



AGENDA

Carlsbad Budget Committee Regular Meeting
Municipal Building, City Planning Room
101 North Halagueno St.
Carlsbad, New Mexico
January 23, 2026 at 3:30 PM

Agenda

1. Roll Call and Determination of Quorum
2. Approval of Meeting Minutes — December 19, 2025
3. Consider Approval of Budget Adjustment Requests
 - A. General Fund — Increase Labor
 - B. DPS — Increase Revenue, Labor
 - C. Capital Projects Fund — Increase Revenue, Capital
 - D. Water & Sewer Fund — Increase Revenue, Capital
4. Budget Adjustment Increase and Decrease
5. Financial Review

FOR INFORMATION ONLY

If you require a hearing interpreter, language interpreters or auxiliary aids in order to attend and participate in the above meeting, please contact the City Manager's office at (575) 887-1191 at least 48 hours prior to the scheduled meeting time.

**MINUTES OF THE CITY OF CARLSBAD
SPECIAL BUDGET COMMITTEE MEETING HELD ON
Friday, December 19, 2025 AT 3:30 PM
CITY HALL PLANNING ROOM
101 N. HALAGUENO, CARLSBAD, NM**

Voting Members Present: Jason Chavez Chairman/City Councilor
Edward Rodriguez City Councilor
Jeff Forrest City Councilor
Mark Walterscheid City Councilor

Also Present: Wendy Austin City Manager
KC Cass Chief Operating Officer
Ken Ahrens Deputy City Manager
Melissa Salcido Director of Finance
Jessica Ponce Budget/Grants Analyst

Absent:

00:00:04 1. CALL TO ORDER

Budget Committee Chairman Jason Chavez called the meeting to order.

00:00:08 2. ROLL CALL OF VOTING MEMBERS AND DETERMINATION OF QUORUM

City Manager Mrs. Austin called roll and it was determined by Chairman Jason Chavez that there was a Quorum of the Voting Members.

Present: Chairman Jason Chavez, Councilor Edward Rodriguez, Councilor Jeff Forrest, Councilor Mark Walterscheid

Absent: None

00:00:23 3. CONSIDER APPROVAL OF MINUTES OF BUDGET COMMITTEE MEETING HELD ON NOVEMBER 21, 2025

The motion was made by Councilor Jeff Forrest and seconded by Councilor Mark Walterscheid to approve the November 21, 2025 Budget Committee Meeting Minutes.

The Vote was as follows:

Yes: Chavez, Rodriguez, Forrest & Walterscheid

No: None

Absent: None

00:41:43 4. CONSIDER APPROVAL OF BUDGET ADJUSTMENT REQUESTS

Mrs. Austin presented the budget adjustment requests to the Budget Committee. Mrs. Austin explained that the first request is to increase labor in the General Fund for a caretaker position at the Golf Course, in order to continue to improve the golf course this position is needed. The next request is to increase revenues and operating for the Fire department, Mrs. Austin asked Mr. Ahrens to give some more detail on this request. He explained that the donation will be

used to purchase new equipment for the cadets once they start the firefighting portion of their training. The next request is to increase capital for the Avalon Village design, this subdivision will be in Carlston Ranch and will be a 4-way partnership. The City is currently working on the donation of the land and hopes to start construction by April 2026. The next request is to increase capital for the Kircher housing design and engineering project, this project is for attainable housing that will be built on land purchased from the Carlsbad Municipal School District. The City will develop the land, hire a contractor who will build the houses and sell them at a much lower price with the savings being passed onto the buyer. The next request is to increase capital to build a house on a lot on Walnut Street that was donated by Wells Fargo Bank in 2017, with the condition that the lot be used for low to moderate income or infill housing. The next request is to increase capital for the purchase of miscellaneous equipment including parking lot lighting and automatic doors at the Cascades Senior Center. The next request is to increase capital for the Water and Sewer fund to build the McKittrick waterline. The next request is to increase revenue by \$100,000.00, operating by \$52,000.00 and labor by \$48,000.00 in the Beautification Fund for the Que Linda grant received by the State of New Mexico. The final request is to increase capital in the Lodgers' Tax Discretionary fund to upgrade the electrical service at the Halagueno Arts Park.

- General Fund/Golf Course – Increase labor by \$44,048.00 to add another caretaker position at the Golf Course.
- General Fund/Fire – Increase revenue and operating by \$15,000.00 for a donation from Kinetik to be used for cadet training equipment.
- Capital Projects Fund – Increase capital by \$300,000.00 for the design and engineering of Avalon Village.
- Capital Projects Fund – Increase capital by \$300,000.00 for the design and engineering of the Kircher housing development.
- Capital Projects Fund – Increase capital by \$250,000.00 for an infill house on Walnut St.
- Capital Projects Fund – Increase capital by \$300,000.00 for lighting and miscellaneous equipment at the Cascades Senior Center.
- Water & Sewer Fund – Increase capital by \$1,500,000 for the McKittrick waterline (West Loop Bypass).
- Beautification Fund – Increase revenue by \$100,000.00, operating by \$52,000.00 and labor by \$48,000.00 for the Que Linda grant received by the State of New Mexico.
- Lodgers' Tax Discretionary Fund – Increase capital by \$500,000.00 to upgrade the electrical service at the Halagueno Arts Park.

The motion was made by Councilor Edward Rodriguez and seconded by Councilor Mark Walterscheid to approve the Budget Adjustment Requests.

The Vote was as follows:

Yes: Chavez, Rodriguez, Forrest & Walterscheid

No: None

Absent: None

00:41:57 5. REVIEW ADJUSTMENT INCREASE AND DECREASE

Ms. Salcido reviewed the FY25/26 Increase/Decrease budget adjustments with the Budget Committee.

No Vote Required

00:50:15 6. FINANCIAL REVIEW

Mrs. Austin asked Ms. Salcido to review the Gross Receipts Tax and the Schedule of Cannabis Revenue reports. The 2027 budget committee meeting schedule and calendar was also handed out to the committee.

01:06:16 7. ADJOURN

This meeting is adjourned.

No Vote Required

Chairman

Description		Revenues & Transfers		Costs		Approvals		
Fund / Department	Item	Increase (Decrease) to Fund		Labor, Operating, Capital		Dates		
		Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
August								
General Fund - North Mesa	Add one full time attendant position.			(84,453.26)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - North Mesa	Add a training and per diem budget (\$2,000/\$2,000).			(4,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Riverwalk Recreation	Add an event management incentive pay code (\$3.00 p/h).			(3,120.00)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - San Jose Senior Center	Increase the San Jose roof project to \$500,000.			(200,000.00)	C	8/22/2025	9/9/2025	9/11/2025
General Fund - Community Service	Increase operating due to employee vouchers for the purchase of hard toe boots.			(40,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Golf Course	Add one master mechanic position.			(114,812.95)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - Projects	Add design funds for various projects.			(200,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Fire	Increase the cardiac monitor project due to the quote coming in higher than budget.			(20,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Airport Improvement Fund	Airport upgrades - TSA compliance			(2,000,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Decrease grant revenue and capital due to budget cuts from the State of New Mexico. The following grants were unfunded: ARSC Meals Program Vehicles, Cascades Rec & Wellness, Respite Vehicles and Dark Canyon Bridge.	(5,165,000.00)	R	5,315,000.00	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Fund the ARSC meals program vehicles project which includes 1 passenger van and 3 meal delivery vehicles.			(490,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Fund the Respite vehicles project which includes 1 passenger van.			(225,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Grant awarded by NMDOT to design and construct a concrete multi-use trail at Sunset Park. This grant has a City match of \$79,771.20	468,107.87	R	(547,879.07)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Master plan project for the water park.			(125,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Non-Promotional	Increase disc golf project.			(15,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Promotional	Replenish funds that were borrowed for the Fishing Derby Advertising project.			(10,000.00)	O	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Promotional	Dink Victorious 4th annual pickleball tournament advertising.			(4,000.00)	O	8/22/2025	9/9/2025	9/11/2025
September								
General Fund - Golf Course	Purchase a Yamaha Picker Unit for the Golf Course.			(18,075.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Public Safety	Donation from Permian Resources to be used to purchase an MVB 3X Modular Vehicle Barrier System.	200,000.00	R	(210,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Public Safety	Grant from the New Mexico Department of Public Safety, 2025 Lt. Fred Beers III Honor Guard Distribution to be used to purchase various equipment for the Honor Guard team.	10,533.46	R	(10,533.46)	O	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks	Annual park improvements project.			(500,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks	Replenish funds that were borrowed for the tennis courts electrical project.			(100,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks/Fire	Donation from Chevron to be used for disc golf (\$60,000) and for search and rescue equipment for the fire department (\$5,000).	65,000.00	R	(65,000.00)	C/O	9/26/2025	10/14/2025	10/16/2025
General Fund - Finance	Purchase Gravity software - a budget reporting tool that automates budget book creation.			(100,000.00)	O	9/26/2025	10/14/2025	10/16/2025

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		Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
Airport Improvement Fund	US Department of Transportation Federal Aviation Administration grant to be used for the design to reconstruct runway lighting 03/21.	94,558.00	R	(99,535.00)	C	9/26/2025	10/14/2025	10/16/2025
EMS Fund	Increase revenues due to the annual distribution coming in higher than anticipated. A ventilator will be purchased with the additional funds.	40,000.00	R	(40,000.00)	C	9/26/2025	10/14/2025	10/16/2025
Municipal Transit Fund	NMDOT annual grant, the City was awarded bus finder devices-solar lighting package (\$121,000), a 2025 Chevrolet Silverado 2500 (\$72,312), and ADP hardware (\$11,901). There is a 20% City match.	164,170.40	R	(205,213.00)	C	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Promotional Fund	Re open the Community Concert Association Advertising project from FY25.			(55,000.00)	O	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Non Promotional Fund	Add funds to the Annual HAP Holiday Décor project.			(40,000.00)	O	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Non Promotional Fund	Add funds to the Hockey Rink lighting project due to the high cost of concrete work.			(110,000.00)	C	9/26/2025	10/14/2025	10/16/2025
Golf Pro Shop Fund	Increase revenues and add an Assistant Sports & Rec Coordinator and a full time Pro Shop Attendant.	136,000.00	R	(129,763.21)	L	9/26/2025	10/14/2025	10/16/2025
October								
General Fund - Executive	Add operating funds due to the invasive aquatic bloom; consulted with biologist and environmental engineers and ongoing mechanical removal.			(300,000.00)	O	10/24/2025	11/18/2025	11/24/2025
General Fund - Executive	Add 4 seasonal positions to hire high school students as part of a work-based learning program.			(28,000.00)	L	10/24/2025	11/18/2025	11/24/2025
Capital Projects Fund	Grant received from the NM Department of Finance for the renovations to the museum archive and collections annex. This grant has a city match of \$528,569.	617,142.00	R	(1,145,711.00)	C	10/24/2025	11/18/2025	11/24/2025
GRT Capital Outlay Fund	Transfer out to the Water & Sewer Fund.	(400,000.00)	T			10/24/2025	11/18/2025	11/24/2025
Water & Sewer Fund - Collections	Transfer in from the GRT Capital Outlay Fund and increase capital for a lift station for the Flumes subdivision.	400,000.00	T	(400,000.00)	C	10/24/2025	11/18/2025	11/24/2025
Water & Sewer Fund - Collections	Repair and upgrades to the primary lift station.			(1,000,000.00)	C	10/24/2025	11/18/2025	11/24/2025
Sports Complex Fund	Increase operating to cover the annual cost of the new fiber optic service that was installed at the Sports Complex.			(52,000.00)	O	10/24/2025	11/18/2025	11/24/2025
November								
General Fund - Mayor & Council	Increase salaries for newly elected councilors (4) in January 2026 (Ordinance No. 2025-18, Sec 2-35).			(30,400.00)	L	11/21/2025	12/9/2025	12/11/2025
General Fund - Fire	Donation from The Tractor Supply Company Foundation to be used to purchase EMS supplies.	500.00	R	(500.00)	O	11/21/2025	12/9/2025	12/11/2025
General Fund - Fire	Increase the FD Ambulances (2) project for the purchase and installation of additional equipment.			(100,000.00)	C	11/21/2025	12/9/2025	12/11/2025
General Fund - Public Safety	Donation from Devon to be used to purchase two indoor drones to support our real time crime center initiative.	10,000.00	R	(10,000.00)	C	11/21/2025	12/9/2025	12/11/2025
Capital Projects Fund	Acoustic panels for the new Cascades Senior Center.			(100,000.00)	C	11/21/2025	12/9/2025	12/11/2025
Lodgers' Tax Promotional Fund	Carlsbad Chamber of Commerce - Mainstream Tourism Advertising			(34,000.00)	O	11/21/2025	12/9/2025	12/11/2025
December								
General Fund - Golf Course	Add a caretaker position.			(44,048.00)	L	12/19/2025	1/13/2026	
General Fund - Fire	Donation from Kinetik to be used for cadet training.	15,000.00	R	(15,000.00)	O	12/19/2025	1/13/2026	
Capital Projects Fund	Avalon Village design and engineering.			(300,000.00)	C	12/19/2025	1/13/2026	
Capital Projects Fund	Kircher housing development design and engineering.			(300,000.00)	C	12/19/2025	1/13/2026	

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		Amount	R or T	Amount	L, O, C		Council	DFA
Capital Projects Fund	Infill house on Walnut St.			(250,000.00)	C	12/19/2025	1/13/2026	
Capital Projects Fund	Cascades Senior Center lighting and miscellaneous equipment.			(300,000.00)	C	12/19/2025	1/13/2026	
Water & Sewer Fund - Water	Add funds for the Mckittrick waterline (West Loop Bypass).			(1,500,000.00)	C	12/19/2025	1/13/2026	
Beautification Fund	State of New Mexico Que Linda grant (\$48,000 for labor and \$52,000 for operating).	100,000.00	R	(100,000.00)	O/L	12/19/2025	1/13/2026	
Lodgers' Tax Discretionary Fund	Upgrade electrical service at Halagueno Arts Park.			(500,000.00)	C	12/19/2025	1/13/2026	
January								
General Fund - Projects	Add a project manager position.			(53,713.86)	L			
General Fund - Public Safety	Add an animal control officer position.			(34,417.12)	L			
DPS-Law Enforcement Retention Fund	Funds received from the NM Department of Public Safety for retention disbursements for police officers who have completed 4, 9, 14 or 20 plus years of employment with a New Mexico agency.	30,430.75	R	(30,430.75)	L			
Capital Projects Fund	Grant from the NM Department of Finance for the ARSC Outdoor Rec and Pickleball Court project.	1,455,650.00	R	(1,455,650.00)	C			
Capital Projects Fund	Grant received from Permian Strategic Partnership for the purchase of 5 LifePak 35 cardiac monitors to equip CFD ambulances with upgraded technology.	325,000.00	R	(325,000.00)	C			
Capital Projects Fund	Increase the Kircher housing development project by the amount of the county contribution.	2,000,000.00	R	(2,000,000.00)	C			
Water & Sewer Fund - Water/Sewer	Increase the Kircher housing development project by the amount of the county contribution for water and sewer infrastructure.	2,000,000.00	R	(2,000,000.00)	C			

Description			Revenues & Transfers		Costs	
			Increase (Decrease)		Personnel, Operating, Capital Increase (Decrease)	
Fund / Department	Increase/Decrease	Item	Amount	R or T	Amount	L, O, C
August						
General Fund - Planning & Regulation	Increase Capital	Transfer operating funds to the Right of Way acquisition project.			5,232.82	C
General Fund - Planning & Regulation	Decrease Operating		(5,232.82)		O	
General Fund - Community Development	Increase Capital	Transfer operating funds to the concession equipment project to purchase a popcorn machine for the Cavern Theatre.			14,000.00	C
General Fund - Community Development	Decrease Operating		(14,000.00)		O	
Lodgers' Tax Promotional Fund	Increase Operating	Transfer funds from the City Sponsored Events project to the Fishing Derby Advertising project.			10,000.00	O
Lodgers' Tax Promotional Fund	Decrease Operating		(10,000.00)		O	
September						
General Fund - Public Safety	Increase Operating	Transfer capital funds from the Drone and Real Time Response Equipment projects to operating to purchase technology driven intelligence and infrastructure equipment and services through Axon.			162,500.00	O
General Fund - Public Safety	Decrease Capital		(162,500.00)		C	
General Fund - Riverwalk Recreation Center	Increase Capital	Transfer capital funds from the Exterior Paint project to the Riverwalk Building Improvement project to complete the surfacing of the first floor gym court.			22,000.00	C
General Fund - Riverwalk Recreation Center	Decrease Capital		(22,000.00)		C	
General Fund - Fire	Increase Capital	Transfer operating funds to the Thermal Imaging Cameras project to cover training costs.			4,000.00	C
General Fund - Fire	Decrease Operating		(4,000.00)		O	
General Fund - Projects	Increase Labor	Transfer the building permit technician, building official and inspector positions to the Projects department.			522,232.31	L
General Fund - Planning & Regulation	Decrease Labor		(522,232.31)		L	
General Fund - Projects	Increase Operating	Transfer operating funds to the Projects department.			20,000.00	O
General Fund - Planning & Regulation	Decrease Operating		(20,000.00)		O	
General Fund - Planning & Regulation	Increase Capital	Transfer operating funds to the ROW Acquisition project.			100,000.00	C
General Fund - Planning & Regulation	Decrease Operating		(100,000.00)		O	
General Fund - Parks	Increase Capital	Transfer funds from the boat docks project to the tennis courts electrical project.			100,000.00	C
General Fund - Parks	Decrease Capital		(100,000.00)		C	
General Fund - Parks	Increase Capital	Transfer park improvement funds to be able to replace the failing splash pad #1 mechanical building at the beach with a prefabricated building.			50,968.54	C
General Fund - Parks	Decrease Capital		(50,968.54)		C	
General Fund - Performing Arts	Increase Capital	Transfer excess funds from the Door Replacement project to the Civic Center Flooring project to cover shortfall.			17,679.77	C
General Fund - Facility Maintenance	Decrease Capital		(17,679.77)		C	
October						
Water & Sewer Fund - Collections	Increase Capital	Transfer excess funds from several sewer line projects into the annual sewer line upgrades project.			175,095.92	C
Water & Sewer Fund - Collections	Decrease Capital		(175,095.92)		C	
Capital Projects Fund	Increase Capital	Transfer excess funds from the golf irrigation, outdoor fitness court and BLM land projects to the firearms training building project.			240,000.00	C
Capital Projects Fund	Decrease Capital		(240,000.00)		C	
November						
General Fund - Golf	Increase Capital	Transfer operating funds to purchase a picker attachment.			5,716.75	C
General Fund - Golf	Decrease Operating		(5,716.75)		O	
General Fund - Streets	Increase Capital	Transfer funds from the fencing project to the Canal St. traffic signal project.			115,985.32	C
General Fund - Streets	Decrease Capital		115,985.32		C	
Capital Projects Fund	Increase Capital	Transfer unused funds from the Type 1 Ambulance project to the Acoustic Panels project.			100,000.00	C
Capital Projects Fund	Decrease Capital		(100,000.00)		C	
December						
General Fund - Projects	Increase Labor	Transfer funds from the vacant Systems & Reporting manager position to the Projects department to add a Building Inspector position.			75,254.80	L
General Fund - Finance	Decrease Labor		(75,254.80)		L	
General Fund - Public Safety	Increase Capital	Transfer labor funds to the PD 4th floor remodel project.			300,000.00	C
General Fund - Public Safety	Decrease Labor		(300,000.00)		L	

Description			Revenues & Transfers		Costs	
			Increase (Decrease)		Personnel, Operating, Capital Increase (Decrease)	
Fund / Department	Increase/Decrease	Item	Amount	R or T	Amount	L, O, C
General Fund - Community Development	Increase Capital	Transfer funds from the shuttle cart project to the plotter project.			10,000.00	C
General Fund - Community Development	Decrease Capital		(10,000.00)			C
Sports Complex Fund	Increase Capital	Transfer funds from the artificial turf project to the sports complex road project due to the quote coming in higher than budget.			100,000.00	C
Sports Complex Fund	Decrease Capital		(100,000.00)			C
Lodgers' Tax Discretionary Fund	Increase Capital	Transfer funds from the Par 3 lights project to the golf course restrooms project to cover shortfall.			8,218.14	C
Lodgers' Tax Discretionary Fund	Decrease Capital		(8,218.40)			C
January						
General Fund - City Clerk	Increase Capital	Transfer unused funds from closed projects to the City Clerk's department for the purchase of a vehicle.			45,000.00	C
General Fund - Multiple Departments	Decrease Capital		(45,000.00)			C
Lodgers' Tax Discretionary Fund	Increase Capital	Transfer funds from the Par 3 lights project to the golf course restrooms project to cover shortfall.			130,000.00	C
Lodgers' Tax Discretionary Fund	Decrease Capital		(130,000.00)			C
EMS Fund	Increase Operating	Transfer leftover funds from the Cardiac Monitors and Ventilator project to purchase K9 rescue kits and Finger Thoracstomy Training equipment.			16,356.00	O
EMS Fund	Decrease Capital		(16,356.00)			C