

**MINUTES OF THE CITY OF LAS VEGAS CITY COUNCIL SPECIAL MEETING HELD ON
WEDNESDAY, JULY 26, 2017 AT 1:00 P.M. IN THE CITY COUNCIL CHAMBERS**

MAYOR: Tonita Gurulé-Girón

COUNCILORS: Barbara A. Casey
Vincent Howell
David A. Ulibarri, Jr.

ABSENT: David L. Romero

ALSO PRESENT: Richard Trujillo, City Manager
Casandra Fresquez, City Clerk
Corinna Laszlo-Henry, City Attorney
Juan Montano, Sergeant at Arms

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Councilor Howell asked for a moment of silence to keep the City in thoughts as we the Council are trying to do the best thing for our community and we shall take our communities input into consideration in making decisions.

APPROVAL OF AGENDA

Councilor Howell made a motion to approve the agenda as is. Councilor Casey seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Barbara A. Casey	Yes
Vincent Howell	Yes		

City Clerk Fresquez re-read the motion and advised that the motion carried.

MAYOR'S APPOINTMENTS/REPORTS

Mayor Gurulé-Girón stated she did not request for the appointment of voting delegate and alternate on the agenda for the Annual Conference of the NM Municipal League but is designating Councilor Howell during annual conference in Clovis to be the voting delegate.

PUBLIC INPUT

City Manager Trujillo advised no one signed up for public input.

BUSINESS ITEMS

1. Approve/Disapproval of Resolution No. 17-22 to adopt the final Budget Adjustment Request for submission to DFA Local Government Division.

Finance Director Ann Marie Gallegos, and Tana Vega, Deputy Finance Director advised that resolution No. 17-22 is requesting a final Budget Adjustment Request done annually when there is a need to adjust budgets for the ending of the fiscal year 2016-2017, the first fund is requesting permission to increase the Airport Fund, which is good news which means we're selling more gasoline and in order to do that we are requesting to increase our fuel sales by \$5,000 as the expenditures will need to be met by \$5,000 on Gross Receipts Tax. In addition, the correction fees, which are judicial fees, will increase by \$1,688. We are also requesting a budget increase for \$6,000.00 for more equipment that Fire Chief Montoya is receiving in the Waste Isolation Project fund 260. The PD awards fund 283 increased by \$183 that they expended. The Recreation Center Phase 1

increased expenditures by \$21,769 and the final one is Senior Center, which also received \$47,715 in additional funding and we gladly accepted that as well so we are requesting permission to be able to make these budget adjustments in our final 2016-2017 fiscal year.

Councilor Howell asked which grant was from the Senior Center figure.

Finance Director Gallegos responded it was the Long Term Aging and they usually have additional funds towards the end of the year. In April, the Senior Center was awarded \$47,715 for food products and other supplies needed.

City Manager Trujillo advised that because the City made quite a bit of noise about how we were struggling to meet these demands, we were heard and were able to acquire an additional \$47,700.

Councilor Howell asked if some funds received from the community such as Alta Vista Regional Hospital, for Meals on Wheels was able to go into this year's budget.

Finance Director Gallegos responded only if it was given this year, if not then it was placed in last year's budget. Finance Director Gallegos stated there are plans in place for the Senior Center to be getting additional funding from local vendors in which there are line items and budgets set up.

Councilor Howell asked if the \$5,000 of funding the City received was reflected in the budget and Finance Director Gallegos responded that she believes it was received in early July which would go into the new fiscal year. Finance Director Gallegos stated that the City received \$47,715 that was given by AAA which is a sub contractor for the Senior Center.

Mayor Tonita Gurule-Giron inquired about the \$21,000 transfer for the Recreation Center.

Finance Director Gallegos stated the \$21,000 needed to be increased due to the insurance on the flooring which has not been completed or received by the City.

Finance Director also advised that the insurance adjuster is still working on the claim with risk management and once the claim is finalized will report back to the Council.

Mayor Tonita Gurule-Giron advised that at her last meeting with Municipal Economic Development in Santa Fe, the Agency on Aging informed us that there wasn't going to be any disbursements of funds prior to the close out of the year, once they do the recap that they will recuperate any of those funds in a state wide basis and they do that annually. Also the Agency on Aging has lost a lot of money and we are hoping we can recap some of those and recoup some of the dollars, at the end of the fiscal year that have not been expended for the recuperation next year.

Finance Director Gallegos advised to possibly entertain a letter from City Manager as well as the Director to see if any of those funds could be redistributed to a similar program.

Mayor Gurule-Giron asked if any of these budgets have been impacted for example, based on any unexpended or unanticipated expenditures prior to this year's budget year.

Finance Director Gallegos advised they have been and Deputy Finance Director Vega will be able to answer that during her presentation on the recap for the DFA report.

Councilor Casey made a motion to approve Resolution No. 17-22 to adopt the final Budget Adjustment Request. Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara Casey	Yes		

City Clerk Fresquez re-read the motion and advised the motion carried

2. Approval/Disapproval of Resolution No. 17-23 to adopt the Final 2016-2017 DFA Financial Report for submission to DFA Local Government Division.

Deputy Finance Director Vega presented the Final DFA Quarterly Report from the State of New Mexico, which has been prepared on a cash basis. It gives a picture of what our total revenues collected for the year, which were a total of \$35,788,243, total expenditures of \$36,673,533, expenditures greater than revenues collected, therefore we had used up some of our prior years beginning cash balances, more specifically the General Fund collected \$11,165,370, expended \$11,061,693, however the General Fund used \$625,990 of the beginning cash balance to assist other funds.

Deputy Finance Director Vega advised the City used \$181,300 additional monies to take care of funds that were overdraft and DFA does not allow us to carry on the books any funds that are overdrawn, therefore they are due to other funds that have been set up in the General Fund. That reduced our cash balance, additionally the Recreation Center was overdrawing \$134,610 and those expenditures were reclassified into the General Fund.

Mayor Gurule-Giron asked what expenditures were greater than what the City did not anticipate in the initial scope of work.

Deputy Finance Director Vega advised specifically salaries were still being paid out for the services still being provided, and there were also additional extra operating expenses.

Finance Director Gallegos stated there were other funds that have indicated there's funding where we are not allowed to close anything out in the negative. DFA recognizes that, so any of our funds or grant monies, unfortunately majority of our grants are reimbursable grants and therefore we are needing to submit and expend our dollars and then we have to wait for the reimbursement to come in and come May and June, our department really strives to get those reports in and get all the disbursements in so that we can possibly get our money by the end of June.

Finance Director Gallegos added that as of July, she did not know if the City received any of those reimbursable expenses. They'll start coming in possibly in August and September and we will see those that they are going to reimburse. One of the biggest costs was the capital outlay for the Senior Center vehicles that

was close to \$170,000 for vehicles that were paid for and \$42,000 for the Police Department. So all those funds are on a reimbursement basis and we need to wait for our funds, they verify and unfortunately at the end of the year we are tasked with trying to balance this and cover all of those expenditures that are in the negative. The provided report does cover all of the expenditures, but it does reduce our General Fund, a beginning cash balance from the preliminary report, was reduced by \$128,000 and we are hoping to recoup those funds in the month of August or September.

Deputy Finance Director also pointed out that it does reflect that the GRT collections are flat.

Councilor Howell stated he's been having an issue that's been lingering this whole year and has asked questions about this before, and he's sure everyone remembers the piece of equipment that was returned, which he thinks it was \$270,000 plus. Councilor Howell asked if that amount was an adjustment as the Council approved the equipment and wanted to confirm if the piece of equipment was returned.

City Manager Trujillo stated that the equipment was returned.

Finance Director Gallegos verified the cost came out of the Capital Improvement Fund which cost a nominal fee of \$2,000-2,500 to send it back, which was the only cost to the City; at that point the purchase order and expenditure were voided and those dollars were put back into the Capital Improvement Fund.

Councilor Howell states he was told there was no money transacted.

Finance Director Gallegos verified that was correct with the exception of the \$2,000-2,500 to return the items. The cost to the City would have been \$170,000 had it been purchased by the City.

Council Howell had further questions in reference to the piece of equipment that was approved to be purchased by the Council and later received by the Public Works Department and then returned without advising the Council.

Mayor Gurule-Giron asked City Manager Trujillo to explain why the determination was made to return the piece of equipment.

City Manager Trujillo advised he made the decision to return the piece of equipment after speaking to staff as they felt that piece of equipment was not conducive to the work they do and would probably require additional staff and additional equipment to run it.

Councilor Howell asked if that decision should have been up to the Council to determine.

City Attorney Laszlo-Henry advised she sees no legal authority that City Manager would not have discretion to return, especially as it sounds like there were no costs incurred other than nominal for shipment. City Attorney Laszlo-Henry further added that it sounds like the budgetary effect was the funds the council had authorized to be expended in this way and ended not being expended in this way, so she sees no legal impediment to that outcome.

Councilor Howell asked City Attorney if council made a decision and gave its approval, does it not have the approval to rescind that decision. City Attorney Laszlo-Henry advised it is a question of merchantability, so at the point when City Manager is making that determination that either it is not what perhaps represented by the department head to this body as a need and as the right tool for the job. She advised she has no knowledge about this specific equipment.

Councilor Howell stated he does understand City Manager Trujillo had stated that he and his staff felt that equipment was not a right fit, but pointed out that it is the council's decision and any decision the council makes, they should have the opportunity to rescind that decision.

City Attorney Laszlo-Henry advised that would be impracticable, as the acceptance of a piece of merchandise which creates legal obligations to pay for it, is often a decision that is going to have to be made more rapidly than would allow for the body to reconvene again. "I see that the governing body's control of the purse strings as you will, is a very important element to your power and responsibilities when funds that you have authorized to be expended are no longer either in the best interest of the City or the equipment itself is un-

merchantable or not as represented that then falls to the City Manager to make that call and save the City those incurred costs and there is a narrow window of being able to do that.”

City Manager Trujillo advised at the time when he made the decision, the City had not paid for the total cost of the equipment and we had sent it back because we did not pay for it and I think it was more than \$200,000. City Manager Trujillo stated that in the future if Council would like for him to come back and inform Mayor and Council of his decisions, he would be more than glad to do it.

City Manager Trujillo advised Mayor and Council as City Manager, he makes those decisions on the day to day operations realizing what the impacts are going to be for the City, and his decision at that point was not to accept that equipment

Councilor Howell stated he is not contesting his decision, but contesting the lack of re-approval for the council and the process. It is very important if we make a decision that it has to come back to us whether we have to rescind it or not.

City Attorney Laszlo-Henry advised Councilor Howell she begs to differ and does not think such decisions require council approval and doesn't think its practical and as far as what we're looking at with the budget when projected funds are actually higher than what actual numbers are that is not something that requires governing body approval. The rejection of goods is something that would not allow the time for governing body.

Mayor Gurule-Giron advised it falls under the actual procurement process so therefore it goes back to an administrative function, bottom line. The contractual obligation from the City to the Contractor is that we provide the monies and we actually accept goods and we did not accept the goods, so therefore it did not have to come back to the council, we do not have a payout that's the bottom line.

Discussion took place regarding the adjustments made to the budget including DFA recap and Finance Director clarified and answered all Mayor and Council's questions.

Mayor Gurule-Giron asked what our bonding capacity is at this time.

Finance Director Gallegos advises it is close to \$885,000 the last time she checked it. Its six percent of the total assess evaluation. We currently have outstanding in debt \$20,643,000. Principal payments due this year \$1,915,000 and a lot of that is from the enterprise funds. Some of our loans that are out there, we've also included the Recreation Center \$2.5 million that we also have outstanding that will be paid off in a ten year period. We had a refinancing bond in 2012, outstanding principle there is \$5,065,000 and that will be paid off in 2020. The total dollar amount outstanding is \$20,643,000.

Mayor Gurule-Giron asked what is left of our leveraging capacity.

Finance Director Gallegos advised it depends on our revenue. If we go in for a loan or a grant then they will look at our financials and run whether we have any kind of capacity left at this point, however we still need to have the general obligation bonds if we ever needed to.

Mayor Gurule-Giron asked Mr. Trujillo what the DOT process was and when they anticipate starting that process.

City Manager Trujillo advised in February 2018.

Mayor Gurule-Giron asked what the projected General Funds were supposed to come in at.

City Manager Trujillo advised a little over \$600,000 on gross receipts.

Mayor Gurule-Giron stated if they actually start in February then we probably won't anticipate getting them until May or June, therefore that wouldn't help us for this year.

Mayor Gurule-Giron asked if the \$500,000 we lost was the excess payroll and how many payouts for sick leave have been paid out this year. She was aware that a moratorium was in place stopping the sick leave payouts for budget 2018.

Finance Director Gallegos explained the process and mentioned that the City Manager has the final approval on those payouts which were in the amount of \$23,000.

Mayor Gurule-Giron requested a list of those employees be given to Mayor and Council.

Councilor Casey made a motion to approve Resolution No. 17-23 to adopt the Final 2016-2017 DFA Financial Report for submission to DFA Local Government Division. Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Barbara Casey	Yes	David A. Ulibarri, Jr.	Yes
Vincent Howell	Yes		

City Clerk Fresquez re-read the motion and advised the motion carried

3. Approval/Disapproval of Resolution No. 17-24 to adopt the Final FY 2017-2018 Budget for submission to DFA Local Government Division.

Finance Director Gallegos advised she has a recap sheet which gives a better picture; she has the final budget 2018 topics that we addressed and preliminary budget as well. Finance Director Gallegos added that the only change was the beginning cash balances for the General Fund and the Operating Fund came in at \$128,000 less than we had anticipated and she thinks we did go through those adjustments that we had to make towards the General Fund.

Finance Director Gallegos stated the budget was presented in late July 2017. We projected revenues of \$10,980,000 in General Fund and revenues are flat, so we need to be very careful with some of our expenditures and be very assured by ourselves that we will be able to meet these expenses. What we have posted, are actual cash balances, we did not recommend or plan for any furloughs, modified or abbreviated work schedules for any employees, and several positions were not funded. There were fifteen positions that were not funded including an Event Planner, Code Enforcement Officer, four Police Officers, a Maintenance Worker, an Assistant Fire Chief, a Safety Coordinator, General Accountant, Communication Supervisor, a Recreation Manager, Administrative Supervisor and a KB Coordinator totaling \$641,000.

Mayor Gurule-Giron asked if the positions were absorbed into the actual General Fund budget or did the money stay within the respective department.

Finance Director Gallegos advised they were not funded, they remain in each specific department in case there is additional funding later on in the year, however the tool will remain in the budget but it wasn't funded, it was zeroed out.

Finance Director Gallegos advised that IT department was moved into their own division and was funded by several departments and not only General Fund, we also moved the Safety Coordinator and the Risk Manager over, part of it to HR in the General Fund as well as to the Enterprise Fund. We also included a one percent increase in health, dental and vision insurance. We did increase the Police Department in case we did a final negotiation with FOP so we did include those salary increases as well because we are getting the final approval on the FOP Contract.

City Clerk Mrs. Fresquez advised the contract would be coming to council for their consideration.

Finance Director Gallegos further added that those were the critical items that were changed over and in General Fund there weren't very many changes other than the Police Department that was funded for the salaried employees in the FOP Contract. There were also changes in some work on the Enterprise Funds for water projects. Those water projects totaling \$14,971,000, the biggest portion being Bradner Dam which is carrying \$8 million, so that is why you see the higher number, of the \$8 million which is in fact sitting as part of that \$14,971,000.

Mayor Gurule-Giron asked of that \$14 million for Bradner, how much of that use will be coming out of the Tobacco Fund, the \$4 million that was left.

City Manager Trujillo advised yes, we drew down on that first.

Mayor Gurule-Giron then asked what the balance is on the tobacco Fund.

Utilities Director Gilvarry advised she will give her the exact number, but approximately she thinks they spent \$1 million.

There was further discussion on the various upcoming projects for the near future.

Finance Director Gallegos advised one of the items she would like to bring up is for the preliminary budget, it was in fact approved by DFA, however they noted the General Fund cash balance besides the LG being reserved requirement, which is to reserve one twelfth of the budget. It is projected to be depleted at fiscal year end. Expenditures met transfers, exceed budget revenues by ten and a half percent. If not addressed in the interim prior to the final budget submission, governing body will be warned of this appearance of the final budget by a letter.

Finance Director Gallegos stated that she has gone back even though the budget shows additional expenditures and transfers and shaved off as much as she could in the target areas, especially in the General Fund unfortunately. At the end of the summary, I have given the debt and total salaries and benefits for FY 2017, which was close to \$15,297,000. Planned for this year for 2018 is \$14,619,000 and that is approximately twenty nine percent of our FY 2018 budget and thirty percent goes to salaries and benefits. Finance Director Gallegos explained that the projects and debt service take quite a bit of money from the budget itself. Also the number of employees are at 266 included in the budget plan, as well as in the preliminary plan, we had planned to purchase two patrol officer vehicles, two additional trash vehicles for solid waste, one vehicle for water and one vector truck for waste water. Those were also in the plans, we don't know if the department will move forward with those looking at the revenues and expenditures.

Finance Director Gallegos thanked Barbara Padilla and Natasha Padilla from Housing for helping facilitate graphs for the budget message.

Finance Director Gallegos stated the cash balance starts with \$22,396,000 and Tana and I have tied into that, she's the one who works on the final DFA report, so we tied into that number. Less \$66,000 that we know is a trust agency fund that we carry. We have \$5 million in investments and that's shown in column two. We have \$44,813,000 in revenues, and \$0 in transfers, our expenditures shows \$53 million, so you can see where our expenditures do exceed our revenues and we need to be cognizant of that. Our ending cash balance is \$22,429 a lot of that is our reserved accounts in our capital projects as well as our debt services.

Councilor Casey advised she went through all the special funds and general funds and some of the vacant positions show a dollar amount for that position. Councilor Casey gave an example of the dollar amount she added for the vacancies listed which came out to \$712,409 and was concerned because when we had the discussion on the preliminary budget, some of Council were concerned that the police were not being funded like we thought they should be, so we requested at least two new officers and it was my understanding at the time there was an agreement that you said we could add two new officers before we got our final budget and those officers are not included in the budget, we have a decrease of \$224,262 and for fire we have \$88,043 decrease. Councilor Casey stated if all these other positions that are currently vacant still have funds in those line items, does that mean that the City anticipates filling those positions when there is a freeze on everything except public safety and if that's so then we are not following the DFA mandate, which is something that was brought before us on several occasions and the Police and Fire Departments are not being funded as they should. Councilor Casey stated she was very upset about this and concerned about it because she felt that some of the vacant positions were not as important as having additional policemen which we need out in the streets. Councilor Casey further stated that she had other areas of concern, as she noticed there is \$15,000 increase in revenues of court fees and it is illegal and unethical to depend on money coming in from fines from the court, and had a real problem with that.

Mayor Gurule-Giron asked what the court fines were that would make it illegal and unethical.

Councilor Casey advised when you have a line item in the budget that is increasing the amount of dollars anticipated to come in on court fines, you cannot expect a Municipal Judge or the officers of the City out there to double up on the tickets they are giving or the Judge to give higher fines in order to make budget.

Mayor Gurule-Giron asked if Finance Director Gallegos could address the issue of the Municipal Judge and the fact that he has the authority to raise fines if he wants to.

Finance Director advised the Judge may raise court fines and the funds have been increased because he is bringing in more fines, so he is bringing in more revenue as far as the municipal fines which are only collections. Finance Director Gallegos

added the other fund is the correction fees, those collection fees automatically get collected and get put into a separate fund and their disbursed to the administrative office of the courts. The portion that we get and I believe the dollar amount is \$68,000, and so we increased it to \$75,000 because we were seeing he has increased the revenues. He is bringing in \$75,000 and we have always budgeted the court fees in the General Fund, so I don't know of anything illegal regarding that.

Councilor Casey stated it won't become illegal until it happens.

Further discussion took place regarding Municipal Court.

Mayor Gurule-Giron stated that the DFA directive is clearly stated regarding public safety and wanted to hear from Police Chief Montano as to how he can justify additional positions as everyone will have an opportunity represent their budget as they have that right.

Chief Juan Montano advised he's been doing some extensive research and one of the things he has in his notes is a letter from Rick Lopez from the DFA the latest documentation that was disseminated to Directors on February 17, 2017. Chief Montano stated that in recent council meetings there's been discussion that Police Department had positions that were not filled in four years and then three years.

City Manager Trujillo asked Chief Montano to read the language on what he's referring to from DFA.

Chief Montano read "Section 6-6-2 NMSA 1978 which requires each local public body to furnish and file with the department of finance and administrative DFA local government division a proposed interim budget for the next fiscal year. Furthermore the statute authorizes the legal government division to prescribe the form of all the budget record and account for local public bodies. To meet the requirements the local government division has developed budget forms including supplemental schedule forms which are recorded and submitted electronically. These budget forms are located on our website. Please note in light of continuing fiscal challenges we recommend the following consideration, adopting and applying formal policy and strictly disallows reoccurring

expenditures from cash balances and none reoccurring revenues. Implementing an immediate freeze on all current vacant employee positions excluding health and public safety service positions, as well as an increase to employees' salaries excluding union contractual obligations. Implementing an immediate freeze on new and none essential contracts that effect the general fund. Discontinue the practice of providing funds of any nonprofit organizations that are not tied to the legislative appropriations. Other items on the budget recapulation page be aware of recap page must tie to the fourth."

City Manager Trujillo asked what he was referring to in the letter.

Chief Montano advised he is referring to implementing an immediate freeze on all current vacant employee positions excluding health and public safety service positions. Chief Montano added that final and further discussions as mentioned earlier during council meetings, we had vacancies that we hadn't filled in four years and during the budget with City Manager Trujillo and Mrs. Gallegos those same topics came up in those discussions in negotiation process. Chief Montano stated he could provide Mayor and Council with a copy of this if they needed them. Chief Montano added that in July 2016 there were two positions away from filling all positions they had vacant. At the time we had two positions that were available, June/July came on and we knew were going to have to tighten up our belts so one of the things he had proposed to utilize is two positions for salary savings to help the City. Chief Montano added that in August 2016 he had one of the officers' resign, so there were three positions. In October/November 2016 we had another employee who was at the police academy; he did not satisfactorily meet our expectations so he was relieved of his duties. The four positions that were available or that were not filled prior to us losing three more people to state police could have been probably filled last year.

City Manager Trujillo asked if those positions were funded and budgeted and Chief Montano responded, yes they were.

Chief Montano further added that he sought to look to fill the positions like he had initially decided they were going to do salary savings until December, mid-year so that he could utilize those salary savings to help offset some of those costs. Chief Montano stated that regarding police union negotiations, he had officers with the old pay plan, officers that were probably three years on the force

and they were getting paid what first year officers were getting, so one of the things City Manager Trujillo assigned him to do was come up with a twenty five year longevity plan, now when a police officer retires its twenty five years. So we came up with a longevity plan for police officers, for sergeants and lieutenants, during these conversations I was advised funding was being provided. So we decided we needed cars, we have \$108,000. At first I was anticipating just using \$108,000 that way we wouldn't impede on the City budget. So we buy six cars, unmarked cars to go to investigations and command staff. Subsequently I was instructed by the City Manager to get four unmarked cars and four police cars. Four police cars we subsequently got them in and got them fully equipped. The funding was the \$108,000 that was appropriated part of that portion was the \$108,000 appropriated by legislative funds in January 2016. The remaining balance, I think Mrs. Gallegos had said was \$42,000,

Chief Montano further stated he had his financial specialist make a request to fill the four vacancies because we have approximately six or seven individuals that we felt were qualified and could be hired. My financial specialist was then advised that that was not the case and was told we had to utilize the salary savings for not only the raises but to finish financing vehicles. Once we got word of that, I called and set up a meeting with City Manager Trujillo. We discussed several different items we previously discussed and during this conversation, I asked City Manger Trujillo, if I held off the whole year on salary savings, could I hire in July. City Manager Trujillo stated he did not have a problem with that, so I agreed. Since there was not a problem with hiring the four positions, Chief Montano agreed to finish paying off the cars since he didn't have an issue with utilizing the money saved from his budget to benefit the department.

Chief Montano stated thereafter the budget hearing was on April 7th and during the budget hearing Chief Montano was advised about the four positions he would be losing and at that time he asked what the purpose of losing these four positions was. Chief Montano was told because they had not been filled yet, so based on that, the position that got cut was a part time position. We currently have an employee that has medical issue, she is a records clerk and can only work part time and ended up losing the part time position. Chief Montano added that he had an IT person and now that an IT department was created so we no longer have that position.

City Manager Trujillo advised he had mentioned about the longevity and what it's going to cost to be able to execute that longevity plan. He stated also that he did mention about a pay increase on every anniversary date. City Manager Trujillo recalls when he was appointed he was directed to look at police vehicles and inspect those vehicles. My directive was to replace patrol vehicles and it was Chief Montano's idea to go ahead and purchase four for investigations. City Manager Trujillo mentioned that in order to execute the pay plan, Chief Montano was advised that the City would not know the total effect of the pay plan and what its impact would be on the budget. City Manager Trujillo stated that the four vacancies that he referred to were vacancies that were not funded, they have been on his budget for a couple of years and they were not funded. City Manager Trujillo requested that Finance Director Gallegos talk about the cost to the General Fund, in order to pay for the pay plan for 25 years, the cost for the increase of salaries for every anniversary date and the commitment to replace every officer that leaves as he intends to fill those positions. City Manager Trujillo stated he feels the pay plan is a very good pay plan and has always been a recruiting obstacle, not being able to offer the pay or to be competitive with other cities. By implementing this pay plan it put us in a better situation to recruit, it increased the entry level, the increase of anniversary dates and at the end of the 25 years, every officer will know what they are making; prior to that it used to stop at 10 years or 10 steps.

Finance Director Gallegos advised there were several meetings with City Manager, Chief Montano and herself because he was instrumental about pushing the pay plan as it is an excellent pay plan with a three percent increase in each and every step based on number of years' experience. Finance Director Gallegos stated that it was decided during the meetings that the pay plan could not be implemented unless the four positions that Chief had vacant were not filled and they were vacant at the time when we had the conversation. Finance Director Gallegos further stated she did not have the exact number but it was close to \$211,000-212,000 to fund the pay plan, as Chief Montano had requested. At that point Finance Director Gallegos stated she was under the impression between the conversations with City Manager, myself and Chief Montano that those positions were not going to get filled for the year because the \$211,000-212,000 could not be made up in four or five months, it was going to take us the entire year. Finance Director Gallegos also stated that Chief Montano did come back and wanted to fill the four positions in mid-November or December and she told him

that all three of us made the decision that those positions would not be funded so we could implement the pay plan and that is when all the back and forth went on and on and it was going to take us some money that we didn't have in the General Fund other than the four positions that he had and they were vacant positions. Finance Director Gallegos stated that for this year we kept the pay plan and we have negotiated with the union and this year we are looking at \$50-60,000 and this was going to take the City so much money because some of the officers were brought up by a considerable dollar amount and we knew it was going to cost us for implementation. Finance Director Gallegos mentioned that what's hurting us right now is the lack of revenues that are not coming into the General Fund.

Finance Director Gallegos stated that If Council plans to add two vacancies; she would need direction as to what to decrease because in order to do so, something has to go away in order for us to add positions. Our revenues are not coming in especially our general fund revenues. Finance Director Gallegos stated that utilities cannot fund any of the police officers unfortunately, so those are things that need to be discussed and advise City Manager just how we fund those positions because we need to give up something in order to fund. Finance Director requested to be given a directive to do furloughs or modified or abbreviated work schedule for all employees.

Councilor Howell advises he is very disappointed that the administration is asking for Council at this time and date to give information on who to cut and what to cut.

There was discussion regarding the amount of hours worked by police officers, especially during events such as Fourth of July Fiestas and motorcycle rally.

There was further discussion on where budget cuts might be made.

Mayor Gurule-Giron asked if the Council was apprised of an injury to one of our city employee's.

Councilor Casey advised she was not.

City Manager advised there was an accident and the employee did go through surgery but could not give additional information at this time.

Councilor Casey asked if the worker's comp would probably increase and Finance Director stated that it would impact the cost.

Councilor Casey asked if City Attorney could tell them how many pending legal cases the City has.

City Attorney Laszlo-Henry advised that her paralegal does create a monthly report for City Manager and she could provide that information to them.

Councilor Casey stated there was a person hired in May in the water department and she couldn't find his name anywhere on the list.

Finance Director Gallegos advised since we didn't change any salaries from the preliminary to the final, she didn't want to do that because she was going to change all the numbers for the departments. She stated she would do so right after and update, the S1's are salary schedules and she would update them.

Councilor Casey stated she was referring to Mr. Cole and wanted to know what his position was.

Utilities Director Gilvarry advised he is the water treatment plant manager.

Councilor Casey asked if he is still receiving the pay that was in the budget and Finance Director Gallegos stated yes.

Councilor Howell stated he believes and feels very diligent in wanting the governing body and administration to really put an investment in our public safety departments and it's not the responsibility of the council to look into this budget and recommend where we can cut. "I think it is the administration's responsibility. A lot of community members are scared out there because they know our police department is not staffed properly, they know our fire department is not staffed properly. All it takes is one, and I really feel we need to look hard in investing in those two departments and if we can't fund four, let's compromise and fund two".

Mayor Gurule-Giron advised Finance Director Gallegos with regards to the cuts at this point in time during the budget review, the council does have the authority to make recommended cuts consistent with policy.

Councilor Howell advised that if Council have to make the cuts, it's not appropriate for them to advise right now at this time as the Council would need to forensically look at this budget to really take a look and see where they could cut.

Mayor Gurule-Giron stated when asking for forensic audits, you're asking that the City go back and provide you things in the past in order to determine the future.

City Manager Trujillo stated that he is committed and "we have already proven our commitment to public safety, it's already been evident that we are moving in that direction. What is hurting us is our loss in revenues, our loss of GRT and where are we supposed to go to when that's not there. The only place to go to is operations and that is people's salaries in the General Fund. We looked at this budget, I am committed, if we find money, I am committed to replace those officers. I want to replace the one who went to state police, the one who retired because that's budgeted. Same thing with Fire, we asked Fire Chief to give us time. Right now with what their union negotiated was a 48 hour shift that was also to help them recruit and I think it has benefited the Fire Department but we had to make that cut in order to make this happen. We foresee that there are impacts of that 48 hour shift, it takes us a year to really realize what that impact is but we're committed to improving the working environment, being able to recruit, but realistically the money is just not there. We had talked last year in the budget about the nonprofits, we talked about the \$13,000 the \$33,000 the \$15,000 that we give out there. Would I love to see that given to the police department or fire department or public works looking at their facility back there, yes, but that's where we're at in this budget. We are at a place where it is very flat and if we continue to look at every department to see if we find money, we are doing that, we are making that effort. It's not being ignored; it's just a reality of where we're at in Las Vegas. Again our commitment is to fill those positions of those officers that have left."

Councilor Ulibarri, Jr. made a motion to approve Resolution No. 17-24 to adopt the Final FY 2017-2018 Budget for submission to DFA Local Government Division. Motion died due to a lack of a second.

Councilor Howell made a motion to disapprove Resolution No. 17-24 to adopt the Final FY 2017-2018 Budget for submission to DFA Local Government Division. Councilor Casey seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	Barbara Casey	Yes
David A. Ulibarri, Jr.	No		

City Clerk Fresquez re-read the motion and advised the motion carried

EXECUTIVE SESSION

Councilor Howell made a motion to go into Executive Session to discuss personnel and pending litigation. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Barbara Casey	No	Vincent Howell	Yes
David A. Ulibarri, Jr.	Yes		

City Clerk Fresquez re-read the motion and advised the motion carried.

Councilor Howell made a motion to go back into regular session stating there was no action taken, only discussion on Personnel matters as per Section 10-15-1 (H) (2) of the New Mexico Open Meetings Act, NMSA 1978. Councilor Casey seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

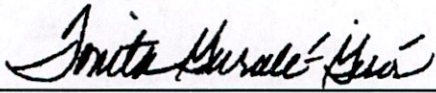
Vincent Howell	Yes	Barbara Casey	Yes
David A. Ulibarri, Jr.	Yes		

ADJOURN

Councilor Casey made a motion to adjourn. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

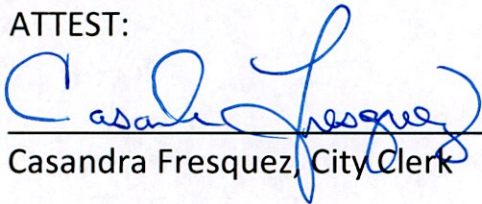
David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara Casey	Yes		

City Clerk Fresquez re-read the motion and advised that the motion carried.



Mayor Tonita Gurulé-Girón

ATTEST:



Casandra Fresquez, City Clerk