

**Minutes
Budget Workshop
May 24, 2022**

The Village of Capitan Board of Trustees met in a Budget Workshop on Tuesday, May 24, 2022 at the Village Hall in Capitan, New Mexico at 6:00 PM

The meeting began at 6:03 PM.

Attendees: Mayor Lowrance – present, Trustee Kearns – not present, Trustee Shearer – present, Trustee Fraley – present, Trustee Hair – present. Al Cavazos – Village Clerk, Officer, Donna Weekley – Administrative Assistant, Angela Autrey – Deputy Clerk/Treasurer/Court Clerk/Human Resources Clerk, LeAnne Brasher – Finance Officer, Johnathan LaMay – Street Department Supervisor, Steve Osborn – Water Department Supervisor, Ronnie Montes – Parks and Rec. Supervisor, Randy Spear – Police Chief, Minerva Davalos – Municipal Judge, and Kevin Kennedy – Fire Chief/Projects Administrator. A list of others in attendance is attached.

Discussion: The preliminary budget is due by June 1, 2022. LeAnne Brasher explained how she made the budget she was sharing with the Board. Trustee Shearer noted the Village was coming in with \$1.9 million in unrestricted cash and ending the year with \$2.5 million in the General Fund. The Village would be close to “net 0” if Small Cities Assistance and The American Rescue Plan were removed. She does not want to dip into the \$1.9 million in reserves. Trustee Shearer wanted to budget the backhoes for the Street Dept. and the Water Dept. LeAnne said a backhoe was already included in the Water Dept. budget but not in Streets. Trustee Shearer wants to transfer money into the Street Dept. budget to cover the backhoe. Trustee Hair agreed. After reviewing the Water Fund, Trustee Shearer noted it is barely in the black and asked about looking at trying to cut the electric bill. She wanted the Board to look at using some reserves to reduce that amount by adding solar. Mayor Lowrance shared Kevin Kennedy has had someone looking at solar. Kevin Kennedy said he has two guys preparing a prospectus. Funding for the solar depends on the cost analysis. Trustee Shearer feels more comfortable making capital investments knowing the beginning cash balance. Trustee Hair asked if the solar would be restricted to the wetlands or if it can be utilized for the pumps. The Mayor explained it would be on the grid. Trustee Hair asked if there could be a solar component for the wells. The Mayor said the people they are talking to do not do wells because of the voltage. Another person will have to look at that and the Village is trying to do one project at a time. There is possibly State and Federal funding available. One restriction for going solar at the wells is the limited size of the land.

Trustee Shearer asked about doing a survey in the Village to determine if people will be willing to pay another \$2 for trash to have a large item service in Capitan. The Village could also charge people from the County to come in and drop things off. Johnathan LeMay asked if that would include the grappling truck. Trustee Shearer said they could see if that is possible. The Mayor asked about the price for the dumpsters. Steve Osborn said it is \$300 to set the dumpster and then a fee for the weight. The Mayor said the Village could get more dumpsters but wanted to know who would organize it and be there for drop offs. Steve Osborn talked about building up an area so people can drive beside the dumpster and throw things in. Trustee Hair said she thought it was a good idea. People would need to show their water bill to be able to dump items. Steve recommended trying it on a temporary basis to see how much trash is dumped. Minerva Davalos asked if the site would be manned or if people would have to make

an appointment. She suggested having it set up for a certain day so it would not have to be manned all the time. Steve expressed concern about it not being manned and people dumping items they should not be dumping. The Mayor said they have discussed getting more dumpster before but space is limited. The hope is if this service is made available, it will help people clean up and help Randy along with helping the Clean Up Day not be so overwhelming.

The Mayor asked if the dog truck was in the budget. LeAnne said it was not. Trustee Shearer asked about the use of the LEPP. Randy said those are earmarked for a unit and equipment. The original quote was for \$58,000 but they looked at a different pick-up which dropped the price. Trustee Hair asked if the pick-up would still give them the size they wanted for animal containment. Randy said it does and it is one several of the departments use.

Trustee Shearer asked Johnathon what else he needed beside the backhoe. He said the pull behind roller. Trustee Shearer then asked about the tires and Johnathon explained it is two tires. Two have been replaced and now the other two need to be replaced. He also shared the hot mix cold lay does not stay because of its age and that is why he is asking for more on his list. Trustee Shearer recommended adding the Street Dept.'s entire wish list to the budget.

Looking at the Water Dept.'s wish list, Trustee Shearer noted most of it was already in the budget. She asked how critical is an additional employee. Steve said there are things that they cannot get to or it is difficult to get to because they are working on repairs. The Mayor said there had been a previous discussion of the Water Dept. and the Street Dept. sharing an employee. That way both departments could share the cost. Trustee Shearer is concerned that the Water Dept. does not have enough money for a new employee. DFA might say the Village does not qualify for a loan because the Village would have to supplement the water budget to cover the cost of an employee. Trustee Shearer said she would like to pay for the employee out of the Street Dept. budget but is not sure if that can be done. She advised checking with Local Government Division. She wants to see a budget including the new employee. Steve asked for the starting wage to be \$18 an hour because someone can go to McDonald's and make \$15 an hour. The Mayor said to start at \$15 an hour. Steve shared that the individual needs to be certified to work in the Water Dept.

The projections for Smokey Bear Enterprises (SBE) only has \$70,000 in sales. LeAnne Brasher explained that could be low because it based on a time including when there were no sales due to COVID. Trustee Shearer is concerned that just base salaries are \$74,000 and wants to see SBE not need to be subsidized. LeAnne shared they have been bringing in a little over \$4000 a month in the last few months. The Mayor said she should be stockpiling merchandise. Trustee Shearer pointed out there might not be enough business to sell enough merchandise.

Trustee Shearer asked if the proposed raises included benefits. Al Cavazos said it just included raises. LeAnne Brasher said the proposed budget included the raises. Trustee Shearer commented she was fine with the raises because everyone needed a cost of living increase. LeAnne did include the increases in FICA, Medicare, and retirement in the proposed budget. Trustee Shearer asked if the Department Heads were good with the raises and asked how Al decided on the percentages of increase. Al said he looked at the position, current responsibilities, and responsibilities that will be added to come up with the percentage. He pointed out there has not be an adjustment in several years. Trustee Shearer agreed they have earned a raise. She asked to move Parks and Rec. from 5% to 8%. Al also pointed out he did not propose raises for everyone.

Trustee Fraley asked if the Small Cities Assistance Fund and Federal American Rescue Plan were earmarked or at the Village's discretion to use and if there was a time frame they had to be spent. Trustee Shearer explained the Rescue plan is restricted but the Small Cities is not. The Council asked to use American Rescue funds towards the purchase of backhoes, the pull behind roller, and the dog truck.

LeAnne Brasher asked to look at Parks and Rec.'s wish list and stated she included the lumber and stain sealer for the playground in the budget. Trustee Shearer said to include the entire wish list in the budget.

The Trustees did not want an increase in their compensation.

Kevin Kennedy shared that the county is looking at a regional dispatch and the Village will have to pay for the service. Randy said he has included paying for dispatch in his budget.

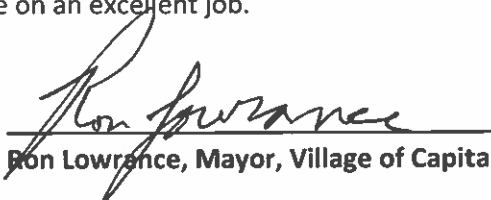
Al Cavazos explained the Village has about \$11,000 in the Local Government Investment Group which is making about 2.9%. City Bank can give the Village 4.5% for a 12-month CD. The Council needs to approve moving the funds at the meeting on June 14, 2022. Trustee Shearer asked about moving \$500,000 of the \$1.9 million into a CD too. The Mayor expressed concern over the risk. Al said that is not a problem, he had checked with the bank about insuring the amount. Trustee Shearer asked what the Village would earn. Trustee Fraley said a little over \$30,000 a year. Trustee Shearer asked if \$500,000 would be enough. The Mayor talked about the penalties that could be incurred if the Village has to pull the money before the CD is mature. Trustee Shearer said something would have to go terribly wrong for the Village to need to take the money out early. The Mayor asked Al to see what they would do for \$1,000,000.

Trustee Shearer asked how it went with the auditor. LeAnne said the auditor is in training and will get back with the Village in two weeks. Angela Autrey said it went very well. LeAnne shared the auditor was impressed with Angela, LeAnne, and Kevin having everything ready to present and answer the auditor's questions. The auditor told Al the Village was going to get a good audit.

The Mayor asked about the ICIP. Kevin Kennedy said he will be giving a presentation at the next meeting.

LeAnne Brasher said she will make the changes before submitting the preliminary budget. Kevin Kennedy said insurance was not included because they have not gotten the breakdown for each department. LeAnne explained liability insurance is budgeted in general it just has not been distributed to the departments. Trustee Shearer complimented LeAnne on an excellent job.

The meeting adjourned at 6:59.


Ron Lawrence, Mayor, Village of Capitan

Attest:


Al Cavazos, Village Clerk