

## City of Rio Communities Budget Hearing Minutes

April 13, 2017

- Mayor Gwinn called to order the Budget Hearing at 1:00 pm.
- Present: Mayor Mark Gwinn; Councilors Peggy Gutjahr, Arturo Sais and Thomas Scroggins.  
Absent: Councilor Bill Brown.  
Also Present: City Manager Bob Skerry, Treasurer Celina Benavidez, Finance Clerk Marsha Walton, Municipal Clerk Lisa Adair and Deputy Clerk Pam Johnson.
- There were a total of three audience members.
- Mayor Gwinn thanked everyone for being here today.
  
- Manager Bob Skerry gave a presentation concerning a draft proposed budget for year ending 2018 and the budget was distributed to the residents in attendance. This presentation and the proposed budget are attached and made part of this record.
- Mayor Gwinn opened the hearing up to the public for questions and comments.
  - Clarke Metcalfe said he doesn't see any mention of traffic lights on Golf Course Road at Hwy 47 or Hwy 304. He said both are needed and Helga Woerner has a petition. He asked if there is anything in the budget about a street light.
  - Mayor Gwinn said that is a state funded project and explained that we would take ownership once the lights are installed but it's up to the State to install them. He said when we go to DOT meetings, we can ask them to consider it but they make the decision.
  - Henry Rau asked if the proposed budget is available as an electronic spreadsheet.
  - Mayor Gwinn said it won't be until it's finalized.
  - Henry Rau asked if we can get a display showing the major categories as a pie chart of the total expense.
  - Mayor Gwinn said we can look into doing something like that.
  - Henry Rau said he could do it if he can get an electronic copy of the document.
  - Mayor Gwinn said we probably have people that can do that. He said we could do a pie chart and see how everything breaks down.
  - Henry Rau said he would like to see how much of our expenses are overhead and how much of our expenses are projects and programs.
  - Frank Stasi asked regarding public safety, with what we have now, what are we doing to protect the people here more.
  - Mayor Gwinn explained we are continuing our MOA with the County and then explained we are looking at adding lighting.
  - Frank Stasi asked if we are looking at adding another officer.
  - Mayor Gwinn said we are not during this budget. He said hopefully we will be focusing on that in our 2019 budget but right now no. He said we're not looking at adding another officer.
  - Frank Stasi asked if we are looking for any kind of security that would help the people.
  - Mayor Gwinn said we aren't looking at any type of security. He said we deal strictly with the County Sheriff for security.
  - Clarke Metcalfe asked about the health clinic study. He asked if they have a vision of what the health clinic will consist of – a physicians' office building, urgent care or what do they have in mind.
  - Councilor Gutjahr said there are several people in the State who collect data and set up medical clinics and we need to have someone come here to tell us what would be workable for us. She said even though there is a lot of data available, we need to deal with someone who has done this before. She said the \$20,000 in the budget is to pay for someone to come here and look at what would be workable for us including all the things just mentioned. She said even though there is a lot of data, we really need to deal with someone who has set up medical facilities and look at our options.
  - Manager Skerry explained we won't know what we need until we have someone put the data together. He said some of the data has been collected, but we need an objective person to look at it and make it work.
  - Councilor Gutjahr said other issues that keep coming up are the number of providers available in the State, how we manage that and entice them to come to this area. She said we did a lot of surveys at the Health Fair in October and most people said that helped them make changes in their life. She also mentioned the

large of number of EMS calls and said we need to work with the fire department EMS to talk about what they're seeing and what we can do to help people avoid calling them for routine things.

- Councilor Gutjahr said, regarding public safety, one of the biggest changes that has been very helpful is Neighborhood Watch. She said that group has really come together to help people understand how to take care of their own personal safety. She said when Jody Skelton and her group got together they realized that people need to be able to do their part.
- Councilor Gutjahr said she is not saying there's not a city responsibility but there is also the community responsibility to do things we can't do and that's been a big issue. She said it will take time for them to put it into place and as we do that and continually work at it, the element we don't want here will get a push to not be here because they're tracked and followed. She said we support that group, they meet here and we work with them because they're the ones that are getting the community together.
- Frank Stasi said what they are doing is excellent and he's following them but one officer can't do it. He said one officer on one shift cannot possibly take care of the whole city and the government body needs to talk about it – what's the solution? He said the Neighborhood Watch is a very big part of it - everybody is going to know what's going on but what do we do to call somebody. He said it's going to take longer if he's not on that shift and the government body should look into what we can do to get some added protection whether it's another officer part-time. He said we need to look into the things we do – that officer needs help and the people can only go so far and then we need back-up and we don't have any. He said he doesn't know if the governing body even discussed hiring another officer and what it would cost – just to look at the options and he thinks it should be addressed and the people should be told what council is trying to do. He said we're in the dark – was everybody looking for another officer? - of course they were - can we afford it? – you never say no. He said we need to see what we can provide besides that officer.
- Mayor Gwinn explained we are seeing more and more sheriff patrol officers and when Roque is not on duty, we usually have two or three people patrolling this area. He said it would be nice if we could have worked it out where they could open the sub-station here but they want everything in Los Lunas and dispersed from there.
- Mayor Gwinn said, at any given time, we see two or three officers patrolling and a couple team up with Roque when he's here and they cover down to Hwy 60 on Hwy 47 and Hwy 304 and to Las Maravillas. He said they are in this area and we're seeing more and more of them. He also said the lieutenant comes in and covers issues with Jessica and Jody and the block captains and they're providing a lot of information and timely feedback. He also said they have forms they fill out and get them to Burkhardt's understudy and those things are aggressive and help to secure the neighborhood.
- Mayor Gwinn explained that each officer comes at \$125,000 which covers everything that comes with that officer. He said we have discussed this and brought it up several times but the bottom line is where we're going to get that money. He said we need to grow our economy - that would help – we need to get more GRT coming in. He explained that we lost Wolf Paw and that cost us about \$3,000 a month and we lost FOXO. He said FOXO didn't cost us a lot but Wolf Paw put a big dent in our GRT.
- Councilor Sais said one area we are also looking at is the lighting aspect. He said that's small but at least it's a prevention diversion. He said we'll have some, like the star gazers, that don't want lights but we have some dark neighborhoods and hopefully by lighting some of these areas we can have more prevention/diversion for law enforcement. He said that would help as we get more law enforcement support and they will be able to see when things are happening. He said these are the problems that have always been the number one issue and public safety continues to be.
- Mayor Gwinn said public safety is a concern in every community.
- Councilor Sais said we've done studies in our community. He said Rio Communities is his concern and lighting is one of the areas we'll continue to discuss.
- Clarke Metcalfe asked where law enforcement is on the budget.
- Mayor Gwinn explained that it's listed as contract with Valencia Co.
- Manager Skerry explained that \$125,000 is the actual contract. He said this year it cost \$127,500 because the contract calls for things that we need like a swat team or extra investigators. He said the homicide here took overtime and specialists so that's charged on top of the contract.
- Manager Skerry also said projections have been done on the cost of an extra officer but the residents need to have a discussion on level of service they want and what level of taxation they are willing to support to

get that service. He explained that if we're shooting for 2019, that discussion needs to start now as to what they're willing to have for taxation, which is basically property tax, and that gets delayed another six months. He said if we start now and we're looking at a mill levy increase or whatever we're still a year or a year and a half out before we'll see the money.

- Mayor Gwinn said the money has to be paid up front.
- Frank Stasi said if you look at a mill levy and it goes in the general fund, it should be dedicated to public safety. He said people don't want it to go to the general fund and you can do anything you want with it. He said if it's a mill levy it should be for a specific purpose and not let the governing body decide later what to do with it.
- Manager Skerry explained the contract we have now gets paid up front at the beginning of the fiscal year. He said it's \$125,000 at one time and not paid out as taxes come in so we have to build up that fund in the general fund to be able to write a check when it's due. He said it also depends upon staffing abilities of the sheriff to be able to provide those services.
- Councilor Sais stated that going along with public safety, we are also looking at a full-time code enforcer and at least have more eyes on the neighborhood. He said there are a lot of things that have to do with public safety. He also said we have a lot of abandoned buildings that are hazardous and at least we can identify them and the code enforcer could document some of these things. He said a full-time code enforcement officer could enhance some of the policies put together with planning and zoning.
- Frank Stasi asked if the governing body has ever looked into why we keep losing a code enforcer.
- Councilor Sais said it's a tough job.
- Mayor Gwinn said dealing with the public is tough but, in Preston's case, he retired. He said he lost his wife and needed something to do with his time and, when he initially came to us, it was going to be for a year and he worked a little over a year.
- Councilor Gutjahr said he liked working here but his issue was that in his last week, he had one more person get in his face and tell him they aren't going to do this. Preston decided he could retire. She said Preston was very good and in his letter of resignation, he offered to come back and train whoever we hire and he set up a good program.
- Henry Rau said he was not aware that the substation idea is not going to happen and asked if it should it be removed from the comprehensive plan.
- Mayor Gwinn said we're still trying to work something out and it's a viable thing for this portion of the county.
- Manager Skerry explained it depends on who is the sheriff and that's an elected position so it's left in the Comprehensive Plan because the new sheriff this time next year may consider it.
- Henry Rau asked if it is in the budget now.
- Mayor Gwinn said no and then explained that he has talked with a few people that are considering running for sheriff and they would like to consider a substation in the four quadrants. He said they have everything in their computers and when we brought up having an office for Roque, we were told his office is his car. He said you see policemen out in the community, and you'll see them at Rio Communities gas station, by the old dentist office or Al's Mini Mart and they're in their cars doing their reports.
- Henry Rau said revenue projections are estimated to be \$4,224 in court fines and asked how we came up with that number.
- Manager Skerry said we've had a court operating for one quarter so we took what they've collected so far this year to make that projection.
- Henry Rau asked if that counts traffic citations.
- Mayor Gwinn said that is probably what's driving that number more than anything else.
- Manager Skerry said traffic citations could go up. He said we have a flashing speed limit sign and Roque is giving people a break now and telling them from here on out it's obvious the speed limit is 25 mph on Golf Course. He said in other words, the days of getting a warning are coming to a close.
- Frank Stasi said he does believe if we want a substation it needs to be done during an election year. He said the people here will get together and go after them so if they want to get elected we can say this is what we want if you want our vote.
- Manager Skerry said there will be a new sheriff in office by next March. He then explained we would provide the space, electric, heat, etc. for a substation. He said the space will be there no matter what but

it's a political decision for whoever runs and we'll keep the space available. He said that's what we've talked about in the past.

- Mayor Gwinn said we need to keep that space open.
- Henry Rau asked if we can see a balance sheet so we know how much money is in the bank.
- Manager Skerry said the financial reports are available at the council meeting at the end of the month. He said the balance sheet and payables are all discussed at the meeting and all that information is public record.
- Henry Rau asked if this budget adds to or subtracts from our existing bank balances if this budget comes to fruition.
- Mayor Gwinn said as we end the year, there will be money in accounts that will roll into other accounts, for example lighting. He said Bob and Celina will do a roll-over into that account so it could double.
- Manager Skerry explained that sustainable funding for staffing, policing, utilities and overhead cost of running the city is paid out of reoccurring income. He said, at the same time, we're pursuing grants and in two years we got \$1.2 million worth of windfall and that is what's being used for matching funds for grants. He explained that's where the \$305,000 for capital outlay is coming from and also \$400,000 for match for roads. He said we have to have the money there to be able to apply for a grant and show that we have the money for the match. He said we may get \$85,000 to \$100,000 from one grant and \$150,000 to \$200,000 from another grant so all the \$400,000 won't be used for roads that year. He said we got thirty-one miles of paved roads with \$1.2 million and the only way we can do that is to use matching funds. He said some of the grants are 9-1 (10%) so if we have \$1,000,000 we can turn it into \$9,000,000 or \$10,000,000 over many years.
- Manager Skerry explained that reoccurring costs have to be covered by reoccurring income according to DFA. He explained that council finalizes an interim budget for June 2 through July and we're trying to use the previous ten or eleven months for actual cost. He said as we get closer to the end of the budget year, we have a better idea of what costs and revenues are. He said the interim budget is approved by DFA and they go line item by line item to see if we have the sustainable income required.
- Henry Rau asked are we or are we not increasing the reserve by \$200,000.
- Manager Skerry said he has requested that council increase the reserve because the state only requires 1/12th or one month's worth of GRT, but if something happens and we lose a business here, 1/12<sup>th</sup> is only thirty days. He said that's not much reserve so he suggested we put some of the reserve funds from the \$1.2 million and other carry-overs in an interest bearing MFA account. He said it's an interest-bearing account but we can get to it with thirty days' notice.
- Councilor Sais said he is concerned about not putting money away and he would like to see the reserve enhanced as we go along. He said some of the cities are in the red and we're somewhat lucky because we're a new city. He said a reserve fund gives him peace of mind and at this point we can't be overspending.
- Mayor Gwinn said the Municipal League as well as the city managers are looking at increasing their reserve to 3/12<sup>th</sup> and even up to 25% of the monthly GRT's going into reserve. He said their studies show that a lot of municipalities, including Albuquerque, have less than 3% in reserve to operate on if something catastrophic happens.
- Councilor Gutjahr explained that the legislature has been looking at redoing the whole tax structure and they let us know that the possibilities are that we will have to manage for six months without GRT's coming in. She said we see that coming and we've been told by Municipal League that we should count on this happening and we should make sure we have funds we can access that are put away for reserve.
- Mayor Gwinn said they want to go to a sales tax rather than gross receipts tax. He said, in order to get powers that be in Santa Fe to understand the process, they would have to stop all funding for six months to get everything set up.
- Clarke Metcalfe asked if a resident wants to know how much money we have in the bank, can they look at the website or how would we find out.
- Mayor Gwinn said that information is made part of the minutes.
- Frank Stasi asked if the \$1.2 million being used only for grants and nothing else.
- Manager Skerry explained that everything is being used for capital outlay which is anything over \$5,000. He explained that in order to maximize the use of the money, instead of taking \$1.2 million and do one mile of road, we apply for a grant and are able to get more.

- Frank Stasi asked if we still have \$1.2 million after all the grants.
- Manager Skerry said we have a large portion of it. He said he can get an exact figure if that's what we want.
- Henry Rau asked whether anyone has looked around New Mexico to see what other cities' budgets look like and what our budget looks like compared to other cities our size.
- Manager Skerry said absolutely. He said he is one of 35 city managers in the state and he has talked to all of them. He said he also has mentors that suggest various ways to raise money or how to get it. He said we're a poster child as to how to start a new city. He said by being in the City Manager's association and going to the meetings, he is also a part of the National City Managers and their website has an excellent data base.
- Councilor Scroggins said there are many small cities in New Mexico that run their city on the small city assistance funds that come from the state and that's all the money they get.
- Henry Rau said he looked at Edgewood and they managed to spend 28% of their budget on public safety and he wonders how we compare.
- Mayor Gwinn said he we have looked at various cities and what they are doing as well as Municipal League and DFA at their workshops. He said we had no findings at our last audit and we constantly go through different areas and see what is recommended so we can get the best practice.
- Councilor Scroggins said Edgewood has businesses that pay GRT. He said we get about \$30,000 in GRT and Belen gets close to \$500,000 and that makes a big difference. He said in two months they have the equivalent of our revenue for the entire year.
- Manager Skerry said Edgewood has the Ford dealer and that's a major portion of their GRT.
- Mayor Gwinn explained that they also have Walmart and huge truck stops and a total GRT close to \$337,000. He said they've been around for a while and we need to increase or economy.
- Councilor Sais said he would like to know the percentage of what we use for public safety.
- Manager Skerry said to DFA public safety includes all items – not just law enforcement. He said we can do a pie chart but it depends on what you want to see on the pie chart.
- Councilor Gutjahr said they've had many good discussions among themselves on the items brought up today. She said we've discussed what we need and what we can sustain because in many ways our growth is flat. She said in looking at the crime statics over the county, we still have the lowest rate per person. She said that doesn't mean we don't need to make sure we have police presence but we need to balance where we are now.
- Councilor Sais said he knows the infrastructure is a major thing, but we have to look at things people can see so they know what their taxes are paying for. He said if people can see improvements the response will come back to us. He also said public safety has always been number one.
- Mayor Gwinn explained that when the lieutenant was at the Neighborhood Watch meeting, he basically said it starts with home owners protecting themselves. He said Neighborhood Watch will be a good start and those ladies have done an outstanding job in uniting this community.

#### Adjourn

- The budget Hearing was adjourned at 2:07 pm.

Respectfully submitted,

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Elizabeth (Lisa) Adair  
Municipal Clerk

Approved:

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Mark Gwinn,  
Mayor

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Margaret (Peggy) Gutjahr,  
Councilor Mayor Pro-tem

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William (Bill) Brown,  
Councilor

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Arturo R. Sais,  
Councilor

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Thomas Scroggins,  
Councilor

Date: \_\_\_\_\_