

A.2 SPECIAL MTG. OF 5/24/2012.

TABLE OF CONTENTS FOR COUNCIL MEETING HELD MAY 24 , 2012:

(A) Preliminary Budget for Fiscal Year 2012-2013—Adoption of Resolution #11-12-35, Interim Budget.

THE CITY COUNCIL OF THE CITY OF PORTALES met in special session Thursday, May 24, 2012, at 5:30 p.m., in the Council Chambers of the Portales City Hall in full conformity with the rules and regulations. Mayor Pro-Tem Jackson called the meeting to order in the absence of Mayor King and asked City Clerk Martinez-Terry to call roll. Those present and constituting a quorum were:

MAYOR: Sharon L. King (absent)

MAYOR PRO-TEM: Ronald L. Jackson

COUNCIL MEMBERS: Matthew Tod Hunton
Leo Lovett
Michael Lenard Lucero
Dianne Y. Parker (absent)

Antonio Salguero
Oscar Robinson
Keith A. Thomas

STAFF PRESENT: Tom Howell, City Manager
Joan Martinez-Terry, City Clerk
Dennis Hales, I.T. Director
John DeSha, Public Works Director

Marilyn Rapp, Finance Director
Susan Baysinger, Capital Proj. Admin.
Jeff Gill, Police Chief

OTHERS PRESENT:

(A) PRELIMINARY BUDGET FOR FISCAL YEAR 2012-2013—ADOPTION OF RESOLUTION #11-12-35, INTERIM BUDGET

Mayor Pro-Tem Jackson asked Marilyn Rapp to begin the preliminary budget presentation. Ms. Rapp gave the Council a brief overview of the process mandated by the State and told the Council that the preliminary budget is due by June 1, 2012. She added that the final budget must be submitted in July. Mayor Pro-Tem Jackson asked if submittal can be done electronically or must it be a hard copy. Ms. Rapp responded that it can be submitted electronically. Rapp told the Council that the Council's top priorities are the well field and water line upgrades; the Waste Water Treatment Plant; replace and repair of City infrastructure for which funds have been budgeted (new water wells, water line upgrades, Automated Meter Reading, SCADA system, street work in Fund 216, plan and design of the waste water treatment plant, building repair and upgrades, ensure that the budget has sufficient funds to pay debt service for bonds and notes, and manage capital projects and purchases to ensure adequate cash matches and in-kind services for compliance with grant agreements). Mayor Pro-Tem Jackson asked about the City's debt service. Ms. Rapp responded that there aren't any bonds in General Fund, but there are payments still due to Retiree Health Care. Councilor Robinson asked Ms. Rapp why there were brackets in Solid Waste Fund on one of the reports the Council was given. Rapp responded that the credit is in the transfer fund on the 2011-2012 budget recap, which is to help pay for services provided by General Fund to the Solid Waste Fund. She stated that the recap and proposed budget forms were provided for comparison of the two years. Rapp told the Council that the proposed ending balance for 2012-2013 was \$452,441.00 as compared to the estimated ending balance for 2011-2012 was \$447,344.00. She commented that the budget was prepared to end up about the same.

Ms. Rapp reviewed the charts for General Fund expenditures with the Council: wages & benefits—77%, which is 1% more than in 2011-2012; travel—1%; purchases services—3%; contractual services—3%;

supplies—6%; and other expenditures—10%. Rapp reported on the capital items budgeted: \$40,000.00 for Municipal Court software upgrade and training; \$10,000.00 for Library zeriscaping and fencing; \$18,700.00 for a General Services travel vehicle; \$66,000.00 for Police vehicles; Technology Department \$30,000.00 for VOIP, \$28,960.00 for vehicles, and \$20,000.00 for Servers & Routers; \$30,000.00 for Parks for a man lift & fencing; \$40,000.00 for Planning for demolition; \$5,000.00 for Sr. Citizens Department for a pressure washer, refrigerator and copy machine; \$10,000.00 for EMS for transfer to EMS fund for help for a truck; \$100,000.00 for Streets for a chip spreader; and \$200,000.00 for Capital Projects Building fund for building repairs and upgrades. Councilor Lucero commented that he did not see anything in the budget for raises or incentives for the employees. City Manager Howell responded that the Councilor had stolen his thunder; that the increase would appear in the final budget with a 30 cent across the board increase for all employees and a non-management 60 cent increase for Firefighter/EMTS. The Council had a few questions relating to the proposed ending balance in the 2011-2012 budget; the process for developing the budget; and savings realized by using the VOIP system. I.T. Director Dennis Hales stated that the VOIP updated the City's phone system from an archaic system. He commented that it initially cost more but provided increased services to the City. He added that the new system is computer controlled and that it rings at different locations if not picked up at the switchboard.

Finance Director Rapp reviewed the budget charts for the Solid Waste Fund: wages & benefits—30%; travel hardly registers; contractual services, which includes landfill tipping fees—47%; supplies—9%; and other expenses—5% and capital expenses—2%. City Manager Howell commented that the Solid Waste Fund will have to spend some money to drill a couple of monitoring wells at the landfill. He stated that monitoring of the landfill has to be done for 25 years. He commented that travel is for training of staff. He reported that there are 7 monitoring wells at the landfill.

Marilyn Rapp told the Council that the Water & Wastewater Fund expenses included capital projects for Water & Wastewater Fund: \$2,200,000.00 for the Los Lomas Well Field expansion and tie in; \$80,000.00 for Los Lomas; \$275,000.00 for inserta valves, flow meters and well field rehab; \$115,000.00 for rehab of lift station and 4-log meters; \$35,000.00 for engineering for state grant; \$25,000.00 for a vehicle for the Public Works Director; \$110,000.00 for state grant for water improvements; \$100,000.00 pump at trickling filter; \$850,000.00 for Waste Water Plant design; \$50,000.00 for head works at lift station; and \$15,000.00 for a sampler. She went on to explain the rest of the budget in Water & Wastewater Fund as: wages & benefits—14%; travel—no percentage shown; purchased services—43%; contractual services—21%; supplies—1%; other expenses—10%; and debt service—6%. She stated that the large increase in budgeted expenditures is due to the waterline project at Los Lomas well field and the proposed changes at the waste water treatment plant.

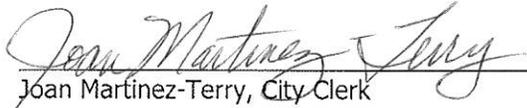
Rapp reviewed the Airport Fund expenditures for the Council and explained that the 2012-2013 budget is less in this fund because there was a grant in the 2011-2012 budget: wages & benefits—13%; travel is minimal; purchased services—7%; contractual services—10%; supplies—4%; other expenses—31%; and capital expenses—35%.

Councilor Hunton asked about budgeting more funds for street work. City Manager Howell responded that there is an increase of funding for streets in the new fiscal year stating that there is an additional \$70,000.00 in the general fund for street work. Councilor Lovett asked about improvements to a railroad crossing. City Manager Howell responded that the railroad and NMDOT have to agree participate in improvements to railroad crossings. Councilor Robinson asked about funding for 2 crossings and the need to get more than one crossing improved. City Manager Howell estimated the cost of improvements to 2 crossings as \$500,000.00. He stated that the railroad crossings in the city limits are the ones at Lime Street, Boston, Main, Avenue B, Avenue I, Avenue K and University. He commented that the U.S. 70 project through the City has taken 6 years to be started. Councilor Lovett commented on the problems with stray dogs—that it is reported in the newspaper all the time. He asked about the number of staff in animal control. City Manager Howell responded that there are 3 people in that division—2 animal control officers and one in the shelter. Councilor Lovett commented that there may be a need for an additional person in Animal Control and Code Enforcement; and an educational campaign. Mayor Pro-

Tem Jackson asked for further questions or comments. Finance Director Rapp asked that the Council adopt Resolution #11-12-35, adopting the interim budget presented. Mayor Pro-Tem Jackson asked the pleasure of the Council. ***Councilor Lovett made the motion to adopt Resolution #11-12-35, adopting the 2012-2013 Interim Budget as presented. Councilor Hunton seconded the motion. Roll call vote of all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

ADJOURNMENT:

There being no further business or comments, Mayor Pro-Tem Jackson adjourned the meeting at 6:30 p.m.


Joan Martinez-Terry, City Clerk