

**MINUTES**  
**BUDGET PREPARATION WORKSHOP**  
**JULY 16, 2016 @ 10:00 A.M.**  
**EDGEWOOD COMMUNITY CENTER**  
**27 E. FRONTAGE ROAD, EDGEWOOD, NM**

- **CALL TO ORDER.**

Mayor Bassett called the meeting to order at 10:30 a.m.

Councilors Present: John Abrams and Sherry Abraham

Councilors Not Present: Chuck Ring and Rita Loy Simmons

Also Present: Clerk/Treasurer Juan Torres and Staff Rebecca Sanchez

- **PLEDGE OF ALLEGIANCE.**

1. **APPROVAL OF AGENDA.**

**MOTION:** Councilor Abrams made a motion to approve the Agenda.  
Councilor Abraham seconded the motion.

**VOTE:** All present voted aye. The motion carried.

2. **2016-2017 BUDGET PREPARATION DISCUSSION.**

Mr. Torres presented the Gross Receipts Tax (GRT) data for Fiscal Years 2015 and 2016. He plans to provide the data in a new format to include additional information. Mr. Torres expressed concern over the letter received from the NM Department of Finance and Administration. Although the Town's final budget for FY 2016-17 was approved and certified, adjustments must be made so the Town does not deplete its general fund. Mr. Torres commented this is the second year the Town has received this warning. The New Mexico Department of Finance and Administration will not allow us to submit a budget like this for a third year. We currently are spending more than we bring in and it is depleting our general fund. If we continue at our current rate, we will not be able to maintain current operations and submit a balanced budget next year. He stated the Town's beginning available cash balance is looking better. The Town is beginning the new fiscal year with \$30,000 more than anticipated; however Wastewater Plant and Road Department expenses need to be factored in. Mr. Torres made clear these departments are not miss-spending but are budgets the Town needs to pay close attention to.

Mr. Torres suggested a few options to consider when developing the budget for the new fiscal year: 1) implementation of an Environmental Gross Receipts Tax, 2) a Gross Receipts Tax increase, and/or 3) implementation of a Property Tax. Mr. Torres stated the Environmental Gross Receipts Tax can be used for Wastewater Plant operations. He stated Capital Project Funds are not available for use on subsidies. A tax increase from 8% to 8.0625% of the Gross Receipts Tax could also be used for operation of the Wastewater Treatment Plant. Per Mr. Torres, a functional Wastewater Plant is needed for Edgewood's future business expansion. He stated the plant is going through filters every two years, when they are supposed to last up to ten years. Funds generated through implementation of a Property Tax would be used for Road Department

expenses. Currently, the road budget is funded only by Gas Tax receipts and a General Fund Subsidy.

The Governing Body considered these three options, as they compared property taxes in the surrounding area. Procedures to apply and/or implement these options were discussed. At the regular Council Meeting scheduled for Wednesday, July 20, 2016, Mr. Torres plans to propose an ordinance to implement an Environmental Gross Receipts Tax and call for a Public Hearing at the second Council Meeting in August.

Councilor Abraham requested that the EVEDA Contract be increased to \$10,000. The reasoning for this is because the Town budgeted \$15,000 for the Chamber of Commerce and is paying \$5,000 for the Run, Rally, and Rock event. The additional funding could be reallocated from the Chamber of Commerce to the EVEDA Contract.

Mr. Torres stated he plans to have each department prepare their own purchase orders. In August or September he will implement a Procurement Policy that would mirror the State's Procurement Policy. The Policy would designate tier levels of dollar amounts to aid in determining if quotes or requests for proposals (RFPs) are needed. Lastly, Mr. Torres stressed the importance of making the Town Budget accessible to all employees so they can be conscientious when making purchasing decisions for the Town.

Councilor Abraham asked who would oversee the Animal Control Department. Mr. Torres stated it would be their Department head, Chief Crow. Approvals would then be forwarded to the Clerk/Treasurer from the Chief. Mr. Torres stated quarterly review packets will mirror what the Town sends to the State. The next Quarterly Budget Meeting is scheduled for October 19, 2016. Councilor Abrams requested that all Bond issues that Edgewood pays into as well as their maturation schedule be included in the Quarterly Budget Packet.


### 3. ADJOURN.

**MOTION:** Councilor Abraham made a motion to adjourn the meeting of July 16, 2016.  
Councilor Abrams seconded the motion.

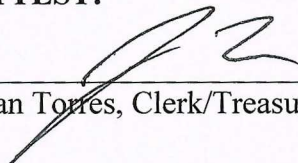
**VOTE:** All present voted aye. The motion carried.

Mayor Bassett adjourned the meeting of July 16, 2016 at 12:31 p.m.

**PASSED, APPROVED AND ADOPTED THIS 3rd day of August 2016**

  
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John Bassett, Mayor

**ATTEST:**

  
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Juan Torres, Clerk/Treasurer