

**CITY OF TUCUMCARI**  
**CITY COMMISSION**  
**Special Work Session Notes**  
**May 19, 2015**

The Tucumcari City Commission met in a special work session on Tuesday, May 19, 2015 at 4:30 p.m. in the City Commission Chambers. Members present were John Mihm, Ruth Ann Litchfield, Robert Lumpkin, Amy Gutierrez and Rick Haymaker.

City staff members present were: Jared Langenegger, City Manager; Doug Powers, Assistant City Manager; Dennis Dysart, Finance Director; and Angelica Gray, City Clerk.

**Review of 2015/2016 Interim Budget**

Dennis Dysart, Finance Director, provided the commissioners with a copy of the interim budget. He stated that he shows a deficit of \$291,230. He stated there is still \$300,000 cash pending from the Airport, which would bring the deficit to approximately \$600,000, which from this \$600,000 we must commit \$400,000 for contingency by resolution.

He stated \$291,230 is not the final number. This number includes dispatch and he will be taking out \$160,000 cost and revenue.

He stated the budget is \$736,458 at the end of March.

He stated the first section is \$291,230 which is by fund category and second one is by activity.

He started with page 1 of the first section. He stated \$291,230 shows a \$445,000 reduction from the budget we currently have. He stated the total for Line 01 is \$367,000 higher, in line 02 we have \$790,000 less.

He stated on page 2 of the first section Line 01 funds, is the general fund has a \$367,000 increase. He stated \$97,000 is revenue from grants and \$319,000 is in the transfers for the expenditures.

He stated page 3 of the first section reflects the \$97,000 change. He stated we are identifying the deficit of \$97,000. He stated last year we budgeted \$250,000 from the small cities assistance grant and we received \$372,000. He stated he is leery about this number and brought it down \$300,000 to be conservative, that \$72,000 plus a couple of grants for the library, which consist of the \$97,000 reduction in revenue associated with the \$367,000 bottom-line we are looking at for the general fund.

He stated \$319,000 is in the transfers and it is carried over to Page 4 of the first section. He stated we have two numbers that make this up which is \$261,000 in EMS and \$43,000 in seniors. He stated EMS shows that the general fund is subsidizing the \$371,064 which is an increase from last year. He stated in the seniors we have a \$97,000 subsidy to the Senior Program which is \$43,000 higher than this month.

Mr. Powers added that when he came in about four years ago the commission looked at privatizing the ambulance however the commission wanted to give them a chance to step up and try to make something on it. However, it seems they continue to lose money.

Mr. Langenegger stated that he and Mr. Dysart discussed this matter today and they are getting closer where it would probably be more beneficial to privatize it. He reviewed the RFP from 2011 and it seems that Superior had the best bid at \$300,000 subsidy from the City to manage it, which would be close to where we are now. He thinks we should probably look at it again.

Mr. Dysart stated Medicare is not paying as much or as fast and salaries including overtime.

Mr. Langenegger stated workmen's comp went up. He stated that part of the issue is we use to pay our EMT's differently according to 54 hours per week and found out we were not allowed that exemption and had to reduce the hours each individual could work and hire more staff. He stated the health insurance cost and salary cost were the big difference including some billing as mentioned by Mr. Dysart.

Mr. Dysart stated we are receiving approximately \$25,000 per month which is \$250,000 a year when we should have received approximately \$400,000.

Mr. Mihm stated if we could get someone in touch with who is doing our filing to look at how they are doing it because timely filing is a big thing with the new healthcare law.

Mr. Dysart stated that the Senior Center should be self-sufficient. Mr. Langenegger stated that the reason for the change is the way we allocate our chargebacks for the City and we were not charging the seniors as we were supposed to, we didn't get to ask for an increase in the budget because we missed the deadline when we were in transition of senior center managers. He stated hopefully we can ask for an increase. He stated we have been looking at the House Senior Center. He stated they have on average 6-10 people per day however we are not sure if paying personnel, facility, and utilities is worth 6-10 people per day. We are looking at other options such as order meals, which can be charged to the grant and it would save on all the costs.

Mr. Dysart stated that when Ms. Elebario was managing the senior center along with managing the convention center, each department shared her wages unlike Ms. Marquart all her wages come from the senior center.

Page 5 of the first section, Mr. Dysart stated Line 02 is special revenue funds. He stated \$790,000 from prior year and when we look at the 02-45 is Fire/Fire Engine which is \$387,000 reduction is because the City does not have a fire engine in the budget this year. In addition, they also had breathing apparatus' of \$100,000.

Mr. Dysart stated on page 7 there is a \$65,000 deficit which is bringing \$275,000 which is 50% of the \$550,000 budgeted for the total Lodgers' Tax through the executive fund. He also has \$25,000 for advertising/promotion which he has a budget this year of \$53,000. In addition, he has \$54,000 for contract services, and \$45,000 for billboards. He also budgeted \$216,000 for the convention center, which their budget this year is \$209,000. He does not know how much of the \$209,000 we will get back this year. He stated the convention center is doing fairly well. They have a \$35,000 favorable number. He stated the \$35,000 will be pushed back into the 2015 cash. He stated for next year he shows a deficit of \$65,000.

He stated if you look at the executive section on page 6 of the first section, it shows \$100,000 surplus which includes the \$550,000 coming in, plus \$275,000 to the promotional, along with \$155,000 paying the debt, which leaves \$100,000, favorable coming in and with the \$65,000 unfavorable.

Returning to page 5 of the first section, we are looking for the \$790,000 and we are left with 02-54, which is on page 8, which is the infrastructure tax. This year we had \$251,000 deficit but keep in mind this includes the four different programs we've had that added up \$270,000 and are not in the budget for 2016, which reduces the expenditure by \$270,000.

Mr. Dysart stated that he stated 08-11 is the compactor at \$300,000 coming in from the legislature and \$150,000 for the bid which came in at \$440,000.

He stated that page 22 is a little more detailed with revenue and expenditures. As we look at \$291,000 and we look at the \$445,000 change, which is the same \$445,000 that we have already covered.

Mr. Dysart stated that on page 23 of the revenue, the inter-service departments, it shows the inter-service is \$59,009 and it's \$70,000 higher than last year. The revenue is covering the cost of a zero fund. He stated the expenditures show at \$69,000 and basically salary and benefits shows \$82,000 increase. The salary and benefits is primarily the increase in the inter-service. He stated we have an IT person, HR salary that is higher and we have health insurance increase also.

On page 33 of the revenue section charges for services, shows the charge for services is going down \$130,000. He stated it is coming from ambulance billing; contract to the cash is also a deficit of \$15,000. The billing of \$260,000 and the contra uncollectible of \$280,000 shows that we have \$320,000 cash that we expect to bring in. Last time we had \$665,000 versus \$263,000, which is \$400,000. We are down \$70,000 in our ambulance revenue. He stated it seems we are selling less fuel at the airport.

Mr. Dysart stated there is some favorableness in the water income going up 4%, sewer is up 2%, and sanitation is up 2%, which is by ordinance. In addition, in regards to the landfill dumping fees, he stated when we had the problems with the landfill and Santa Rosa left, they were doing about \$150,000 revenue. We lost \$150,000 and he dropped the budget accordingly last year however; this year he is finding that we are building back up again. He increased the budget up to \$200,000 which is where he thinks we will end up.

Mr. Dysart stated that on page 32 of the second section, he left out the grants because he does not know where we are at right now. He stated that one thing we do have in grants we paid most of our cash last year therefore, we will not have cash to pay matching funds, unless we get new grants. He stated the grants should have a zero effect on the budget and the bottom-line.

On page 34 transfers, Mr. Dysart stated we have \$126,000 more that we need to transfer. He stated the \$126,000 we can go over the EMS 02-30, which is an increase. He stated the capital items are \$168,000, which means we do not have anything we need to provide in cash, for the capital next year, which is a favorable. He stated in the Senior Center we have \$97,000 which is a \$43,000 increase. He stated when adding those numbers we can account for the \$126,000 increase in the transfer cost.

Mr. Dysart stated we have \$18,490,000 and we have \$932,000 decrease but the decrease is from \$975,000 in grants.

He stated the advertisement and promotion of \$25,000 for the Lodgers Tax and it came down from \$53,000 to \$25,000 a reduction of \$28,950.

The next 4 items or so come up to \$100,000 which only include \$5,000 and up, below \$5,000 total \$100,000.

Mr. Dysart stated the reserves are an increase of \$173,000 (page 36), which is \$190,000 in the water fund that is a little bit due to the capital having been paid they don't have to subsidize because we already got our cash capital which is \$50,000 which means they don't have to pay this year.

In addition, basically to keep their fund at zero he put the bottom-line favorable number into the reserve \$190,000 which looks like an expenditure but then at the end the when Griego Professional Services is doing GAAP GASB financials, he will move that reserve back out because it does not affect the cash. We are basically on a cash basis for everything but the reserve is a modified cash form because the reserve does not affect the cash. He stated he took the deficit \$290,000 initially but when we subtract the \$302,000, we are in a favorable position. He stated it is a number that isn't affecting the cash but he put it down to keep the funds balanced.

Mr. Dysart stated the primary is \$290,000 means basically that the number is not spent then it builds into a reserve cash fund he keeps and identifies.

### **Other discussions (no action taken)**

Mayor Lumpkin stated that a citizen thinks the railroad is overusing their horn. He asked the commission if they had any suggestions on how to address this issue.

He was suggested to send a letter to Union Pacific stating if they can control the volume of the horn and still be able to do their job.

Commissioner Haymaker asked if anyone had been contacted by Lola McVey regarding the State cutting the home visitation program. He did some research and it seems the State committed to the program until 2017 and the funding was cut off. Ms. McVey asked if we could do something as a commission. He stated this is a very well needed program.

Mayor Lumpkin stated he heard that the funding had been cut however; but it is being replaced by another organization.

Commissioner Haymaker stated that in the city manager's report there was a complaint about the fires. Commissioner Gutierrez stated that Shane Warner made a comment regarding letting the home burn. The comment was made to someone else other than the owner.

Mr. Langenegger stated that a neighbor was at the scene with a water hose and Mr. Warner told him to back off, that's what insurance is for. Mr. Langenegger stated it was a misunderstanding. He stated

we have a volunteer service that show up and they do well however; several have full time jobs. He stated the call was paged out as a fire alarm not a structure fire.

Mr. Langenegger stated as there was minimal staff there at the beginning, a sheriff's officer was there and helped in turning on the water however; he only turned it two cranks instead of opening it on the entire way. He stated overall, he thinks they were successful in what they did. There are training issues that Mr. Warner will be working on.

Mr. Powers stated we used to test them twice a year however; there were complaints about flushing sand in water. He thinks it needs to be done at least once a year.

Mayor Lumpkin thanked Mr. Dysart for his hard work.

Mr. Langenegger stated they met with the film crew and they are looking at filming on Monday, June 1. Their crew will be in town on Saturday and Sunday and filming early on Monday. We will have our street staff and police staff blocking the road, controlling traffic and setting up barricades. He will put a summary on the time the employees will work and the filming company will reimburse the City for that cost.

Commissioner Haymaker stated this is Rockabilly's third year and would like to know if the City is making money on this event. Mr. Dysart stated he prepared something last year and he did not see a change. Mayor Lumpkin stated he wants to keep this going however we do not want to put more into it than what we are getting back.

Commissioner Mihm stated that as far as saturation of attendance we can get a good snapshot as to what our profit is. He stated last year the restaurants did phenomenally.

Commissioner Gutierrez asked if there is a contract that states if this event grows they owe us a certain amount of years so it will not be moved anywhere else.

Commissioner Mihm stated they are building this as a large event and they will sell it and make it larger. Commissioner Gutierrez stated she thinks they should owe us a buy back.

Mr. Langenegger stated that the pay back is from booking rooms. This money is funded by Lodgers' Tax.

Commission adjourned at 5:46 p.m.

Submitted by:

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Angelica M. Gray  
City Clerk