

City of Rio Communities Budget Hearing Minutes

May 14, 2018

- Mayor Gwinn called to order the Budget Hearing at 6:02 pm.
- Present: Mayor Mark Gwinn, Councilors Bill Brown, Peggy Gutjahr, Arturo Sais and Joshua Ramsell.
Present: City Manager Bob Skerry, Finance Officer/Treasurer Celina Benavidez and Municipal Clerk Lisa Adair.
- There were a total of 26 audience members.
- Mayor Gwinn thanked everyone for being here today and explained the process of the hearing.
 - Manager Bob Skerry gave a presentation concerning a draft proposed budget for year ending 2019 and the budget was distributed to the residents in attendance. The proposed budget is attached and made part of the record.

- Mayor Gwinn asked for comments from the Council.
- Councilor Gutjahr reminded the public this is not a final budget.
- Councilor Gutjahr asked where in the budget is the wages for hiring a Fire Chief and an Assistant Fire Chief.
- Manager Skerry explained on page three of the expenditures is where it is listed and then said this is new payroll and new staff, but the funding will be coming out of EMS GRT's.
- Councilor Gutjahr asked if this could be funded differently, such as assistant fire chief and hiring EMT's.
- Manager Skerry explained the reason we put into the budget a Fire Chief and an Assistant Fire Chief we need trained people to work on their own budget and further explained the fire funds are tied to it being a volunteer fire department.
- Councilor Brown said part of the discussion for the fire department is coverage and where would we get the bang for your buck and explained his breakdown of possibly funding a fire chief and 3 EMT's or doing other combinations.
- Manager Skerry explained that it could jeopardize your fire funds. He then said looking at moving forward once you have a good command staff you will see your volunteers come in.
- Councilor Sais said some concerns that have come to his attention is the infrastructure, fire department and law enforcement. He then said we need to move forward with the staff positions as well as growing the force for our City.
- Councilor Ramsell agreed with the other Councilors as far as our needs such as continue repairs to the roads and said he feels the placement of street lights in the municipality area will go a long way for prevention.

- Mayor Gwinn opened the hearing up to the public for questions and comments.
 - L.E Rubin, Avenida Del Fuego has questions regarding the proposed revenue page 2 under M2 and P1 they are both County EMS GRT's what is the distinction those two because they are labeled the same.
 - Manager Skerry explained in the previous years they went into the fire funds, but this year since we are breaking out salary out of the EMS funds it has to be separated because you can't mix the funds if you are going with paid salaries.
 - L.E. Rubin said so the money that is coming on M2 from Valencia County EMS GRT shows a projected \$105,000.
 - Manager Skerry said that is what we are going to close out this year with and that is all we can project.

- L.E. Rubin asked does that money come from the same place and Valencia County EMS GRT the next line item.
- Manager Skerry said yes that \$99,058.00.
- L.E. Rubin asked if they're was not going to project any money for next year but move it over.
- Manager Skerry explained this is a new fund and then explained everything listed in dark blue is a new fund.
- L.E. Rubin said is the nominal fee not listed in the budget anywhere.
- Manager Skerry said the nominal fee is separate and not on the budget, then explained the \$138k is the minimum fire fund allocation minus the \$55,000 that comes off the top for the payment of the rescue units we got a year ago and explained getting the low interest loan to buy the units and we had to sign an agreement for them to do an intercept from the fire funds.
- Henry Rau – Willow Lane said on the expenditures document the third page at the bottom regarding the gross revenue, total expenditure, net balance forward and available cash, he doesn't know what year this is for and where those numbers come from.
- Manager Skerry explained the summary of the budget on the total gross revenue, total expenditures, net (after expenses) balance forward and the available cash balance.
- Henry Rau asked where is the 1.48 million gross revenue where is that and for what year.
- Manager Skerry said it is for this year, fiscal year 2019 and then continued explaining the revenue and expenditures.
- Treasurer explained the first line on the document is the total gross revenue that you expect to bring in. The next line is total expenditures that does exceed the gross revenue but that is from the reoccurring funds and then the next line is the net (after expenses) everything after transfers. Then the balance forward is what we have in the bank currently, leaving the available cash balance that will be on next year's budget.
- Henry Rau said on page 1 of the expenditures it says for this current fiscal year is \$351,000.00 and total expenditure on the bottom of the 3rd page is \$2,500,000.00 how do you go from \$351k to 2.5 m.
- Treasurer Benavidez said the \$2.5m is the expenditures across all funds not just the general fund and then explained all funds.
- Manager Skerry explained further how the funds are setup.
- Ron Gentry local business owner in the City area asked is the LEDA expenditure going to be used for private development.
- Manager Skerry explained this is just a fund.
- Ron Gentry said you have that fund set back and you have said you are going to use if for the development of the industrial park and which industrial park.
- Manager Skerry it is the one that is being proposed for annexation.
- Ron Gentry said you mean the privately owned one out here south of town.
- Manager Skerry said correct.
- Ron Gentry said you are going to spend \$100,000 promoting that brings no revenue back and is privately owned.
- Manager Skerry said no, just by incorporating just off the property tax you would net over \$100,000 and that is what has been proposed to Council is once the annexation goes through that's essentially the money for another police officer and then said people think all the business out there are not paying any GRT or property taxes and further explained that KETER isn't because they are brand new.
- Ron Gentry said yes because they are tax exempt and once that runs out they'll move out just like Solo cup did and asked why do we not spend \$100k to develop the area instead of giving it all out to privately owned industrial park.
- Ron Gentry asked is the total payroll burden additional or is the given payroll budget right now.
- Manager Skerry said that is the total projected for next year including FICA and all other payroll burdens.

- Ron Gentry asked will it go up \$332k
- Manager Skerry said no it will not go up but it will be \$332 if they adopt that amount.
- Ron Gentry asked it is proposed to go up to 332k for payroll and payroll benefits.
- Manager Skerry said it is not going up.
- Ron Gentry said he is looking at the actuals and proposed it looks like the payroll salaries are going up 40% he went through each of the payroll expenditures.
- Manager Skerry explained the line items on what was budgeted for 2018, the actual to date and the proposed for 2019.
- Ron Gentry said he sees a ton of money in raises this year is proposed and then went through other expenditure items that are being proposed higher such as attorney retainer, survey CDBG, park study, website design, professional services, contractual services and said this City does not have the departments for these services such as a public works department and he feels like there is nothing happening in this community and it is dying in his opinion. He then said many things are not being addressed such as the drug problem in our community, but we do have \$332k payroll burden and other things that would adequately fund another officer, and this bothers him because he spends a lot of money down here to improve the one tiny project the apartment complex here and last night someone stole a pickup and another person was assaulted but you don't hear anything about it. He then said his thing is our priorities are set on administration and seems like we are super loaded administrative wise, and we don't have any services which he had talked about and he knows there is money here and he has mentioned it for 10 years and this community should be growing, and it disturbs him when you see that much going out. He then said he hopes this Council will take into consideration what the citizen's needs, and the economic development is a lot more than spending all the money on parks that have been there for 40 years and the new companies coming in do not pay property taxes, gross receipts taxes, utility companies that are exempted and why would we want to promote that and spend \$100,000 to do that.
- Manager Skerry explained there is a lot happening in the city, we have 64 houses off Montano and Kathy Wentworth, and another area 292 lots off of Guapo & Kaghan loop and a proposal from PNM for another solar facility and then said another proposal has been to put in an RV park and then said some things are happening but then explained that the only way to get other growth such as groceries stores is to show growth of subdivision rooftops and having building permits that can show the retail trade that it is a growing community. He then explained that part of the subdivision proposals is design in-kind for parks and looking at getting all the parks back, he then further explained what needs to be done by P&Z and subdivision regs.
- Mayor Gwinn explained the LEDA fund for \$100k once you agree to bring LEDA in you have to be able to take 10% of GRT and overall general fund and then said is it strictly for the industrial park no, but if the State is getting information from companies coming in, we can put these companies in the City and when KETER came in we didn't have a LEDA plan they went to Belen.
- Ron Gentry asked if this is an I3 park and if so you don't have any say.
- EDC Chairman Jim Winters stated yes, we do, it is extra territorial control of that part.
- Ron Gentry said you cannot change what it is.
- Chairman Winters said yes, we can.
- Ron Gentry said on the subdivisions he just heard, 4 are all private development and you cannot get the inspection fees but what he is talking about is today's budget and what we are doing downtown on main street and not talking about all these sub developers coming in here and this doesn't get the town in a good position.
- Mayor Gwinn said it is starting to come together and he is hoping we can continue to work together with these people to help bring that about.
- Helen Smith Frederico; said she feels there is some substantial increase in salaries and payroll and is curious to know where we need to be paying an increase to salaries as opposed to say a bonus for

really good work because permanent increase is a long term expense and a bonus is a onetime and you're still rewarding the individual for work well done on the year past and if they do a great job next year that have to earn that and then said we need to keep our good people on staff and don't want to underpricing our personnel salaries with nearby State or County where our trained people will jump ship and we do want to make a good salary package for our people and would love to see a lot more detail on why we are suddenly seeing a big jump in permanent salaries as opposed to alternative ways to retain good people or recruit good people.

- Helen Smith said Rome wasn't built in a day and she feels we have made a terrific ground work on and gave recognition on all the behind the scene hard work that has put together quality budgets and how many other cities can't say they are loved by their auditors and said we are doing a lot of good things and maybe some positions that need to be looked at is getting public works because people are not seeing this and would like to see more details.
- Angie Madrid Horizon Vista stated she is very involved with the neighborhood watch and then said looks at this as a good community, a safe community and they want to be here and thinks the most important thing is with our safety and our code enforcer and not talking about the roads or parks but who wants to take their kids to the park when there are syringes in the grass or afraid of someone coming up stealing something, grabbing your kid, the safety needs to come first before we can enjoy a park. She then said the code enforcer, cleaning up our neighborhoods or cleaning up an alleyway, clean stuff up and make it safe.
- Mary Lee Serna Jack Nicholas asked why we do not have a code enforcer.
- Manager Skerry said we are advertising for one and applications are coming in at this time.
- Mary Lee Serna said she just bought a place over on Western and she has been going to the neighbors and asked them to cleanup their properties and they have done it.
- Dorothy Trujillo on Nancy Lopez said she for years she was one that wanted to disincorporate and would come to all the previous meetings about all the wonderful things that were going to happen. She then said she wants to move forward but makes her feel sad to know we do not have any revenue coming in and it cost millions of dollars and the way we are going we will never make it. She then said we need to get quality people and feels that the past code enforcers would go do their jobs and then were told not to bother certain individuals and then told they are not doing their job.
- Frank Stasi said the code enforcer position was put out two weeks and asked how long have we been without a code enforcer and why is this Governing body waiting so long to put an ad out.
- Manager Skerry said it has been since October since we have been without a code enforce. He then explained the reason for waiting to put out the ad.
- Frank Stasi said his opinion is we should have gotten that out a long time ago and then said you are right about the drugs and every City is getting more police and all he has heard from this Governing body is we are the lowest in the whole County but says where do you think they are gonna go once they have more officers and then said all the projects you have going, all these contracts to possibly building and asked to be explained to how are they going to protect all this new stuff with one police officer on one shift and you must know something we don't. He then said from the very start he felt the Mil levy should be used for public safety and still think it should and this Governing body has a chance to do that and it comes up every year and then said we are all elected and public safety and roads that was the total commitment and what have we done, we are doing exterior buildings that have cost us \$600k and said oh that is on capital outlay ok, what about roads and he was told this afternoon that you can use roads for capital outlay and then said it was funny that a legislature came to one of the meetings and said yes you can, so he followed up today with a legislature and was told that yes they can use capital outlay for roads and it is there and asked why is the governing body not doing this and why are you spending \$600k to make our front look nice but yet you wont put some of it towards the roads and then said yes you do have a start but that is not enough. Those we our 2 priority's and that should be our goal.

- Frank Stasi said when he was on council he feels we are rehashing payroll for the City Manager and he was the only one voting no and said everyone was so worried about the budget that they gave him whatever he wanted, is he a good manager yes, is he knowledgeable yes, does he deserve \$18k no, looking at the budget you are raising the salaries of everybody that works here putting a ratio you are not giving the city what they are asking for and that is public safety and roads not salaries. He then said we will not see another police officer until 2020 and he would like to see, why don't we try freezing all the raises and salaries until we get another police officer. Stand up for what we want, we don't want the raises, we want roads and police officers.
- Councilor Gutjahr explained we had a conversation regarding the police officer and we will be having how we will fund another officer on the workshop agendas in July after the start of the fiscal year and that will include everything on a timeline and the options to have sustainable funds.
- Dorothy Trujillo asked is there any way to hire a police officer from a private security company.
- Mayor Gwinn said only HOA could set something up but only in those areas.
- Councilor Gutjahr said in response to retaining a code enforcer and one of the reasons is pay and the amount of what they were paid and what they had to do.
- Councilor Gutjahr explained there are items in here on the budget that look like a zero because they did not get met, but if we don't put that in the budget if they want to do something in that area they cannot because it was not budgeted for that year.
- Mayor Gwinn said regarding the code enforcer position we are going from part-time to full-time and that is why there is a difference in the budget.
- Angie Madrid said you mentioned Herman is that Herman Tabet and what is his involvement with parks.
- Manager Skerry explained it is 64 lots.
- Angie Madrid asked if Herman Tabet owns these lots and he is the developer.
- Manager Skerry explained we are in negotiations to get in-kind property for the development of his lots.
- Angie Madrid said he had the parks before and I hope he won't let them just go again.
- Manager Skerry continued to explain the negotiations and other areas that are in negotiation.
- Ron Gentry said some of us go back a lot further in this community then others some go back to when this started and there is a good reason there is only one mobile home park in this community and then said he for one would hate to see this become fictitious a mobile home community and would have this Council go out let the public know about that and hear the public input, there once was a vision and a future and he still says we have an obligation to the people, the residents who live here, we don't have an obligation to the administration who will support and develop about 4 developers and that is all he is hears, it is gonna be great and I got this guy with an RV park and this guy with a sub division and this guy with another subdivision and that is private investment and private venture and not talking about others that do not have private venture.
- Mayor Gwinn said everything will have to go through P&Z and then asked if there were any other comments on the budget.
- Councilor Gutjahr thanked everyone for coming and their input and all they do to help clean up the community.
- Councilor Sais said we have to look at this very seriously public safety being an issue continually, roads we have been working on them, things are happening but has been an issue consistently and as for parks this has been discussed in Planning and Zoning and is the discussion going on now is mini parks and then said the roof tops are coming in and then comes the property taxes.
- Councilor Sais said we have a good staff and they are doing a good job with what they have to work with.
- Jan Gentry business and property owner in Rio Communities said we do have a serious problem regarding the existing parks and then asked what is the governing body going to do about the

disgraced areas and said this is what our community has become and further said as much as you guys want to say, this is what you are going to do and this is nice and this is wonderful, yes it is but look on the other side of the street where it is not nice and not wonderful and you don't have any kind of health care where people can ask about you are not participating or she doesn't know if we are regarding health care and that is one of the main things people ask about when buying property is health care, public safety, what are you getting back to me and they don't care how much money everyone makes, they want to know what am I going to get from this community and are you going to be there for me.

- Jo Stasi Tres Cantos said she supports what Jan and Ron are saying we have to listen to the people of this community and has handed hundreds of signatures requesting more police protection and we do not want to wait until 2020 to get a police officer, we need help now and it all ties in to having the protection so that businesses and people want to move here.
- Councilor Sais said to Jan he lives in one of these areas and he is fighting to make it look nicer and also putting lights there and that is part of public safety.
- Jo Stasi congratulated Councilor Ramsell on the birth of his new son.
- Angie Madrid asked who is contact since we don't have a code enforcer, we have a stop sign on Western and Horizon that is propped up by rocks and had reported it when we did have a code enforcer and it still is propped up.
- Manager Skerry explained we have a new batch of signs coming in and further explained our contract with the County.
- Mayor Gwinn explained we have replaced several signs plus other types of street signs such as children at play and various other areas that signs will be replaced.
- Ron Gentry asked how many people believe the roof tops and property taxes will increase the city's budget.
- Mayor Gwinn said we haven't heard this in 40 some years and now that we are hearing it he is excited.
- Ron Gentry asked if they have changed the State funding formula because the way he remembers it property taxes are dedicated to County budget, gross receipt taxes dedicated to the city, did they change that.
- Mayor Gwinn said no that is still there.
- Manager Skerry explained that we have the mil-levy.
- Ron Gentry said you have been talking about property tax does not come back to the City it goes to the County.
- Mayor Gwinn said 2.75% comes to us.
- Ron Gentry said the other 7% goes to the County and the roof top costs you more maintenance.
- Mayor Gwinn said the building of it, we would get the gross receipts, materials and everything else that goes with it.
- Mary Lee Serna said it has been 5 years since we have incorporated and the same old story asking for police protection, do you know how important and the dire need for the elderly here needs to be protected and don't we have money to hire another police officer with the 1.2 million can't we hire. She then said at the beginning we talked about having our own police department here and it is a lot of talk and no action and then said people in this community are real upset and she has told them to go to the meetings, voice your concerns and they then say why they don't listen and you guys really need to do something about police protection, it is getting worse.
- Councilor Gutjahr said just a reminder we can't use non-recurring funds to fund an officer, the mil levy, franchise fees, gross receipt tax yes those are recurring but the 1.2 million was a one-time and if we use that to fund officers it won't be there next year and then said the plan is to use that for matching funds towards grants. She then reminded in July we will start workshops on how we'll fund another officer.

- Jan Gentry said she understand what you are saying in July you are going to start the funding but then in July you will have the period of time for another year, so while you are working on the budget now is there not some way to find in the budget money for one more officer, one more something or why do you have to go through the Sheriff's office can't you start your own police department with a police chief with and officer or two.
- Mayor Gwinn explained when we started at looking at contracting with the county we looked at various City's that were also startup City, Rio Rancho being one of them and their blue print is actually a good print on how to start to build a police force and explained how they accomplished their goal of making a police force.
- Councilor Brown encouraged everyone to look at the sheets on the bulletin board which has all the 911 calls for service and then explained the stats for 2017 total of calls in the County and broke it down to all the municipalities and the County combined.
- Mary Lee asked how many of these crimes in our community go unreported, because there are a lot of these people who are afraid to report.
- Councilor Brown said I'm sure the same ratio would be no matter where you are at.
- Mary Lee said she is not talking about where you are at, but our community.
- Councilor Brown said he appreciates that but if you don't call you don't get service and it doesn't get registered.
- Angie Madrid said some of the statics are a little bit a skewed because we are told to call in drug calls and we have problems because sometimes they take our names and other times they transfer us and we get an answering service and told we will get a call back and no one does and there has been multiple times that this has happened and she does not believe this statics are accounting all those calls. She has also been told by a County Official that Rio Communities is perhaps not getting the best deal on the Police Officer because we are not liked by some County Officials, she then said these are rumors but the person who told her, she feels is a very trustworthy person, reputable working at the County, so feels this is something that we should be aware of we are as citizens there are a lot of calls that are not being accounted, the police do not respond to all of them, don't even get your name and don't get their number or police report.
- Mayor Gwinn asked Council had any more questions.
- Councilor Sais asked Chief Rubin said we are going to be hiring a fire chief and assistant fire chief and he would like to hire them from here and so he hopes they are grooming someone within the fire department that can handle that support system for the chief because as we grow at least this is the two paid positions that the community would like to see instead of going to a national search for those positions.
- Chief L.E Rubin said he can appreciate what the Councilor said and explained that the current he as chief and the assistant chief were to apply and according to the description of the job position they would not be able to apply because it does not meet the criteria and then said currently in the department there is only one person that would fit the bill there is a second that would need special consideration if he was to apply for the hours needed. He then said you are going to be getting people from all over County and possibly all over the State to meet the qualifications, but the people that you are going to get to apply that will come here are going to change the entire character of the fire department and agrees with him, it would be nice to hire them locally and then said he has his own opinions about how best served with that and then explained that the City Manager and Council will have to have discussions at a workshop on how it is best to serve the citizens of this community. Mayor Gwinn asked if there were any further comments about the budget.
- Jo Stasi said she thinks that over half of the people here tonight came because of the concerns for the huge raises that are being proposed for the various staff members and hope that they take that into consideration when they come to voting on the budget.

- Don Naylor on Baldwin said the fire department has functioned very well for many years and needs to stay where they are and let them choose their officers and if you want to hire somebody hire some paid EMT people and said when you start screwing with the fire department you lose it and said you need to leave it alone.

Adjourn

- The Budget Hearing was adjourned at 8:01 pm.

Respectfully submitted,

Elizabeth (Lisa) Adair,
Municipal Clerk

Date: _____

Approved:

Mark Gwinn,
Mayor

Margaret (Peggy) Gutjahr,
Councilor Mayor Pro-tem

Bill Brown,
Councilor

Joshua Ramsell,
Councilor

Arturo R. Sais,
Councilor