

**MINUTES
SPECIAL MEETING
LUNA COUNTY BOARD OF COUNTY COMMISSIONERS**

July 29, 2009

BE IT REMEMBERED that the Luna County Board of County Commissioners met in special session at 9:00 a.m. on Wednesday, July 29, 2009, in the County Commission Chambers of the Luna County Courthouse, Deming, New Mexico, for the purpose reviewing the final budget. The following members of the Board were present:

Commissioner Fred D. Williams, District 1
District 2, Currently Vacant
Chairman R. Javier Diaz, District 3

Also present were the following staff and elected officials: County Manager John Sutherland, Jr., Administrative Assistant Glory Johnson, Treasurer Dora Madrid, County Clerk Karen Smyer, Sheriff Raymond Cobos, Road Superintendent Marty Miller, Lt. John Mooradian, Assessor Patsy Leyba, Human Resources Director Danny Gonzales, Procurement Officer Joanne Hethcox, and Special Projects Coordinator Rheganne Vaughn.

Chairman Diaz called the meeting to order at 9:00 a.m. and led the Pledge of Allegiance and the salute to the flag of the State of New Mexico. He stated a roll call would show the presence of Commissioner Williams and himself.

NEW BUSINESS:

A. Resolution 09-35 - Luna County Final Budget 2009-2010: County Manager John Sutherland advised the board county expenditures have been brought down to where they are equal to or less than revenue. He said the exception is the road fund which continues to exceed revenue by about \$128,000. He remarked most of the revenue in that fund is generated through gas tax so it depends on the economy. He added that it will bear watching throughout the year as will manpower issues. In response to a question from Commissioner Williams as to why detention center revenue is expected to decrease, Mr. Sutherland replied that the number of federal prisoners is down. He attributed the decrease in part to the fact that immigration across the border is down nationwide. He advised that the number of Border Patrol officers has increased from around 200 to over 400 and that has had a very positive impact. Apprehensions at the border are down significantly for this district but are picking up toward the Arizona border where there is a weak spot. Chairman Diaz stated detainees are being centralized in order to contain the H1N1 virus. He further stated an uprising in Mexico could create an influx here at the border resulting in an increase in the number of detainees. Chairman Diaz said Luna County is fortunate that the revenue created from detention of federal prisoners is sufficient to pay for detention cost of state and county prisoners as well.

Commissioner Williams stated salaries have been reduced by about \$500,000 and asked whether those savings could be used to give county employees a small cost of living increase. Mr. Sutherland

replied that he had considered up to a 2% cost of living adjustment and found, despite the fact savings have been achieved, they were not sufficient to sustain salary increases. He added that we are fortunate that the cost of living did not soar. He reiterated road fund expenses exceed revenue. He said he was advised by DFA to establish a fiscally conservative budget due to the current state of the national economy and the volatility of some of the tax distributions. He also said he was advised to implement a freeze on salaries except those governed by union contracts currently in place. It was Mr. Sutherland's view that he had followed the most prudent course in establishing this budget.

Mr. Sutherland indicated employee insurance premiums will increase by 1% across the board and there is a 6% increase in worker's compensation insurance premiums. The county picks up a significant portion of Public Employee Retirement Act (PERA) contributions under Municipal Plan 2. He said PERA calls for the employee to pay 9.15% of their earnings and the county is to pay 9.15%. However, long ago, Luna County began picking up 7% of the employees share with the employee picking up a little over 2%. Under Municipal Plan 5, the employee's share is 16.02% and the county share is 18.5%. However, the county is actually paying 22.5% of the contributions for law enforcement personnel. When salaries increase, the cost of that benefit increases as well.

Chairman Diaz asked the manager how he arrived at gross receipts tax revenue projections. The response was that projections were based on prior year's actual receipts.

A member of the audience asked whether a detention center is being constructed in Lordsburg. Rheganne Vaughn confirmed that they have constructed a facility and are now in search of an administrator. Mr. Sutherland did not believe the construction of new facilities in Grant and Hidalgo Counties would impact our numbers because he believes neither county intends to house federal prisoners.

Mr. Sutherland directed attention to graphs and charts prepared by staff to help elucidate where money comes from and where it goes. He advised the board that of the \$8,458,519 budgeted expenditures for the 2010 general fund budget, 72.2% is taken up by employee salaries and benefits. 49.5% of general fund expenditures are for salaries. In the general fund, benefits cost comprise 46% of the salaries cost. In the road fund (402) (an operating department) salaries, wages and benefits equal 41.6% of total expenditures. He explained in an operating department it is to be expected that salaries, wages and benefits would be a lower percentage than in other departments because there are large expenditures for equipment and materials. In the detention center budget, salaries, wages and benefits comprise 70.3% of the budgeted expenditures. Benefits in the detention center budget equal 48.7% of the salary and wage cost. Mr. Sutherland discussed a spreadsheet he put together showing county general fund expenditures by department totaling \$8,458,519. He said he then added to that sum \$9,861,281 of other raised and spent funds and combined them to total \$18,319,801 available to us. The spreadsheet denotes what percentage of the total general fund budget is being spent for public safety (49%), public works (17.9%), general government (26.7%) and health and welfare (6.4%). He said his focus was on funds we generate and spend ourselves as opposed to grant programs in which revenue and expenditures are allocated for certain tasks over which we have little control. He anticipated the documentation to be helpful in assisting commissioners determine how they wish to budget in coming years and also as an evaluation tool to see whether they accomplished what they wished to accomplish. Chairman Diaz believed public safety should be the number one consideration with health and welfare

being second. Commissioner Williams felt the information would be useful in upcoming district meetings to help assess how the public feels about priorities for county governmental spending.

In response to a question from the audience, Danny Gonzalez stated that every county employee has thirty days from their employment date to take advantage of a health insurance benefit, however they do not all opt for the benefit.

At the request of Chairman Diaz, Mr. Sutherland clarified budgeted expenditures in the 613 account. He said funds were transferred into the county improvements line item. \$250,000 comes out of fund 419 and goes into the 411 account for various community services. Chairman Diaz objected to the \$100,000 expenditure for after school programs and requested either a delay in disbursement of the funds or withdrawal of the allocation of funds until such time as an explanation could be given as to use of the money. Rheganne Vaughn advised the board that the city and county reached an agreement years ago whereby the county pays for after school programs for kindergarten through sixth grade and the city funds the programs from seventh through twelfth grades. She said the reason the programs were originally funded by the county was to provide healthy and productive activities such as tutoring, extracurricular sports and music for school children during critical hours. At the end of May, it was reported that there had been over 20,000 contacts with kids during the school year making it around \$5 per contact. Tyler Vendreley stated that all after school programs can be paid for with Title 1 funds. He said the school district has received approximately eight million dollars in Title 1 monies for the upcoming school year. He believed a small number of students take advantage and receive benefits of the programs on a regular basis. It was stated by a member of the audience that the school districts get more than their share of the state budget and there is also federal support for such programs and he believed the funds should be deleted. Commissioner Williams was not comfortable deleting the funding without giving the school an opportunity to respond to questions that have arisen. He was comfortable delaying funding until an explanation could be given by school personnel.

Mr. Sutherland, in response to a question from the audience, stated the expense to acquire the entertainment facility came out of bond line item 506. The expenses are paid for in full out of operating revenue of the facility. The facility is running a net profit.

Commissioner Williams moved to approve Resolution 09-35 as presented with the intention that disbursement of funding in the amount of \$100,000 for after school programs shall be delayed until the school can provide answers to questions. Chairman Diaz seconded the motion which carried and the budget was approved.

Funding requests from other agencies was approved as follows:

Agency	Approved Allocation in Dollars
Senior Citizen's Center	100,000
Rio Mimbres Golf Course	39,000
Deming Animal Guardians	10,000
Deming Historical Society	17,100

Humane Society	76,600
Keep Luna County Beautiful	18,112.50
Deming Arts Council	5,000
Tierra Blanca Youth Program	25,000
Southwestern New Mexico Fair	15,000
Soil and Water Conservation	10,000
Farm and Range	23,500
Cancer Society Support	1,000
MainStreet Program	\$7,500
Karate Program	2,500
Radio Club	400
Shop With a Cop	500
Centro Jardin de los Niños	2,500 (plus salaries of two employees and use of a van)
Columbus Historical Society	4,000


Tyler Vendreley advised the board that the City is making a final contribution to MainStreet of \$8,750 to complete their initial two-year commitment of \$30,000. Over the course of two years, the county will have contributed the sum of \$37,500 to the program.

Chairman Diaz requested that the budget expenditures and revenues be reviewed every three months.

ADJOURNMENT: Commissioner Williams moved for adjournment. Chairman Diaz seconded the motion and each voted "aye." The meeting was adjourned at 10:10 a.m.

Attest:


KAREN SMYER, LUNA COUNTY CLERK

LUNA COUNTY BOARD OF COUNTY COMMISSIONERS

FRED D. WILLIAMS, DISTRICT 1

APPROVED: August 12, 2009

DISTRICT 2 - CURRENTLY VACANT


R. JAVIER DIAZ, DISTRICT 3, CHAIRMAN