

## Finances

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"We can probably weather this thing," Campbell said. "Although there will be repercussions if oil and gas really does go south."

Gross receipts tax revenue accounts for about 85 percent of the city's general budget, Campbell said.

Local legislators have said they expect a state budget shortfall of a couple hundred million dollars after a decline in the price of oil and gas. The oil and gas industry drives the local economy.

Councilman Jason Sandel, who predicted a "bleak Christmas," asked staffers at a council meeting Tuesday night whether the city had prepared for a local economic downturn. Sandel wondered whether councilors would have to make adjust-

ments to the budget.

Sandel, executive vice president of Aztec Well Servicing Co. Inc., said his company has 100 fewer people working Wednesday than last month.

His company, like others in the area, has laid off employees or has not hired people to fill positions of those who have quit, he said.

Sandel blames the weak economy, environmental regulations and low oil and gas prices. He said jobless people from his and other companies who don't spend money during the holidays will result in a significant decrease in revenue to the city.

The city should not hire any new employees, as his and other companies are doing, because the city cannot borrow money in case of a budget shortfall, Sandel said. Sandel would make

exception for police and firefighters.

"Raising taxes is unacceptable," he said.

Farmington Fire Chief Troy Brown said he has held off on filling four open positions for firefighters to be cautious. The fire department still can respond adequately to emergencies.

"All in all it's good," he said. "I think Farmington's fortunate right now."

Campbell said the weak economy has led the city to delay buying some vehicles. The city still is hiring people to fill empty positions and Campbell does not expect a hiring freeze.

"We are looking optimistically ahead, but trying to be realistic," Campbell said.

City Manager Rob Mayes has asked other city officials in various departments to spend less in case of a local

economic downturn, Campbell said. In turn, city officials since July have spent about \$650,000 less than the budget allows.

Mayor Bill Standley said at the meeting city officials have taken "appropriate action."

Stifling environmental regulations adopted by state lawmakers have led companies to move some oil and gas drilling operations to Colorado, Standley said. But the industry and its employees remain in northwest New Mexico.

Last year, councilors approved this year's approximately \$225 million budget, which funds the city's Electric Utility and other services such as water and sewer, Campbell said.

Steve Lynn:  
slynn@daily-times.com