

Special Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, May 24, 2011 at 9:00 a.m. in the Executive Conference Room at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformity with the rules, regulations and ordinances of the municipality.

At such meeting the following were present, constituting a quorum:

MAYOR	Tommy Roberts
COUNCILORS	Dan Darnell Mary M. Fischer Gayla McCulloch Jason Sandel

Constituting all the members of the Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Bob Campbell
CITY ATTORNEY	Jay B. Burnham
CITY CLERK	Dianne Fuhrman
DEPUTY CITY CLERK	Melody Coyner

RESOLUTION NO. 2011-1395/ADOPTING AN OFFICIAL PRELIMINARY BUDGET FOR FISCAL YEAR 2012

Mayor Roberts reminded the Council that the subject resolution was tabled at the May 17, 2011 Work Session.

Directing the Council's attention to page 1.1 of the agenda materials, City Manager Rob Mayes reported that the proposed Fiscal Year 2012 budget has been amended to adequately reflect the guidelines adopted by the Council concerning the General Fund Cash Reserve and the Electric Utility Fund Cash and Dividend policies. Furthermore, he noted that the gross receipts tax revenues for Fiscal Year 2012 are being projected at the same level as the actual amounts received in Fiscal Year 2011; the ending cash balance in the General Fund is \$11.4 million (or 20.86 percent of the budgeted expenditures); the proposed budget includes the pay plan step increases and a 1.5 percent across-the-board market adjustment, as directed by the Council at the May 3, 2011 City Council Work Session; there is still an operating surplus amount of \$40,000 being projected in the General Fund; and that \$3.3 million is available for transfer to the 408 Fund for use on capital projects. He requested adoption of Resolution No. 2011-1395 adopting an official preliminary budget for the City for Fiscal Year 2012.

In response to inquiry from Mayor Roberts, Councilors Darnell and McCulloch expressed their support for the proposed step increases and the 1.5 percent across-the-board market adjustment. Councilors Fischer and Sandel voiced their objection. As a result, Mayor Roberts stated that he supports the salary increases as proposed.

At the request of Mayor Roberts, Councilor Fischer stated that she is opposed to the \$3.5 million operating budget for the Farmington Public Library because it accounts for 7 percent of the entire General Fund budget. She also contended that the amount of money being spent on temporary employees is excessive, almost as much as the amount budgeted by the Parks, Recreation and Cultural Affairs Department. In response, Councilor Sandel agreed that the number of temporary employees is a concern and questioned whether it would be more fiscally responsible to hire more full-time employees. However, he stated that he believes that the proposed budget for the library is practical. Mayor Roberts stated that he would support a volunteer program at the library and commended Police Chief Kyle Westall for publicizing in the newspaper the need for volunteers at the Police Department.

Councilor McCulloch reported that she received a telephone call from a constituent concerned about the amount of money that is being spent on the Shiprock branch of the Farmington Library. In response, Mr. Mayes reported that last year the City received a grant that covers the operational costs for the Shiprock library. He also pointed out that the overall operating budget for the Farmington Library peaked in Fiscal

Year 2007 at \$4.5 million and has steadily decreased to the \$3.5 million being proposed in Fiscal Year 2012. Mayor Roberts and Councilor Darnell expressed their support for the proposed budget due to the exceptional condition of the facility, the array of programs that are being offered and the increasing demand for library services.

Councilor Sandel initiated discussion on two capital items that he believes should be included in the proposed budget; the first being the installation of a traffic signal at the intersection of Dustin Avenue and Piñon Hills Boulevard and the second being the installation of a flashing speed limit sign on Dustin Avenue, across from Brookside Skateboard Park.

Following brief discussion, a motion was made by Councilor Sandel, seconded by Councilor Fischer to direct staff to budget \$250,000 in the Capital Line Item for the Streets Division for the purpose of developing roadway improvements that will correct driver visibility (including consideration of a traffic signal) at the intersection of Dustin Avenue and Piñon Hills Boulevard. The roll was called with the following result:

Those voting aye:	Mary M. Fischer Jason Sandel
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Those voting nay:	Dan Darnell Gayla McCulloch
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The Mayor voted against the motion and declared the motion failed.

Mayor Roberts explained that he voted against the motion because the project could be funded with monies in the 408 Fund at the time those funds are designated for specific projects.

Councilor Sandel made a motion, seconded by Councilor Fischer, to direct staff to budget \$15,000 for the purpose of installing a flashing speed limit sign on Dustin Avenue between Dairy Queen and Brookside Skateboard Park. The roll was called with the following result:

Those voting aye:	Mary M. Fischer Jason Sandel
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Those voting nay:	Dan Darnell Gayla McCulloch
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The Mayor voted against the motion and declared the motion failed.

Mayor Roberts explained that he voted against the motion because the City has already taken extraordinary steps to attempt to control the pedestrian traffic on Dustin Avenue adjacent to the Skateboard Park, including the installation of chain link fencing. Noting that he often sits and observes the pedestrian traffic in that area, Mayor Roberts contended that pedestrians are being properly directed to the dedicated crosswalks and contended that the neon yellow signs are adequately advising drivers of possible pedestrian traffic. As a result, he contended that the area is safe and stated that the City should be able to rely on the responsibility and accountability of the pedestrians to ensure their own safety.

Lastly, Councilor Sandel made a motion to dedicate 1/8 of one percent of the gross receipts tax revenues to a separate fund for the purpose of bonding special projects. Councilor Fischer seconded the motion.

Mayor Roberts announced that he supports the idea in concept, but stated that he believes that the City's budgeting process is still in the transition phase due to the recent downturn in the economy. He stated that he believes that this is something that the Council could consider in a couple of years when the budget trends have balanced out. He also noted that the Council could consider a referendum to determine whether to increase the gross receipts tax by 1/4 percent for the purpose of funding large capital projects, such as the construction of the proposed regional animal shelter, a convention center or the Piñon Hills Boulevard bridge extension project. Councilors Darnell and McCulloch stated that they support a gross receipts tax increase if it passes with a positive referendum. However, they clarified that they do not support a Council-imposed increase in the gross receipts tax. Councilors Fischer and Sandel announced that they are opposed to an increase in the gross receipts tax whether by citizen referendum or not.

Councilor Fischer asked staff for a report on the status of the proposed regional animal shelter. In response, Mr. Mayes reiterated that

the Council could determine to fund the project with monies from the 408 Fund and assured her that staff is meeting with the architect to determine the options and the associated costs.

The Mayor called for the vote upon the motion to dedicate 1/8 of one percent of the gross receipts tax revenues to a separate fund for the purpose of bonding special projects. The roll was called with the following result:

Those voting aye: Mary M. Fischer
Jason Sandel

Those voting nay: Dan Darnell
Gayla McCulloch

The Mayor voted against the motion and declared the motion failed.

Following further consideration, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to pass and adopt Resolution No. 2011-1395 as presented. The roll was called with the following result:

Those voting aye: Dan Darnell
Gayla McCulloch

Those voting nay: Mary M. Fischer
Jason Sandel

The Mayor voted in favor of the motion and declared the motion carried.

In closing, Mr. Mayes reported that staff will be scheduling a strategic planning item on a future Work Session agenda for the purpose of discussing the uses for the 408 Fund and other capital project funding alternatives.

CLOSED MEETING

A motion was made by Councilor Darnell, seconded by Councilor Sandel to close the meeting to discuss bargaining strategies preliminary to collective bargaining negotiations (IBEW). The roll was called with the following result:

Those voting aye: Dan Darnell
Mary M. Fischer
Gayla McCulloch
Jason Sandel

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried.

The Mayor convened the closed meeting at 9:56 a.m. with all members of the Council being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 10:08 a.m. with all members of the Council being present.

There being no further business to come before the Council, the meeting was adjourned at 10:09 a.m.

APPROVED this 14th day of June, 2011.

SEAL

Tommy Roberts, Mayor

ATTEST:

Dianne Fuhrman, City Clerk