

**CITY OF TUCUMCARI**  
**CITY COMMISSION**  
**Special Work Session Notes**  
**May 26, 2016**

The Tucumcari City Commission met in a work session on Thursday, May 26, 2016 at 5:30 p.m. in the City Commission Chambers. Members present were John Mihm, Ruth Ann Litchfield, Robert Lumpkin, Amy Gutierrez and Ralph Moya.

City staff members present were: Jared Langenegger, City Manager; and Angelica Gray, City Clerk.

**Interim Budget**

Mr. Langenegger stated that this interim budget is for fiscal year 2017. According to state rules an interim budget must be submitted before the end of May this is the budget we work from until the beginning of August. The interim isn't the final budget but it gives us our starting point. He stated that he was a bit concerned about the budget because there is a \$611,128 deficit. \$400,000 of that deficit is the contingency fund, which if not spent goes away. There is an \$808,000 deficit in the general fund, a majority of that is the contingency fund. There is also a large transfer of \$371,000 to EMS. Last year there was a \$100,000 transfer to the Senior Center but after reviewing some things we can hopefully bring that down to \$60,000 and after this year of just running the center for Tucumcari we can fine tune it even more and hopefully bring it closer to a zero balance. He stated that the deficit is still concerning even with the \$400,000 contingency taken out, however there are some options. We have budgeted a 2% increase for all employees, that 2% increase comes out to \$128,000 so if we don't do the 2% increase that brings the budget to a \$483,000 deficit. A big part of the deficit is also extraordinary there's about \$300,000 that are extraordinary expenses, part of that is the Library roof, Tyler software purchase, vehicles, equipment and things that aren't purchased every year. With the \$300,000 in extraordinary expenditures and the \$400,000 in contingency that's about a \$700,000 difference, to get down to the \$611,128 quite a few things were taken out. Initially we had \$100,000 to start work on the Princess Theatre, we took that out. We had \$50,000 for cleaning up properties, which was also taken out. A lot of the departments had capital requests for vehicles the only vehicle we'll be purchasing is for the water department. The administrative fees for joint utilities and sanitation have been increased which has increased revenue a little bit so there have been a lot of changes. He asked the Commission's opinion on the salaries. Mayor Litchfield stated that she'd hate not to give the employees the 2% raise.

Mayor Pro Tem Lumpkin stated when the Commission made the obligation for the salary we balanced the salary schedule, and in some areas we gave employees a raise to get them to the state average while some didn't get a raise and for them miss out again wouldn't be fair. It seems every cutback is on the shoulders of the employees. Mr. Langenegger stated that he has gone through the operating budget line by line we're operating by a shoestring. We have done very well with zero base budgeting so we take the average of what we've spent and budget that for next year, we can shift that around a little bit but whenever you look at the line items on the budget there isn't a lot to cut from them. Commissioner Moya stated the 2% increase is an incentive for the employees and every employee of a municipality needs something to work towards and it also helps the morale and it's also an acknowledgement that the person is doing a good job. He stated that the Commission should continue with the 2% increase but look at other ways to increase revenue because every penny counts and suggested looking at

administrative fees for public housing. He stated that he was sorry to see the Princess project delayed but maybe there are some grants that the City could utilize for the project.

Mr. Langenegger stated that also with the salary they can look at changing salaried employees to hourly and also look at cutting vacancies. Commissioner Moya asked if they could continue operating the community if they did cut vacancies because the population might be low but geographically the area is huge and he doesn't want to see services go too low. Mr. Langenegger stated that the two positions he's looking at cutting are the janitorial position that covers City Hall, Community Development, Library, Police Department and the Senior Center. Commissioner Moya asked how that would be covered. Mr. Langenegger stated that those employees can start cleaning up after themselves, the Senior Center is a little different, the City might have to hire a part time contractor but that will still save us money. The other position would be the administrator position at Community Development. Mr. Powers stated that the administrative position helps with planning and zoning, Keep New Mexico Beautiful and youth cleanup projects. Commissioner Moya asked if there were grants to help with her salary, Mr. Powers stated no but they used the precious employee's time to help match in-kind hours. Commissioner Moya asked if the City could afford to cut that position especially since it is used for in-kind. Mr. Powers stated that they could split up the duties to the other workers and Commissioner Moya said that they would need to be careful adding to responsibilities to people because it can cause them to be more stressed and then a negative attitude can develop. Mr. Powers suggested they could leave the position open and if there are difficulties then it could be filled.

Mr. Langenegger stated that his biggest concern was that the City could not continue to operate with a deficit but there are other things that we can do to help, like looking at different services and seeing if we can contract out services and move positions around to make things more efficient. EMS is really concerning because we are using money out of the general fund, Commissioner Moya stated that EMS is a necessity to the community and asked if the county could help. Mr. Langenegger stated that the Fire Chief, Shane Warner has done a great job in increasing collections and has done a lot of good training for the EMTs and making sure everything is documented in order to get reimbursements and if the state tariff passes that would mean an increase. We still need to look and see if we can adjust schedules and see if there's something we can do to cut down overtime. After looking over the last three years of records about 10% of calls are from the county, the uncollectable debt on ambulance is budgeted at \$300,000. We bill for about \$600,000 and the uncollectable amount is about half. Commissioner Moya stated that this is something the Commission needs to look at because the City can't afford to keep operating like this. The people inside Tucumcari come first.

Mr. Langenegger stated the bottom line with the interim budget is we have done a good job shifting things and we still have until August 1<sup>st</sup> to get the finalized budget in place but the Commission needs to be aware that we need to look very seriously at cutting at some places. Commissioner Moya suggested meeting with the county and see how they can help. Mr. Langenegger stated that he does plan on meeting with the county he would just like to have all the numbers in place first in order to know what to ask for.

Commissioner Moya stated that he understood there was a private person who was interested in the Princess and suggested contacting them to see if they were still interested. Mr. Langenegger stated that he has the contact information and would contact them. Commissioner Moya stated that if someone has the money to renovate it then they should look into it rather than having a dilapidated building.

Commission adjourned at 4:56 p.m.

Submitted by:

---

Angelica M. Gray  
City Clerk