



State of the Village

February 04, 2020

Mayor, Lynn D. Crawford

To the Citizens of Ruidoso, thank you for the confidence you have shown in the Governing Body. We all work hard to keep the trust you have placed in us. Thank you to the Council and Staff for sharing my vision for the Village. I invite you all to continue to participate in your local government by attending Council meetings and contacting Council members with questions or concerns. I would also like to thank my wife for the support and encouragement throughout my time serving the Village of Ruidoso.



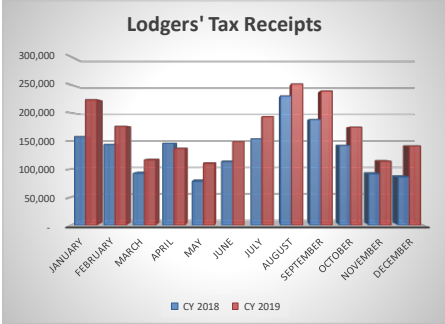
2019 has been a year of progress with the focus on making our Vision of “Living in Nature’s Playground” a continued reality for the community and visitors to the Village of Ruidoso.

The Village adopted seven strategies to guide our efforts and resources. Those strategies were Financial Sustainability, Sustainability and Maintenance of Infrastructure Investment, Vibrant and Sustainable Economic Development, Enhanced Community Collaborations, Public Safety, Engaged and Energized Workforce, and Environmental Sustainability. The Village of Ruidoso has been successful in accomplishing many of the goals and completing many projects which were set for 2019. Throughout this report we will cover some of those accomplishments and some upcoming goals for 2020. This report also covers the priorities for the upcoming legislative session and the strategic planning session.

Financial Sustainability

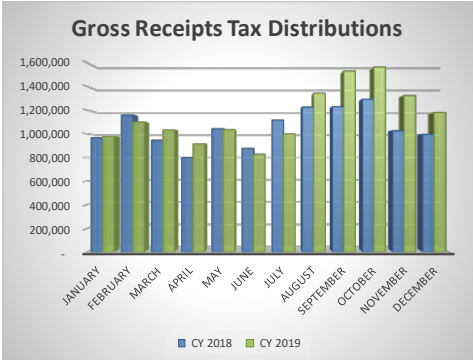
The Finance department has completed several 2019 goals. The majority of the data that needed to move from an Annual Financial Report to a Comprehensive Annual Financial Report (CAFR) has been compiled. Purchasing has completed templates for Request for Proposals (RFPs) and Invitations to Bid (IFBs) to help speed up the procurement process for departments. The Utility Billing can now email monthly utility bills to customers and IT has successfully implemented a three-prong approach to data and processing backups in order to improve redundancy.

Our Finance goals for 2020 include completing a Comprehensive Financial Plan for the Village that will look at needs not only now but in the future. Utility Billing will be revamping the utility bill and purchasing software to make it easier for customers to read bills, pay online, and complete comparisons of usage and billing. IT is planning on procuring a new internet provider to increase computer processing and telephone productivity and reliability. These goals will increase not only transparency in government but will help the Village budget and spend resources more effectively.



A key area missing in the organization is a Capital Projects Division, and therefore, a new department within Finance called has been created. The Capital Projects Division will also include Purchasing and encompass capital projects from cradle to grave. This division will support all departments with improvement projects big or small and will assist with long-term, capital-intensive investment projects with a purpose to build upon, add to, or improve all capital assets in the Village. Capital projects are defined by their large scale and large cost that involve a high level of planning and often a variety of resources. The Capital Projects department will ensure these types of projects will be completed within a reasonable time, within budget, and that we are consistently applying rules and regulations.

The Village continues to be financially strong with sustainable efforts reflecting improvement to the Village’s financial portfolio. This reflects the state of the national economy, oil fields doing well and an increase nationally in people traveling. Gross receipts taxes have seen 44.99% increase over last fiscal year. In September 2019, the Village received a Gross Receipts Tax (GRT) pay back from New Mexico Taxation and Revenue (NMTR). This was a distribution under a "hold harmless" requirement on the State to cover tax losses from groceries and certain medical items not being taxed. These funds encompassed a 36-month look back period and totaled approximately \$2,046,312. Although the payment was large, it does not account for the total increase. Backing out this amount, GRT was still up about 15.28% percent or \$1,052,634, according to Village data. When looking at taxable receipts, the Village is experiencing increases in the accommodations and food services and construction business sectors.



In March of 2019, the Village implemented Host Compliance, software that identifies short-term rental (STR) properties and assists with the collection of associated taxes and fees. At that time the Village had identified approximately 400 properties which were compliant with the STR ordinance. However, there are now up to 854 properties

registered and compliant. They are not only registered as short-term rentals and collecting and remitting local Lodgers' Tax, but they have also registered as new businesses and are remitting GRT to the state. Team Tourism has also been effective in helping to attract tourists to the community. Everything we are employing is moving the Village in a positive direction.

At June 30, 2019, the Village's governmental funds reported combined fund balances of \$16,573,235, an increase of \$1,308,636 in comparison with the prior year. Approximately 38.5% of this amount \$6,379,354 is available for spending at the government's discretion (unassigned fund balance). In addition to our Finance department, the Village also has an Internal Finance Committee comprised of Village staff, our Financial Advisor, and a local banker which oversees our financial activity and budgets. There is also a Finance Committee that oversees activities for the Joint Use Board (JUB) which operations our Regional Wastewater Treatment Plant. The JUB is comprised of members of the governing bodies of both the Village of Ruidoso and the City of Ruidoso Downs.

Engaged and Energized Workforce

VILLAGE CLERK

Through the joint effort with our New Mexico Municipal Clerks and Finance Officers Association membership, we reviewed and revised the Records Retention Schedule and Policies, which are now applicable to all the Municipalities in the State of New Mexico. As a result, our Governing Body adopted Resolution 2019-02 to support and enforce the Municipal Records Retention Policy and E-Mail Retention Guidelines for the Village of Ruidoso.

In 2020, the highest priority for the Clerk's Office is to work with the Village of Ruidoso Mayor to develop a succession plan for the Office of the Village Clerk as a result of the Village Clerk's planned retirement at the end of 2020 after serving the Village of Ruidoso for 25 years.

HUMAN RESOURCES

Temporary Seasonal Employees are a valued part of our work force in providing for the recreational needs of the community. In late 2019, the HR Department created a Staffing Plan for our Temporary Seasonal Hires for the 2020 Summer Season. In addition, we have made improvements to the Incentive Program for our youth students. The Staffing Plan is allowing us to streamline the process to get our temporary seasonal positions (lifeguards), hired, trained and certified. Working closely with the Parks and Recreation Department and in collaboration with the local high school, we have successfully held our first orientation and Parks and Recreation has successfully certified the first group of lifeguards. We also have returning students who have already been contacted and scheduled for re-certifications.

In 2020, the highest priority for the HR Department is to conduct a compensation study to allow the VOR to be able to attract and retain professional talent to serve our

community and help us continue to carry out our Mission by increasing efficiency and customer service levels throughout the organization.

Vibrant and Sustainable Economic Development

Community Development

One of the greatest accomplishments in Community Development for 2019 was the completion and adoption of the Comprehensive Plan. The Comprehensive Plan has received numerous accolades, both internal and external. The Plan will guide us for the next 20 years providing a roadmap for the future of the Village.

The highest priority for 2020 will be to rewrite Chapter 54, which is the Land Use section of the Village Code. Having the Land Use Ordinance and the Comprehensive Plan in sync will enable us to apply proper zoning while avoiding incompatible uses within a geographic area and balance the protection of private property rights and economic development with concerns for environment and quality of life for community members. This goal ties into our department purpose that states “The Community Economic Development Department is responsible for sharing and implementing policies that promote a sustainable and prosperous future for the Village of Ruidoso.”

Lodgers Tax & Team Tourism

The Lodgers’ Tax Committee has been very pleased with the rate at which tourism has grown throughout the community. Team Tourism has made strong investments with the marketing campaigns over the past 20 months and have seen tremendous return on investment as a result of synergistic brand messaging in key target markets. Team Tourism has worked hard to focus the marketing strategy across TV, Social Media, Google AdServe, Outdoor Out of Home, Airport, and Military. Team Tourism has maintained further development of the Village of Ruidoso’s brand by working with key partners in the Community to ensure that the brand message resonates across all departments (logo’d vehicles, branded uniforms, digital branding).

Through strategic community partnerships Team Tourism has leveraged the Ruidoso Midtown Association to implement infrastructure and way finding projects, such as the digital kiosks which have been implemented across the community. The launch of the app this year has further strengthened our digital brand and maintain a strategic competitive advantage over our industry competitors.

In 2020, marketing efforts will be geared towards the low hanging fruit from Arizona. This area has massive growth potential, particularly Tucson, Phoenix and Eastern Arizona. We firmly believe we can penetrate the Arizona market and increase overall tourism visits to our community for years to come.

Outdoor Tourism

The Village of Ruidoso recognizes the State of New Mexico’s focus on outdoor tourism and the importance of outdoor recreation and its role in economic development. As a

key element of our 2019 comprehensive Master Plan we have compared ourselves to other peer communities across the country and have identified the development of a stronger outdoor recreation community as crucial to increasing our full-time population and to attracting more millennials to move to Ruidoso and participate in the economy. Overall the impact of this growth, through leveraging outdoor resources will ultimately lead to an increase in Lodgers' Tax and GRT, which will allow us to further invest in and solidify our community as a crucial State partner in the outdoor recreation economy.

Our goal for 2020 is to establish a business incubator in Ruidoso. The process of operation would be to supply a move in ready, and reconfigurable space for an outdoor recreation-oriented business. Our goal is to help them establish their business with a low-cost barrier to entry, and to mitigate the immense financial risk associated with opening a business in a rural market. Ultimately, the Village of Ruidoso wants to assist incubator businesses to transition to traditional retail and manufacturing vacancies across Lincoln County.

Sustainability & Maintenance of Infrastructure Investment

WATER DISTRIBUTION

Accomplishments for 2019 included completion of two (2) General Obligation Bond projects. On Dipaolo Drive, we replaced approximately 4600 linear feet (LF) of main water line, added fire protection, and eliminated an aged pump house. Malone Drive was the next project where we replaced approximately 2600LF of main water line and added fire protection. In 2019, the Water Distribution/ Sewer Collections Department also met our permit demands of 200 sewer hook ups. We also accomplished five (5) sewer line extensions on Shadow Lane, West Santa Rosa, Jerry Shaw, Cardinal Drive, and Swallow Drive. The Village began the first phase of the Federal Emergency Management Agency (FEMA) sewer project which is the rehabilitation of existing sewer lines and manholes.

For 2020, Water Distribution/ Sewer Collections Department goals are to continue with sewer line extensions in the Pine Cliff and Town and Country areas to serve our residents with sewer and eliminate onsite systems, to continue to enforce Village ordinances and connect residents to sewer, where available. General Obligation Bond projects for 2020 are Paradise Canyon lateral replacement and Pine Cliff water line replacement. We also have the goals of moving forward and completing relocation of the Water Distribution/ Sewer Collection yard and building and to procure and construct the Hazard Mitigation and Lift station phases of our FEMA projects.

STREETS

During 2019, the Street Department accomplished the NM Department of Transportation (NMDOT) CO-OP and MAP grant projects: Cedar Creek Culvert Replacement, Re-Alignment of Entrance to Center Street Parking Lot, paved the shoulder at Gavilan Cemetery, and paved other streets that were in need. These projects were accomplished while the department was also doing street cuts, patching pot holes, and completing drainage work.

The highest priorities for 2020 are the CO-OP and MAP projects which will cover the Phase II of Carrizo Canyon Road Project to add Drainage Improvements and Pavement Rehabilitation/Improvements to various streets in the project area: Grindstone Canyon Road, & South Evergreen Road. The overall cost to the project will be \$324,850.00 with the state's participation being 75% or \$243,637.50, and the Village of Ruidoso's contribution being 25% or \$81,212.50. The Village of Ruidoso shall pay all costs, which exceed the total amount of \$324,850.00. The new Street Manager plans to focus on customer service and making the department more efficient in different areas to provide a better level of service.

Environmental Sustainability

SOLID WASTE

The mission of the Solid Waste Department is to provide an integrated solid waste management system that manages solid waste collection, solid waste disposal, and diversion of waste from the landfill through waste reduction, reuse, and recycling. To that end, the partnership with the Keep Ruidoso Beautiful Committee with the creation of the Botanical Garden at Wingfield Park was our 2019 top priority and biggest accomplishment. The project demonstrated both customer service and efficiency by giving the community a demonstration of water and waste reduction by capturing water and reusing it in landscaping using mulch created from wood collected from forestry thinning projects in the Village. It is also intended to provide an everlasting and growing community destination that will attract visitors to Ruidoso.

Our highest priority in 2020 is the replacement of approximately 500 dumpsters that keep our operation efficient in the reduction of disease vectors and the continuation of good customer service in providing safe receptacles for trash.

WATER SHED

The highest priority for 2019 in the Water Resources Department was to continue developing water production capabilities from Eagle Creek. In 2019, two wells sites were engineered and bid for site improvements (Alto 2 Well [H-1979-S7] and Apple Orchard Well [H-1979-S14]) and will be in construction in 2020. Additionally, Middle Gavilan Well [H-272-S3] was engineered and bid and will be constructed with Apple Orchard Well. H-272-S3 is not in Eagle Creek but can divert Eagle Creek import credits without consideration of flows in the Rio Ruidoso. Because of this, it is a valuable drought contingency asset. Furthermore, the Alto Crest Treatment Plant Improvements were engineered in 2019 and are ready to be advertised and constructed in 2020.

The top priority for 2020 is to finalize the asset management program, including the launch of CityWorks work order system. By implementing an asset management program, RJU should increase efficiency in asset maintenance and replacement. This goal is consistent with the RJU mission statement by maintaining and improving our ability to treat and deliver clean drinking water, collect and deliver wastewater to the RWWTP, and maintain our existing system.

WATER PRODUCTION

The Water Production Department mission is to provide the residents of Ruidoso with safe drinking water that complies with all state and federal regulations. The rehabilitation and upgrades of filters 1 and 2 and the completion of the control panel replacement project at the Grindstone Water Treatment Plant, was our top priority and accomplishment in 2019. This project demonstrates both customer service and efficiency by providing the Village of Ruidoso with treated water from a more reliable and efficient water treatment system. This is the first time in the last 8 years that all four filters were operational at the Grindstone Water Treatment Plant.

Our top priority in 2020 is the Alto Crest Water Treatment Plant Rehabilitation Project. This project will increase the water treatment plant efficiency and production, and it will be a more reliable and efficient plant to operate in the future. The 2020 priority is also our top 2020 strategic Water Production Department goal and is also the number one project on the Village ICIP list.

Enhance Community Collaborations

PARKS AND RECREATION

In 2019, the Ruidoso Parks and Recreation Department added numerous outdoor recreation opportunities for tourists and locals. The opening of the campground, as well as the inflatable waterpark at Grindstone Lake, brought plenty of new attractions to the area. Supplemental stocking of large trout satisfied our local and visiting fishing community while our youth and adult sports tournaments and new leagues encouraged local activity with a friendly competitive edge. The Pumpkin Roll, Halloween in Midtown, Moon Mountain, Botanical Garden, and other new additions are part of our continued effort in encouraging year-round recreational programs, events, and opportunities.

In 2020, the Parks and Recreation Department has initiated new recruitment, training, and hiring of staff in conjunction with our efforts to provide exceptional opportunities for those who live in or visit Nature’s Playground. A new splash pad, trail developments, and Grindstone improvements are among our top goals for showcasing what our community has to offer.

COMMUNITY CENTER

The Ruidoso Community Center strives to be productive in enriching and supporting the lives of our local citizens and visitors to our vibrant mountain community. The year 2019 proved to be a strong and productive year with the application for and securement of over \$230,000 for the renovation of the deteriorated floor tile, outdated swamp cooling system, leaking rooftop, and old tables.

The 2020 goals that the Community Center has set forth are to complete renovation of all the projects and areas for which funding has been received and which will allow the Community Center to offer continuous community services and programs while maintaining a safe environment.

CONVENTION CENTER

The Ruidoso Convention Center had a very successful year despite the down time during construction. We ended 2019 at 60% of projected revenue and are very busy through the rest of the fiscal year. The restroom remodel is finished and very nice, thanks to the Lodgers' Tax committee. The entire community was positively impacted by events held by several of our great groups and events including EMS, Fire Chiefs, State and County associations, Aspenfest, and Christmas Jubilee.

This year Convention Center staff are excited about promoting large groups and events that add to local economic development in conjunction with the Strategic Plan. They are also working on becoming a Red Cross shelter to better serve the community. In 2020, we will be hosting new events and groups including a tattoo convention promoted by local artists, a new Rotary District from Albuquerque, and the New Mexico Association of Museums.

PUBLIC LIBRARY

The top priority for the Ruidoso Public Library during 2019 was to bring the library back to full staffing after losing the Director, and three Library Assistants. As of September 30, 2019, all positions were filled with qualified people and Library staff consider that to be the top accomplishment of the year.

The top priority for 2020 is to develop more programs and services to serve and support all members of the Library's extended community, including all of Lincoln County, as well as our significant number of patrons residing in other states and counties. In order to promote opportunities for all who live, work, and play in Nature's Playground, Library staff will offer more and varied programs, increase outreach efforts to the schools, and to homebound patrons, and seek new ways to make the Library more welcoming and accessible to all.

Public Safety

POLICE DEPARTMENT

The Ruidoso Police Department had a busy 2019. Not only did we have several large snow events, but we had an increase in our calls for service. We went from 9,585 to 9,820 calls, which included domestics, crashes, larcenies and other reportable incidents just to name a few.

Our biggest goal last year and this coming year is getting new patrol units. In 2019, we received four (4), and we will be asking for four (4) more in 2020. These purchases will support the overall Village goal of quality of life for all that come to and or live in the Village. We will be actively seeking ways to recruit new officers to fill our ranks this coming year.

FIRE DEPARTMENT AND EMERGENCY MANAGEMENT

The Ruidoso Fire Department is dedicated to providing prompt, quality services through personal growth and respect and support for each other and for the community. In 2019, we accomplished several goals, including upgrading our Early Notification System for community preparedness, establishing our volunteer program help in staffing needs, finishing a complete remodel at Fire Station 2, continuing to maintain our ISO 2 for cost savings to our community, and establishing a Resource Mobilization Plan for training, and revenue needs for Wildland Firefighting. We also maintained all training credentials and licensing to provide the necessary responses. We now have over 80% of the Village employees trained to meet our NIMS (National Incident Management Systems) compliance. A final, but important accomplishment was that ensured public safety without injury to our firefighters.



Our 2020 goals are to merge the Fire Department and Airport for more efficient quality services to the Village of Ruidoso and all who visit, to add staffing and an apparatus replacement program, and to add up to three (3) new sirens for better coverage area in disaster preparedness. All of the goals mentioned will improve customer service and community response in public safety throughout the Village of Ruidoso and surrounding areas.

SIERRA BLANCA REGIONAL AIRPORT (SBRA)

Sierra Blanca Regional Airport has undergone management changes and now is under the control of the Fire Department. Accomplishments throughout the year included completing and passing the FAA Annual 139 Certification and Line Tech Anthony Luna successfully completing his ARFF fire training in Dallas. In October 2019, the Fire Department and the Emergency Manager took over operations and management of SBRA. We also secured Armstrong Consultants Inc. as our engineering firm to assist with future planning of projects at SBRA. The goals for 2020 include successfully completing and passing the annual FAA 139 certification inspection with no deficiencies and combining SBRA with Ruidoso Fire Department to help make SBRA run more efficiently.

FORESTRY

Forestry Accomplishments 2019:

- Certified as being compliant with the 42-80 fuels management ordinance 810 properties covering 667.21 Acres.
- 31 initial inspections and Fire Hazard analysis for new constructions within the Village.
- 53.42 Acres of Cost Share Thinning to close out the 2016 WUI Grant.

- Thinned 85 Acres of Village Owned Property to 42-80 fuels management standards.
- Organized the School Art Contest and participated in the Home and Garden Show.
- Participated in Smokey Bear Days Celebrating Smokey Bear's 75th anniversary.
- Processed 212 hazard Tree removals
- Conducted 40 citizen requests for assistance with insect or disease related tree inspections
- Issued permits for the removal of 24 trees non-hazard trees 20" and larger.
- Developed ten (10) year Fuels Management plan for the Village.
- Developed Fuels Management Plan for Moon Mountain.
- Cooperated in the completion of the Lincoln County Wildfire Protection Plan.

2020 Forestry Goals:

- Thin 40 acres of Village-owned property.
- Certify 1,000 properties in the current implementation area.
- Educate the public in wildfire preparedness and safety.
- Remove Village and Neighbor to Neighbor hazard trees as discovered or reported within Ordinance guidelines.
- Survey 500 acres at the airport for Kuenzler's Hedgehog Cactus.
- Reduce fuels and other woody materials from Village road right-of-ways.
- Implement City-Works activity tracking program to increase departmental efficiency.
- Search for funding to begin implementation of the Moon Mountain Fuels management plan.

All of the proposed goals promote a healthy and safe environment in the form of education and fire hazard mitigation

New Mexico 2019 Legislative Session Highlights

Capital Outlay Funding

Legislative Session Capital Outlay listing of funded projects for the Village of Ruidoso.

- Ruidoso Senior Center (\$49,200)
- Senior Center HVAC project, Ruidoso Alto Water Treatment Plant (\$576,600)
- Water Treatment Plant 3, Ruidoso Tree Removal/Fire Mitigation/Water Shed Health Improvements (\$172,400),
- Ruidoso Senior Citizens Center (\$175,900)
- Kitchen and dining room floor replacement and replacement of Senior Citizen Center roof, Ruidoso Horton Complex (\$500,000)
- Renovations of Horton Complex for Village offices, and 12th Judicial District Court (\$164,500) Construction of a new Magistrate building/Judicial Complex

New Mexico 2020 Legislative Session Priorities

On February 4th, 5th, 6th, and 7th, a contingency of Village-elected officials and staff will be traveling to the Santa Fe to attend the New Mexico Legislative Session. The Village has identified the following capital outlay funding request and Legislative Session Priorities that the contingent will be lobbying for.

Governor Michelle Lujan Grisham will reintroduce a bill to legalize the sale/use of recreational marijuana at the upcoming legislative session. Supporters of the bill believe the legalizing recreational marijuana will diversify New Mexico's economy. They claim passing this bill will raise income for our state and stop marijuana smuggling in our state. Non-supporters of the bill believe that legalizing recreational marijuana will increase substance abuse in the workplace, cause families to suffer, result in more "DUIs" and people driving under the influence of mind-altering substances, cause roads to be less safe for travel, increase highway fatalities, place more demands and expenses on our emergency rooms, decrease wholesome economic tourism, and increase crime.

TAXATION & REVENUE

Gross Receipts Tax Adjustment Notification to Local Governments. Seeks legislation that amends Section 7-1-6.15 to provide for notification if a gross receipts tax adjustment exceeds 20% of the annual monthly distribution over a 36-month period.

PERA. Supports legislation that will ensure that local governments will share proportionally in solvency solutions that increase the soundness of the municipal general, municipal police and municipal fire Divisions of the PERA Fund. The employee and employer contribution rates increase 1% (0.05% each) per year for four years beginning July 1, 2020, except for State Police and Adult Correctional Officers Division. Future contribution rate reductions will be dependent on coverage plan funded ratios.

Hold Harmless Gross Receipts Tax Distributions. Supports legislation for a continuation of Hold Harmless GRT distributions.

New Mexico Legislature - 2020 Legislative Capital Outlay Requests – As approved by the Council in the ICIP, the Village has submitted a total of seven (7) 2020 Capital Outlay request forms for project funding consideration. The list of projects includes:

- Bridge Replacement projects (\$750,000),
- Broadband project (\$750,000),
- Horton Complex project, including Village offices, building consolidation construction (\$500,000),
- Workforce Housing project (\$750,000),
- Water Shed Improvements, Forest Thinning projects (\$150,000),
- Grindstone Lake Improvement project, (\$500,000), and

- Sewer Connections (\$425,000) Connection of on-site system within the Village's incorporated limits.

Strategic planning for 2020

As the Village prepared to move forward in 2020, we held a strategic planning session called Getting Back to Basics. This process revisited Ruidoso's form of government, the Village's mission and vision, and organizational structure. In addition to laying out a path for implementing our recently completed Comprehensive Plan, adopted November 12, 2019 the strategic planning session also allowed the directors and manager to prioritize their departmental goals that tie into the Comprehensive Plan recommendations. An improvement plan process was used to outline these goals. The improvement plans will be our guide throughout the years to come. These goals will meet the overarching expectations in the Comprehensive Plan to improve efficiency and customer service Village-wide. Our expectation is for the Council to adopt the strategic plan at the March Council Meeting. The 2020 budget process will begin in April and be finalized by the end of May.

It is my pleasure to serve as the Mayor for the Village of Ruidoso. Once again, I would like to thank the Council and Staff for sharing my vision for the Village. Most of all I want to thank the citizens of the Village of Ruidoso. We are planning for what we believe will be another great year.

Thank you!

Lynn D. Crawford,

Mayor of the Village of Ruidoso