. Right now, we need three full-time inspector positions filled. Will we need more employees after that, he can't quantify that at this time.

Mayor Brockett asked him to touch upon the rate of pay. Mr. Threadgill said our entry level is generally \$1.00 to \$1.25 lower. We are not the highest and we are not the lowest we are right in the middle. We overlap in the APY ranges.

Mayor Pro-tem Lujan asked Ms. Nelson in her previous experience, is that all of the problem. If we were to get caught back up where we were, do you thing they might have stayed around? Lora Nelson stated at this point any increase to staff would be useful.

Commissioner Ledford stated we need to keep in mind that the building industry is important. It's going to be tough to go adding people right now because we have this budget before us. I think you're doing a good job of communication and I appreciate that. Are you still evaluating what you want the budget to be? Mr. Threadgill wants the budget to be at the minimal. Mr.

Threadgill can't quantify the addition of another position. There are also areas of technology that could help but first he needs bodies. Commissioner Ledford stated we were under the impression that the state was going to help us out.

Commissioner Griggs said his thought was to change the process. What you're going to have to decide is when you're fully staffed whether you need more positions. Currently we've got a position in the City Attorney's office as the Assistant City Attorney and you and Mr. Threadgill can arm wrestle to figure out the problem.

Lora Nelson stated she understands that we do need to look at the processes and what we can do to make it better. When I'm asked to take on another task I cannot spend time on that without taking time from some other task. She is asking for someone to help with plan review.

Allen Gorby stated this department does need some help, but the state does take some time. You lose that ability to talk to the inspector directly when we are with the state. Mark, Lora, Pat, and I have been working on some changes that can work. I would hate to see all of that time and energy we have put into this to be a waste. Mr. Gorby stated that Mark has even taken the time to come to the BCAOC committee meetings. The vicious circle is that if we're losing money, we're not spending money in the community either.

Commissioner Ledford agrees that if we get the staffing up to what it should be then we should look at additional staff and find a way to pay for it. We have a problem with backup in the state, we need to address that and figure out where we go from there.

Mayor Brockett stated that in the budget is the five full time and one part time. Commissioner Griggs said I think you hit it already that Mr. Threadgill says minimum staff is in the budget and Lora Nelson says limited staff would be changing the part time plan review person to a full time person.

The City Attorney did say that he could give up the Assistant City Attorney position.

Ernesto Martinez, Bar M Construction, Inc. said the reality is that having been the past president of the association, he appreciates what the Commission is visiting about and the positive attitude that Lora Nelson and Mark Threadgill have brought to the table. He's not real confident with the regulations, if we go to the minimum it's a detriment to our community. We hire the citizens in this community. If we went to the state it would cost the taxpayers almost nothing.

Mayor Pro-tem Lujan asked if we went up to our minimum standard would you have a problem keeping it here. Mr. Martinez replied that he would be happy to stay here because he loves his community and he wants to stay here. Mayor Pro-tem Lujan thinks what he's said is the best idea so far, between the legal department and the building codes. Right now we need to decide one way or the other and we need to get something done as soon as possible.

Mayor Brockett appreciates the comments and appreciates all that Lora Nelson does.

POLICY DISCUSSION

9. Commission Actions to take:

Approve Budget Resolution No. 2008-13 adopting the Fiscal Year 2008-2009 Preliminary Budget. [Roll Call Vote Required]

Commissioner Cole moved to approve Resolution No. 2008-13 adopting the preliminary budget as amended and classification and salary plan for FY 2008-2009.

Mayor Pro-tem Lujan seconded the motion. Motion carried by a vote of 6-0-0.

Approve Resolution No. 2008-14 adopting an Infrastructure Capital Improvement Plan (ICIP) for FY2009-FY2013 as amended. [Roll Call Vote Required]

**Commissioner Ferguson moved to approve Resolution No. 2008-14 adopting an Infrastructure Capital Improvement Plan (ICIP) as amended for FY2009-FY2013.
Mayor Pro-tem Lujan seconded the motion. Motion carried by a vote of 6-0-0.**

Mayor Brockett thanked LeeAnn Nichols and the finance staff for keeping us fat and happy. He also would like to thank staff for all of their work on this budget.

The meeting was adjourned at 5:28 p.m.

/s/Steve Brockett

Mayor Steve Brockett

(SEAL)

ATTEST:

/s/Reneé L. Cantin

City Clerk Reneé L. Cantin

*(Prepared by Reneé L. Cantin, City Clerk)
Approved at the Regular meeting held on May 27, 2008.*