

**BUDGET WORKSHOP
MINUTES
VILLAGE OF LOS LUNAS
TUESDAY & THURSDAY
APRIL 14 & 16, 2026**

The Board of Trustees of the Village of Los Lunas, County of Valencia, and State of New Mexico met on April 14 & 16, 2026, in a workshop that started at 6:00 PM in the Council Chambers. Roll call was taken and the following were present: Mayor Charles Griego, Councilor Gino Romero, Councilor Christopher Ortiz, Councilor Matthew Chavez, and Councilor James Runyon. Meeting was recorded on TEAMS.

Mayor:	Charles Griego
Mayor Pro Team:	Christopher Ortiz
Council:	Matthew Chavez James Runyon Gino Romero

In accordance with Ordinance 114A, the following agenda was prepared and circulated as required:

- 1. WELCOME (Gregory Martin)**
- 2. INTRODUCTION / OVERVIEW (Gregory Martin)**
- 3. PERSONNEL (Marcos Castillo)**
 - *Employee Insurance*
 - *Proposed 2027 Base Pay Structure (BPS)/Step Increases*
 - *Personnel Requests*
 - *Budgeted Positions by FTE*
- 4. CAPITAL OUTLAY (Gregory Martin)**
- 5. PROPOSED FY 2027 BUDGET (Gregory Martin)**
 - *Budget Recap*
 - *Major Funds*
 - *Non-major Funds*
- 6. WRAP UP (Gregory Martin)**
- 7. ADJOURN**

Tuesday, April 14, 2026 – 6:07PM

- Mr. Gregory D. Martin welcomed everyone to the budget workshop.
- Directors and staff were thanked for their role in putting together the budget.
- We sent out packets last week and hopefully you all had time to review those packets, and we will be happy to answer any questions you have as we review and receive your input. I will give a brief overview of the budget. In Tab 1, which is the red tab, is giving an overview of the agenda we will be working on for the two days we will be here. Then, I will pass it over to Marcos for Tab 2, which is the white tab to discuss the insurance information that we have as well as personnel and salary benefits in Tab 3, which is the blue tab. Tab 4, which is the orange tab, will be the capital outlay. This tab will go over the projects listed under the various funds and the different departments. Lastly, we will look over Tab 5, which is the yellow tab, and go through our proposed FY 2027 Budget. We are presenting a rather large budget as we did last year, and I will go over the proposed budget summary for the FY 2027. The Village projects to receive \$243,292,277 in revenues (not including fiduciary funds), a decrease of \$12,732,059 or -5.0% from the prior year adjusted budget. The FY 2027 budget revenues include intergovernmental grants of \$170,296,840, of which \$158,133,212 is specifically for the I-25 Interchange/Los Lunas Blvd Corridor project. The Village projects to spend \$187,444,862 in expenditures, a decrease of \$20,644,036 or -9.9% from the prior year adjusted budget. Expenditures include \$133,788,645 in capital outlay, of which \$93,442,594 is specifically associated with the I-25 Interchange/Los Lunas Blvd Corridor project. In our reserves, we ensured to maintain a minimum general fund cash balance of at least six months of our general fund expenditures or \$23,015,004 and, in accordance with New Mexico State Statutes, 1/12 (8.33%) of general fund budgeted expenditures, or \$3,835,834. For employee salaries, the budget includes a step increase of 2.5% for all eligible Village employees, an additional proposed increase of 5.45% for police officers, and 6.35% for firefighters, per the recommendations of the 2026 compensation and classification study. Capital Outlay accounts for \$133,788,645, or 71.4% of the total budget, a decrease of \$23,644,036 or - 14.9% from the prior year adjusted budget. Debt service accounts for \$2,876,198, or 1.5% of the total budget, a decrease of \$189,791 or - 6.2% from the prior year adjusted budget. Greg asked if there were any questions from the council – there were none.

- Mr. Marcos Castillo presented for the employee insurance tab along with Mr. Fred Carbajal. We went out to RFP for the three major carriers that are in our area, which are Presbyterian, Blue Cross Blue Shield, and United Healthcare. Our current carrier (Blue Cross Blue Shield) came back with a 12% increase in our premiums. They are also having a lot of conflict with Lovelace as well which has not been resolved. United did turn in a proposal, but it was not very competitive. Presbyterian came in with a really competitive proposal and is in the packets that were given to you last week. We will briefly go over it. Presbyterian is offering a \$0.00 increase to our current premium and offering us a \$100,000 in implementation credits. This is basically the same coverage we have with the additional of our employees being able to still attend anything inside the Lovelace Health system. It would be slightly more out of pocket for the employee and be considered out of network with Presbyterian and would be structured like the Tier 2 program right now. Instead of a \$500 deductible, it would go up to a \$750 deductible if you went out of network for your provider. Another benefit that Presbyterian has is their second-year rate cap based on the medical loss ratio. As you know, your premiums are based on losses, claims, overage, plan design, versus the amount you pay, that comes up with a medical loss ratio at the end of the year. An average medical loss ratio is 75% - 80% but can get as high as 100%. With Presbyterian, if our medical loss ratio is at a 75% or better, we would have a zero increase on our insurance premiums. If that number is higher, that will decide how large our increase is. Our current loss ratio for the Village of Los Lunas is 86%. The is due to the large claims that came in late in the fiscal year. Another addition that Presbyterian is offering is to absorb the COBRA administration that we pay about \$0.74 per employee per month which would save us about \$2300 over the year. They also cover gym memberships 100% at many of our local gyms, which would really save us over \$30,000.00. In your packets, on page 8 is the side-by-side comparison with the RFPs of the three companies for insurance. We would be moving from a fully insured plan to a level funded plan. Which means you pay an insurance premium, then the insurance companies pay the claims, and then we evaluate at the end of the year exactly what we're doing at this moment. A level funding program is somewhat of a hybrid between a fully insured plan like yourselves and a fully self-insured program where the employer has some liability involved if their claims losses exceed their certain threshold that it was calculated at the beginning of the year. Then the group can have some additional premiums that are due. However, if the group does show a good medical loss ratio and good claim history over the 12 months, the group can realize a credit or a refund on premiums based on their loss ratio. So, there is some liability on what we call a full self-insured program. The nice thing about the level funding program is that there is no liability to the employer. When the threshold is calculated and the premiums are figured at the end of the year, if the money exceeds the threshold, the employer is not responsible. The next page is the large side by side for comparison on what we have and what Presbyterian is offering. Councilor Gino Romero asked if Blue Cross Blue Shield is set on the increase or if there was wiggle room? Mr. Carbajal said that they are dead set on what they are offering. Councilor Matthew Chavez asked if Presbyterian could increase next year, to which Mr. Carbajal responded that it would only increase if our loss ratio increased. All of council agreed that this switch would be best. There were no more questions on insurance. In the event that we switched from Blue Cross Blue Shield, we also looked into dental since it was bundled at BCBS. Mr. Carbajal was able to shop around and found Delta Dental, which is cheaper than what we currently have and would be our recommendation. They provided us with a two-year rate guarantee and that none of your preventive type coverages eat away at your overall annual amount of coverage. Mayor Griego asked if there were any questions on dental – there were none. As far as vision is concerned, it will remain the same. If you want to review what we have, we can provide that for you. Mayor Griego asked if there were any questions regarding vision – there were none. He then thanked Marcos and Fred for all the hard work they put into this portion of the budget.
- Mr. Marcos Castillo also presented the 3rd tab, which is personnel. He proposed the new position list with the new titles recommended to us by the compensation study. We found that having descriptors instead of roman numerals gives a little more clarity on what the job does. There will be no pay increase with a title change, the only thing changing is the title of the job. Mayor asked if there were any additional questions about the title changes – there were none. The next item is the Fiscal Year 2027 Base Pay Structure. As presented, we have added more pay grades this year. We have categorized the difference between each grade to exactly 5%. They are also getting 2.5% each grade. There will be no difference in salary, only in the number of grades. The current position will be slotted in on the appropriate grade that is now listed as this expanded version. This structure is cleaned up and helps with efficiency in the grades and allows for more growth in the future because of the 5%. We are continually evolving and that is why we do this study every 4 years. All of council agreed that we do not want to keep adding grades and overdo it, if it will lead to us having to drop our people in the future. We just need to keep an eye on it and make sure that we stay on top of it and communicate with any revenue increases/decreases. Greg and Marcos emphasized that we will bring any issues in the future to the council when it comes to the base pay structure and where we are with our finances. We want to stay competitive in our recruit and doing this every 4 years allows us to keep up with the changes. There would also not be a cap for someone who has reached step 10 and has been here for a long time. Longevity is important and we want to compensate the people who are working jobs that may not be paid as much as the chief. We want to give a 2.5% increase to those people, and we must remember that the advancement in steps is based on performance. Mayor asked if there were any questions – there were none. For the Police Department, the structure is the same, with the same number of grades and positions. The only difference is that there is an across the board of 5.45% for about \$297,000.00. Mayor asked if there were any more questions – there were none. For the Fire Department the pay structure looks a little different in its construction because of some proposed positions. The big ticket for this one is based on the recommendations of the study, a 6.35% increase across the board for the tune of about \$222,000.00 at current staffing levels. This does not include the 2.5% step increase. Mayor asked if there were any questions on the Fire Department – there were none.
- The next item is the New Position Requests. The department heads usually come to us with a proposed position, we help put them together and structure them, then we present them to you. The first one we want to bring to you is the Village Attorney. We are currently contracting our legal work with Mr. Guggino and some other specialty attorneys. It is a big-ticket item but also a position that spans through all departments. This position is also a package deal with two different employees. One being the attorney and the other being the legal assistant. We approximately spend about \$100,000.00 a year on contractual spending for our legal work. We are also wanting to increase response time, because currently we are a little delayed. Our attorney now has other clients

besides us and with someone whose only job is in the village, that would help with that availability. This would also be an appointed position, like the village administrator or the chief. We also must know that this will be an investment, not a savings. This would be a fixed cost which means that if we ever were in a major litigation, instead of paying even more for contract work, we would be able to have a fixed cost in house attorney representing us. We just need to increase access to our attorney. With the two positions we are looking at roughly \$275,000.00. Councilor Chavez asked if we are wanting to look for an attorney that does it all? That would be the ultimate goal, but we will need to have some specialty lawyers for other projects. Mr. Michael Jaramillo said that about \$80,000.00-\$90,000.00 of the Public Works budget goes into contractual services. There is a need for this position and access is something that is very important. Chief Frank Lucero, Mr. Alex Ochoa, Human Resources and Administration also stated that they frequently contact Mr. Guggino for his legal assistance, and he is not always available. They work closely with legal and sometimes the time frame is extended because they cannot get ahold of him. They think it is important to have flexibility with someone who works directly for the village. Councilor Gino Romero asked Gregory Martin what his recommendation is and why. Greg stated that he sat in all of the budget meetings and listened to the concerns of the staff and that he fully supports this position. This would help in terms of access, responsiveness, proximity and working for the village. I look at the revenue and calculate which positions we can have with the approved budget. The mayor emphasized the importance of not creating liability for ourselves. When an accident occurs and we cannot contact our attorney, we are potentially creating a liability by sharing too much information with law firms that are asking for information. It is something that we need to plan for with the growth that we are having here within the village. Mr. Marcos Castillo stated that our current operating budget is around 54%. We are in a comfortable position there. The council suggested that we create a comfortable number that we do not exceed. Mayor said to not exceed 60% so that we stay in a good position with our operating budget. Mayor and Council confirmed that this would be brought back up and final decision made on Thursday.

- The next position is the 2 Public Safety Aides for the Police Department. With the addition of 2 aides, there will be additional coverage. This is because we currently have 2 aides that work opposite shifts, and now we can get someone all the time and not have to worry about coverage. Mayor asked if there were any questions or objections for the 2 PSAs – There were none.
- The next item is some incentive pay for our SWAT and Drug Recognition Experts. The incentive will be \$50.00 per pay period. They have skills and it is something that we utilize greatly, and we need to compensate for those certifications. Mayor asked if there were any questions or objections for the incentive pay for SWAT and Drug Recognition Experts – there were none.
- The next position is with our Facility Maintenance Division for an Electrician. Current employees are not licensed to perform electrical work, requiring all electrical repairs, installations, and upgrades to be subcontracted. This results in delays in response time, increased costs, and limited flexibility when addressing urgent or routine electrical needs. As of April 1, 2026, the Village has expended \$104,513.40 on contracted day-to-day electrician services in fiscal year 2026. A large amount of the cost of this position would be offset by the amount currently being spent on contractual costs. Mr. Jason Duran emphasized that there would be plenty of work for this position. Mayor asked if there were any questions or objections – there were none.
- The next position recommended is another Parks Laborer in our Parks Division. The addition of these facilities has increased the overall acreage, amenities, and service demands for the Parks and Recreation Department. Current staffing levels are not sufficient to maintain service standards across all parks, particularly on weekends when usage is highest. Mayor asked if there were any questions or objections – there were none.
- The next position will be the addition of Summer Rec High School Aides and College Aides. The requested budget action is needed to support the expansion of the Summer Recreation Program due to the additional space recently added to the Daniel Fernandez Recreation Center. The increased square footage allows the department to serve more participants and offer additional activities; however, current staffing levels are not sufficient to safely and effectively supervise and operate an expanded program. Mayor asked if there were any questions or objections – there were none.
- The next position is a Lead Construction Inspector for the Public Works Department/Streets Division. This position would provide structured oversight, improve inspection coordination, and ensure consistent application of construction and safety standards. The position will support proactive inspection planning, reduce delays, and help the Village maintain construction standards as development activity continues to increase. A key function of the proposed Lead Construction Inspector position is to provide dedicated plan review and pre-construction oversight to identify potential compliance, constructability, and safety issues before work begins in the field. Mr. Michael Jaramillo emphasized the necessity of this position and how much it costs to get this done or he just takes it on himself. There are so many projects happening, and we need help. Mayor asked if there were any questions or objections – there were none.
- The next positions recommended is 3 Firefighter/Paramedics. This budget action is needed to enhance Advanced Life Support (ALS) capability in response to increasing call volume and higher-acuity medical emergencies within the community. Chief Gabaldon stated that if approved, expected outcomes include improved availability and deployment of ALS resources; enhanced clinical capability on emergency scenes; greater system reliability during peak call periods; strengthened workforce sustainability; and improved overall service delivery to the community. Mayor asked if there were any more questions or objections – there were none.
- The next position is the Zoning and Development Inspector for the Community Development Department. Mr. Alex Ochoa stated that on an annual basis, the Village processes approximately 350 zoning-related permits, including residential and commercial new construction, floodplain development permits, manufactured home placements, signage, fencing, and accessory structures. These permits require proactive, plan-based inspections to verify building placement and setbacks, parking layout and counts, landscaping installation, floodplain compliance, screening, lighting placement, drainage considerations, and compliance with approved conditions. The proposed Zoning Inspector position is intended to function as a specialized technical role within the development review process. Mayor asked if there were any questions or objections – there were none.
- The next position is the Assistant Systems Administrator for the IT Department. The incumbent Systems Administrator currently struggles to balance new and maintenance projects over day-to-day-operations, especially applications support. The Systems Administrator incumbent has been utilizing Technical Support Specialist positions to augment their day-to-day operations. This

has resulted in reduced availability of the Technical Support Technicians for operational break/fix tasks, including applications support. The hope is that by hiring an Assistant Systems Administrator, we will be able to remove this pressure and provide better, more timely service to our user base. Mayor asked if there were any questions or objections – there were none.

- The next item will be the incentive pay for Spanish speakers in public facing rolls. This proposed stipend would be \$1500 per year, per qualified employee, which would be added to their hourly rate in the same manner as is done with police and fire longevity pay. We have about 23 employees that would qualify for this incentive. Because it is for Spanish, council said to make it Spanish Speaking Incentive rather than bilingual because it is just for Spanish, not any other language. Mayor asked if there were any questions or objections – there were none.
- The final position recommended is 3 Fire Captain/Fire Lieutenant (1) for the Fire Department. As service complexity and administrative responsibilities continue to expand, establishing designated Battalion Chiefs strengthens span of control, enhances incident coordination, and improves organizational continuity. This action maximizes existing personnel resources while improving efficiency, consistency, and long-term organizational sustainability. Mayor asked if there were any questions or objections – there were none.
- Adjourned – 8:42PM

Thursday, April 16, 2026 – 6:00PM

- Mr. Gregory Martin started the meeting by thanking the council for their feedback and direction from day one. All the positions discussed on Tuesday seemed to be accepted. The only position that council wanted to discuss further was the Village Attorney, so I will turn it over to that position so that we can come to an agreement.
- Mayor Griego confirmed that the positions had come to consensus for all the positions requested except for the Attorney. He opened the floor up for questions or concerns. Councilor Ortiz asked if other municipalities have an attorney and Greg answered that most of them do have an attorney on staff. The council came to a consensus and agreed that this position would help the staff, and we should move forward with it. Mr. Martin emphasized that we would take their direction and reminded them that the personnel requests presented are not included in the budget yet but will be added and will be brought to council for final approval. We estimate those requests to add up to about \$1.1 million that would be put into the various line items. Mayor asked if there were any questions or objections – there were none.
- The next item presented by Mr. Gregory Martin is Capital Outlay. The packets were handed out last week and we hope you all had a chance to look through it so that we can briefly comb over this section. The Capital Outlay that you see on this table is just a summary of what you are going to see, so we will be happy to answer any questions you have as we go through page by page. As you can see on the first page, we have line item 11-404-5650 which is a new Police Department building. We have put \$1.5 million into that item. Chief Lucero explained how the Police Department is split up in the village in various locations. We want a building large enough for us to all be together again. We also have challenges in our evidence area; we want to be compliant and a new building with those standards would make it a lot easier. We want to make this a high priority and start a design with the hopes of having this project done in 3 years. The next item brought up was the Class A pumper truck. Chief Gabaldon explained that the trucks now cost more than our aerials and are now running about \$1.1 million without equipment. We want the equipment which will cost about \$1.3 million and will take about 3 years. The next item brought up was the partial construction on Edeal. This design has been in the works for 5 years. We need to do a work study and it should be completed soon and the construction needs to be done within 3 years. On page two, our first item is the new vehicle for new IT position. Mr. Luis Brown explained that vehicles are important because IT is very mobile. We get calls all day and we must be able to get to everyone who has technical issues and be able to get to the IT infrastructure as well. Council asked how much we are spending on vehicle insurance, Ms. Cheryl Cates said that we are running about \$350.00 per vehicle for full coverage. The next item was the Code Enforcement Truck. Mr. Alex Ochoa explained the needs for our code officers. They need a bigger bed for the traps and cages for the animals and 4 wheel drive to get to animals that have gone into drainage ditches, etc. The next item that Councilor Chavez asked is how large the canopy is going to be at Fleet Maintenance. Mr. Michael Jaramillo stated that it is going to be 32X55, and 16 feet high so that we can fit larger vehicles inside. Those were all the questions on the general fund. The next fund is the Local LEDA Fund. Mayor Griego emphasized the importance of freeing up the traffic in Los Lunas. Ms. Cheryl Cates handed out a revised version of the GRT to council to give a breakdown of the LEDA Funds and how they are received and spent on our projects. The next item on page 3 is the Sand Sage Improvements. They are wanting to do what is called a delineated median for New Mexico 6 and Sand Sage, which basically means that anybody in the hospital or anyone down the road cannot make a left out onto NM-6. They would have to go west and make a U-Turn in the middle of the road further down. They got permission to go and do their traffic analysis during the construction. This is going to disrupt traffic for the businesses in the area and our emergency response. The council was very concerned about our emergency vehicles, especially with this new hospital. Mr. Jaramillo met with Secretary Quintana and voiced our concerns, and he said that he would continue to investigate it. He understands the concerns and is very supportive of the village. Sand Sage was not programed to have a left into that parcel. Molzen Corbin is the engineer for the county for this project and does the review when it comes to traffic. Also Mr. Ochoa talked about the expansion to Meta and that they recently bought the other 474 acres past Amazon. They are not building on this land right now, but in the next couple of years, we need to prepare for the long-term plan on this construction and getting access to NM-6. This leads us to the Infrastructure Funds which is another large fund. This fund totals about \$13.3 million altogether this fiscal year. All the projects are done in the Public Works Department and if you have questions, Mr. Jaramillo can answer them for you, and we will make sure that all of it is included in the budget. On page 4 of the Capital Outlay you will see NM263 & NM-6 Intersection that has a \$3.2 million budget. It is a project that has been in the works for 3 years which is needed especially after the Allsup's was built. A ton of traffic is happening because of that and we want to clear that out and keep it moving. The next fund is the Park Improvement Fund. The first one we will look at is the Herritage Park new skate park. It will be more fixing what is there instead of creating a whole new one. There are some dangers in it but our tort claims are down. The sport is dangerous, but we have safety measures in place. We also want to fix up the bathrooms and make more volleyball courts and pickleball courts so that people on that side of the river have a place to go without

having to come all the way over to this side. The next page and fund we will look at is the I-25 Interchange Fund. This is our biggest fun and we are planning another \$93 million in expenditures based on that breakdown. Mr. Jaramillo said that in a year it looks like we can complete everything except for the bridge. The bridge will take a little longer to complete but the progress is moving forward quickly. In about 3-4 months, we are looking to start working on them. We are going to aim for 2 years at the most in completing this project. The next fund is going to be the Solid Waste Fund, and we are really excited to be getting the unit for the Plastikgas facility. Once that comes in, then we can begin making progress and finish the other pieces that go around it in the first part of July. Councilor Romero also wanted to bring up that we should set up a fund for the Library and Aquatic Center to help get those projects started in the future. We can go over numbers and possibly have it in the final budget. Mayor Griego and council agreed to have a fund and is willing to figure out a good number to put in to get it started. There were no more questions or objections in the Capital Outlay.

- The final item presented by Mr. Gregory Martin will be the Proposed FY 2027 Budget. Operationally, we will just highlight anything that is out of the norm as to not go over every detail. The first part is the revenue, and since we already went over that, we can skip to page 8 which is the budget for Mayor and Council Division. With professional services we have budgeted \$113,000.00. This would be for our lobbyist that include Aaron Trujillo and Luke Otero that combined for \$100,000.00 total. The employee benefits are currently budgeted for \$119,000.00 and this would include the 10% that we had built before knowing which direction we would go. So, this budget will be adjusted before the final budget is presented to council. Also, employee travel for council has been budgeted for \$10,000.00 in the case that council would want to travel to any conferences in the next fiscal year. Attorney fees will remain in the budget because it will take some time to create and start someone in the new position. We will always keep a little bit of the budget for the attorney fees, but it will be significantly lower once the village attorney starts. Under our Finance Budget, you will see a significant increase in the professional services line-item. This is to have the \$31,000.00 for the stifle bond firm to conduct an analysis on our bond capacity this year. Council also asked about the large budgets for software, and Mr. Luis Brown said that it is for all of the upgrades, subscriptions and licensing fees. Mr. Alex Ochoa explained that his software budget would also be high because the GIS software that they use for our maps is very expensive. This budget also includes the implementation of the new permitting software that was approved last fiscal year. In the Police Department there is also a large budget for software, but this will be changed and reduced and was wrongly inflated. We had put the full number for 5 years instead of splitting it up for each year. This will be significantly lower at the time we bring the final budget to council. Also, the Police Department and the Fire Department have a high budget in contractual services, this is because they pay a share of the VRECC costs. Moving to the Parks & Recreation Department, in the contractual services line item, you will see a large budget. This is for the 4th of July fireworks and a Christmas drone show that will also be happening this year after the Christmas Parade at Daniel Fernandez Park. Under Community Development and the Planning Division, you will see an increase in our Commissioners Salary from about \$30.00 per meeting to roughly \$120.00 per meeting. This is a normalized value for the Commissioners, and we want to compensate them for their time and dedication to the Village of Los Lunas. In the Fleet Maintenance Division, you will see that we budgeted about \$50,000.00 for the restoration of the 1932 Fire Truck. This is an exciting project that we are hoping to complete before our Village Centennial in 2028. The next fund is the Transfer Fund which you can see on page 53 of your packets. This helps us understand the transfers and how they impact the General Fund. You will see the \$46 million and it shows the transfers from the General Fund to other funds to help with those various purposes. One last thing to point out is the Lodgers Tax Fund which was approved at a recent council meeting. This budget shows \$75,000.00 in professional services, and about \$150,000.00 in various events. In the Care of Prisoners fund, you will see \$60,000.00 and only \$500.00 in revenues. Just a reminder that the revenue fund got taken out by the state legislature and now those costs are transitioned 100% to the general fund. That is the end of our presentation. Mayor asked if there were any questions – there were none.
- Mayor and Council thanked staff for all their hard work preparing the budget.
- Greg thanked Mayor/Council for their time and direction.

Meeting adjourned 8:30PM.

Charles Griego, Mayor

ATTEST:

Gregory D. Martin, Village Administrator