



August 11, 2017

State of the City Report

As Mayor of the City of Las Vegas, I would like to share with our community some of the challenges we have faced, successes we have realized, and plans we have developed over the past year.

Capital Improvement Program

In spite of current economic trends and associated decreases in grants, staff, with the support of the mayor and city council, continues to apply for and receive proportionate shares of designated funding opportunities.

To date, the City of Las Vegas continues to receive funds through the New Mexico Department of Transportation Cooperative agreement funds for improvements to various city streets.

The proposed operation budget for the Capital Improvement Programs for fiscal year 2017-2018 totals \$20,135,875. Capital expenditures are costs which are incurred in the acquisition or improvement to city property. We continue to budget for capital projects within our available resources and our ability to acquire matching funds from state and federal agencies. The growth of our community, coupled with the impact on our infrastructure, creates a challenge in regard to repair and maintenance thereof.

In subsequent years, we have seen a continued decrease in state and federal funding opportunities, as capital projects are not being subsidized at current levels. In spite of this trend, staff will continue to seek additional sources of grant funding to minimize the fiscal impact on our local taxpayers, when considering improvements to our infrastructure.

Due to this philosophical approach, the City of Las Vegas will continue to apply for state and federal grants to match the city's local share from our infrastructure gross receipts taxes; as appropriated in our community. This is a significant return of investment, as these dollars are tripled via roll over, and make their way back into our city coffers.

The City of Las Vegas has moved forward on several other fronts over the past year.

- The city has adjusted to decreased revenues without resorting to furloughs, layoffs or reduction in services.
- We have expanded our relationship with the Hermit's Peak Watershed Alliance, and look forward to the restoration of the Gallinas River and the creation of a Gallinas Riverpark from Bridge Street to Independence Street.
- We continue to work towards a mutually beneficial resolution to the decades-old litigation with the acequias.

- Lion's Park and other city parks have gotten a facelift, thanks in part to the hard work of the city's Parks Department and to the generous donation of landscape rock from Ralph Laumbach.
- The repair and remodeling of the Abe Montoya Recreation Center is completed, and within budget, despite building's structural members being in worse condition than we knew.
- We have worked to improve communication with our community through the recruiting of a public information officer, establishing a presence on local radio stations, and creating a virtual pressroom on our website.
- We are moving forward with a number of improvements in our IT infrastructure, including a smartphone-driven, cloud-based work order system, a cloud-based email and office productivity suite, and fuller use of our Tyler Technologies software. The city's government and tourism websites are being migrated to cleaner, more user-friendly designs. Our online utility bill-pay website has been up for several months, and the number of users is steadily increasing.
- Our city-county symposium, the first of its kind in many years, brought a host of positive results. The Las Vegas Police Department and the San Miguel County Sheriff's Department are partnering to combat drug trafficking, and Las Vegas' Senior Center program is receiving additional funding from the county, the Area Agency on Aging and Alta Vista Regional Hospital.
- We now have a second farmers market in town. The new market is readily accessible to historically underserved neighborhoods as well as Old Town Plaza restaurants and effectively doubles the sales opportunities for local farmers and ranchers. Work is underway to provide an indoor location for the market at the same site, which we believe further increases economic opportunities for local farmers while providing an incentive to extend their growing season while providing city residents with easier access to fresh, locally-grown foods in the winter months.

Five-Year Financial Outlook

The City may initiate a five-year financial plan as part of the budget process. This will require that annually we go back and review the budgetary assumptions that were made in the preparation of the plan, and we update the plan as part of our annual operating budget. The guiding principles will be presented to the governing body for their review and consideration. Some of the priorities that we may request the governing body to consider are:

- The first priority is providing quality customer service to the constituents of our city.
- Our second priority should be to ensure that we have a committed revenue source in which to pay the salaries and benefits of our employees. The combined expenditures for salaries and benefits of all employees would be based on the results of our pay and classification plan.
- Our third priority would be to ensure that we have a committed revenue source in which to pay the operating expenses and our capital outlay expenses of our departments as currently organized. The combined expenditures for operating expenses of all line departments would be based on an agreed upon growth rate.

- Our fourth priority would be to ensure we have a committed revenue source in which to pay for the vehicles and equipment that our employees need to perform the jobs they are hired to do. A vehicle and equipment replacement schedule would need to be developed so that we can set aside a specific fund to pay for such replacements.
- Our fifth priority would be to ensure that we have a committed revenue source from which to pay our debt service payments for all municipal revenue bonds that have been issued by the City Council.
- Our sixth priority would be to ensure that we have a committed revenue source from which to pay for the required matching funds for road improvements within our municipality.
- Our seventh priority would be to ensure that we have a committed revenue source from which to pay for other capital improvements as authorized by City Council.
- Our eighth priority would be to ensure that we have a committed revenue source from which to pay for the operation and improvements to our gas, water and waste water utilities, and of the improvement of those utilities.
- Our final priority would be to ensure that we have a committed revenue source from which to pay for the operation and management of our refuse collection and disposal services in our community.

By developing and implementing such a plan, we can better assure our governing body and the community we serve that we can provide a balanced budget through the next five years based on the agreed upon assumptions. It would be necessary that we review those assumptions annually during the budget process, and make any changes to them based on the economic climate at the time.

As part of our stewardship of the public funds for the City of Las Vegas, we have begun the process to increase our reserve balance for unforeseen emergencies. In today's economy, we have a responsibility to our citizens to ensure that we spend their money wisely and that we save for a rainy day. The current budget has been prepared with the required 1/12 cash balance.

In addition, we want to report to the governing body and the citizens of Las Vegas, that the city is investing its limited reserve funds and capital project funds with our local banks. By investing in our local banks, we are able to obtain collateralized security for our public funds. Unfortunately, interest rates in certificates of deposit are down as well as interest rates in accounts alone. Interest rates on average are approximately 0.2%.

The City of Las Vegas currently has reserve monies in secured accounts within our local banks. These funds are committed as a reserve in the general fund, water and wastewater funds, water rights acquisition fund, public housing capital improvements, streets fund and our meter deposit funds. In today's economy there are very few communities that can report reserve funds period. We are pleased to be able to report this information to you.

Mission Statement

I'd like to conclude by sharing with our community our city's mission statement, vision and principals. Our ultimate purpose in all that we do is to achieve the following:

Mission Statement: The City of Las Vegas is an economic center driven by honoring its rich culture, encouraging value-added industry, and preserving the quality of life for all of Las Vegas through ethical government and professional administration.

Vision:

- Proactive approach to wise use of historical, cultural, educational and natural resources.
- To be the growing economic center of the Northeastern Region.
- Explore, promote and partner with smart industry befitting the community.
- Proper planning to maintain continuity, self-sufficiency and cohesive leadership.

Principals: Honesty, Accountability, Adaptability, Respect, Duty

Mayor Tonita Gurulé-Girón