

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION SPECIAL MEETING MINUTES
6:00 P.M., SGT. WILLIE ESTRADA MEMORIAL CIVIC CENTER
NOVEMBER 11, 2008**

**MAYOR STEVE BROCKETT
MAYOR PRO-TEM CHRIS LUJAN
COMMISSIONER RON GRIGGS
COMMISSIONER ED COLE
COMMISSIONER MARION LEDFORD**

**COMMISSIONER ERIC BREWER
COMMISSIONER JOE FERGUSON
INTERIM CITY MANAGER MATT McNEILE
CITY ATTORNEY STEPHEN THIES
CITY CLERK RENEE CANTIN**

CALL MEETING TO ORDER AND ROLL CALL

Mayor Brockett called the meeting to order at 6:03 p.m. The roll was taken, and all of the commissioners were present. The invocation was given by Jack Rathgeber, and the Pledge of Allegiance was led by Marsha D. Brady, deputy clerk/retired, from the United States Air Force.

Mayor Brockett thanked everyone in the audience for coming and also thanked veterans and expressed his desire that everyone have a great Veterans Day.

1. Discussion of General Obligation & Wastewater Treatment Plant Bonds.

Recommendation: Provide direction to staff.

Ms. LeeAnn Nichols, the finance director, presented information to the Commission regarding the General Obligation Bonds and explained that currently they are working from the rate of 1.24 in terms of debt service. The purpose of the special meeting was to decide on the projects that would be included on the ballot for the bonds. A copy of the original GO Finance Plan for the bonds was provided to the commissioners, and Ms. Nichols stated that when considering projects they should evaluate them based on the life value of those projects as well as whether the projects would add operating costs to the budget.

Mr. Kevin Powers from RBC Capital Markets then provided additional information to the commissioners and stated that they try to structure the bond rates so that they are as low as possible. The City's bonding capacity is constitutionally set, and in 1990 the City's rate was between 8% and 9%. Mr. Powers went on to explain that if one looked back from 1989 to 2000 there were spikes in the rates, which relate to the reappraisal of certain properties, which the States allows to be done every year, roughly 3% per year. In addition, 1995 to 1999 were fairly strong property appreciation years.

Commissioner Cole asked for clarification regarding the average growth rate, and Mr. Powers stated that the 10-year average was 5.37%.

Mr. Powers then moved on to talk about the outstanding general obligation debt and stated that the payments are set for 2009 at about \$650,000 per year. The level tax rate assumes that the assessed tax rate will continue to grow at the current rate, and if the bonds were issued in the current market Alamogordo would probably have a rate of less than 5%. Mr. Powers explained that they use conservative interest and tax collection rates, and taxes are collected at the beginning of December. Mr. Powers also provided information regarding an additional scenario-- a bond issue of 15 million using the same assumption of 4% growth and a 95% collection rate. They also had additional scenarios worked out—one with a smaller growth rate of 2%, a 15 million GO Bond, a 12.25 million GO Bond keeping the tax rate at 2.26%, and another 2% assumption on 10 million taking the tax rate to \$1.90. The difference is two tenths of one million. The bond issue that results from that will be 8.9 million. They think the average growth rate of 5% is conservative, and in addition to that they did not use the entire growth rate but just used 4%. It's true bonding capacity keeping those rates in place.

Mayor Brockett clarified that a bond for \$10 million would not increase property taxes whereas one for \$15 million would increase tax rates, which Mr. Powers agreed with explaining that the actual value of property is determined by the County Assessor. As long as an individual owns property, it cannot increase more than 3% per year.

Commissioner Griggs asked what the actual number would be that the City would have for projects on bond issues of 15 million, 10 million and 8.9 million. Mr. Powers stated that GO bonds are an efficient way to use the money. The rate is higher and the interest cost is lower. 99% of the 10 million dollars would be available for projects.

Interim City Manager Matt McNeile explained that they would then be looking at the wastewater treatment plant issue, and Mr. Russell Stilh with Severn Trent delivered a presentation for the Commission.

Mayor Brockett asked what the average life is for a wastewater treatment plant, and Mr. Stilh stated that it is roughly twenty-five years. The City of Alamogordo's facility is already at thirty-five years. Mayor Brockett also asked how difficult it will be to get grants, but Interim City Manager McNeile stated that it was really too early to tell. It is a combination of state and federal

Commissioner Cole asked for clarification on the viability of the concrete walls, and Mr. Stilh stated that it continues to deteriorate day by day.

Mr. Steve Ansi commented on EPA's involvement. He also stated that they had performed the study in 2005-2006 and made some recommendations as to what should have been replaced. Mr. Ansi stated that there are several contributing considerations including the age of the plant, 34-years-old, the age of the equipment as some of the equipment is original and replacement parts are not readily available. Finally, the plant was built when the City was much smaller and had lower flows.

Commissioner Cole asked what the options would be if the sewer did begin to leak, and Mr. Stilh stated that they would obviously then have to deal with the environmental issue of sewage getting on the ground. Mr. Ansi also commented in that if there was a major catastrophe and a spill occurred they would have to notify NMED immediately.

City Manager McNeile gave a presentation on the different projects that were being suggested for the bond election, most of which have been before the Commission previously either on the ICIP or in various planning documents. They included Fire Station No. 8, Oregon Tennis Courts, a therapy pool for the new Senior Center, the entrance building to the zoo, the library project, solar heating at the recreation center swimming pool,

Mayor Brockett recessed the meeting at 7:20, and it reconvened at 7:32 p.m.

City Attorney Thies pointed out to the Commission that each of the identified projects would have to be pooled on the ballot so that a potential voter could vote on each question individually. The library project would be a stand-alone project, but others could be lumped into one project such as the senior center and the solar panels. The bond counsel could determine what could be lumped into one question.

Mayor Brockett opened the Town Hall portion of the meeting.

Ms. Nadia Sykes from the Alamogordo Public Library Foundation gave a brief presentation on the library project. She stated that the library is too small, and it needs to be enlarged so there is more room for books, more room for displays, more room for parking, better access. They want better lighting and heating, and they want more space for activities. They want more technology—computers and internet access. Their mission is to have a library that will continue to serve the citizens for years to come. Since the completion of the 2001 study, all they have seen are delays and

controversy. They propose that an architect specializing in the renovation of commercial buildings be hired to prepare a comparative architectural study evaluating two library options. Option one is an expenditure of \$3,500,000.00 to upgrade the existing library located at 920 Oregon Avenue. In the architectural study the building benefits from already serving as an existing, functioning library. Option two is an expenditure of \$5,120,000.00 to construct a library in the "IGA Building" located at 1300 Tenth Street with a minimum area of 20,000 square feet, and a visually acceptable façade constructed on the remainder of the Tenth Street building side of the building. Option two "frees up" the existing library building for other city and municipal uses. Ms. Sykes then outlined the financial conditions that the options would be based on including that \$3,500,000 of the proposed bond issue would be available for either 920 Oregon or 1300 Tenth Street, \$520,000, the remainder of the Sheldon Trust, would be available only to the 1300 Tenth Street option. \$1,100,000, the remainder of the State Capital Outlay funds, would be available only for the 1300 Tenth Street Option, the 1300 Tenth Street property shall be retained pending the conclusion of the process, and the existing capital outlay money would pay for the architectural study.

The architectural study would be completed after the successful vote of the bond election. The architect would select the portion of the 1300 Tenth Street structure to be completed and the portion of the structure, which would remain as "Additional Building Area." The 1300 Tenth Street option includes Additional Building Area available for the future library expansion. The plans for the completed portion of the structure should take into consideration the future developing of the additional building area. Generally, no funds would be used to improve the Additional Building Area other than façade and roof, where needed. Neither option would use funds for furniture, fixtures or equipment other than the building and its operating systems. The 1300 Tenth Street lot is three times the size of the 920 Oregon lot. The 1300 Tenth Street option offers significantly more area for parking. The 920 Oregon option may include the closing of Ninth Street for additional parking the cost of which would included in the overall cost of that option. The 920 Oregon option may include the east half of Oregon Avenue, once vacated. Estimates of operating costs would be a part of the study of both options. Both evaluations would include the cost of addressing any and all structural and asbestos issues requiring correction, upgrading lighting to energy-saving systems providing illumination meeting current library standards, upgrading HVAC to meet current library standards using existing systems if reasonable and the use of the most energy-efficient insulation practical.

Ms. Sykes then explained that the Alamogordo Public Library Foundation would champion the promotion of the bond election, coordinating and cooperating with all other community organizations in a well-planned promotion for the approval of the bond election. The Library Foundation would undertake the effort without bias for either architectural option, and would promote the final selection as the "best option" to provide library services to the community. If the library is part of the bond issue, it would be 1,000 people strong advocating and working diligently to get the bond passed.

Finally, Ms. Sykes outlined the decision process and stated that the selection of the best architectural study option would take place after the successful vote of the bond election. Upon completion of the architectural study of both locations, the architect shall make available to all parties copies of the study and its conclusions at least 21 days in advance of a public meeting. The architect shall then present the study of both buildings and shall present the merits and detriments of each option in a public meeting, which would include adequate time for comments and questions from the City Commission, City staff, the Alamogordo Public Library foundation and the public. The two alternatives would be compared, and the selection option would offer the least detriments and the most benefits for a library serving the public.

Mayor Brockett asked Interim City Manager McNeile what the status was on the 1.1 million that remains for the outlay. Mr. McNeile stated that they have not heard back from the DFA concerning all of the city's potential grants. Mr. Mark Threadgill stated that he spoke to DFA last week, and they're putting their list together for the legislative session. Interim City Manager McNeil said that they are starting to hear from other state agencies as well. They heard from the Department of Energy and Natural resources regarding a grant as well. Mayor Brockett asked if Alamogordo is in danger of

losing any of the water funding, but Mr. McNeile did not feel they would be because a lot of that is federal funds that are passed through the state.

Mayor Brockett then asked about the façade of the building, and Ms. Sykes said that the outside of the building would look like a completed library all the way around. Mayor Brockett then stated that the building would not be completed and asked what would be done with the rest of the building. Ms. Sykes made the point that buildings like Pre-check are not completed on the inside. They still have high hopes that at some point they may be able to complete the rest. That is the type of situation that they anticipate with the library. Mayor Brockett then asked what would happen with the existing building and how much it would cost just to do the necessary work on that such as lighting.

Interim City Manager McNeile stated that if they do everything, electrical, lighting, carpet, furniture and fixtures, the price in 2002 was \$5 million to do that, though that was also to add the 2,000 square feet. They do not have a figure on what it would cost to just do what needs to be done to the existing building whether it is used as a library in the foreseeable future or it is used as a City Hall annex.

Mrs. Nellie Baker addressed the Commission and stated that she's been leading an exercise group for about fourteen years, and they have two classes, 10 a.m. and 4 p.m., that meet three times a week. They have about 45 students enrolled. When they get to the Senior Center it will be less expensive, and there are a lot of seniors that will join and be in the class. They will need four classes a day at least, and that would be at least 25 to 30 people. As they get older, a lot of things go wrong, and these classes help people going.

Mayor Brockett asked if finding times that the Wellness Center has the pool available is a challenge, but Mrs. Baker said that only happens occasionally. It's \$37.63 a month, and they keep the pool at about 90 degrees. Both the Wellness Center and the Senior Center have other equipment available also.

Mr. Rick Adler addressed the Commission in support of the football complex. He runs the youth football league, and stated that if they were able to get the property just east of the Griggs field parking lot they would like to develop a football complex. They have completely outgrown the field that they currently use. The program has 350 kids currently in the 7 to 12-year age group.

Mayor Brockett asked Interim City Manager McNeile about the field south of City Hall, and that is used for practice. Mayor Brockett asked Mr. McNeile for a status report on the balloon park, and it is now going to be moved on the west side of La Velle Rd on a 20-acre tract of land that is not part of the old city landfill so that a lot of the environmental remediation wouldn't have to be done that would have to be done to develop the old landfill. They are close to a design on that, and they hope to have it done in time for the Balloon Fiesta next year. There would be open space available for practice.

Ms. Linda Gililand addressed the Commission in support of the tennis program, and she pointed out that tennis is a sport and activity that is not limited by age barriers. They need to have improved courts so that they can continue to develop the program to apply to all age groups and everybody in between. The work that has been ongoing has been done mostly by the ATA members, and they have put a lot of time, effort and personal money as well into the upkeep of the tennis courts.

Mr. Steve Schuster, president of the Alamogordo Tennis Association, stated that they recently completed a middle school clinic, and they had 37 children who participated. The ATA represents approximately 125 people, but the tennis community is at least three times that. In fact, the high school team consists of about 88 children. The tennis courts are used all year round, and it is not a seasonal sport. The courts are being used, and they are used a lot. The ATA sponsors several tournaments a year, and they would like to sponsor some grand prix tournaments through Southern New Mexico USTA, but that can't possibly be done with the courts as they are. The courts were all resurfaced and within two years they started to deteriorate. Mr. Schuster then described the exchange program that they have with neighboring communities.

Mayor Brockett asked Ms. Gililand about the high school tennis program, and she explained that at least every three years they have the district tournament at the end of the season. Because a lot of other schools in the district have liked the location, Alamogordo has hosted that in previous years, but they can't really do that any more even though it's only five schools. If they had better courts, she would like to have additional invitational tournaments.

Mr. Schuster did clarify that they were not present to compete for the money and would certainly support the library program as well.

Ms. Bev Eckman-Onyskow addressed the board in support of the library program.

Ms. Ellen Widum also spoke in support of the library expansion program, and she wanted to know whether the Commission had spoken to the county about funding for the library. The Alamogordo library is the library for the entire county. Mayor Pro-Tem Lujan agreed with her, and suggested that individuals go to the county to request support for the program.

Mayor Brockett asked City Attorney Thies about how they could fund a library together, but City Attorney Thies will have to look into what options might be available.

Maud Rathgeber stated that to answer the question about the county participating in the library program, she was part of the group who approached the county to support the library. The county does put money into the library, but they don't have money to put toward a building. In fact, their budget is tight, and they have considered no longer doing that. The state also puts money toward a bookmobile service.

Mr. Matthew Gonzales stated that he heard some things that concerned him, and one was the wastewater treatment plant, as it seemed to him that they were putting a band-aid on it. I didn't think they were looking at the potential for fines and such. While senior centers and tennis courts are helpful and nice, people won't come to the town if there are wastewater issues. Mr. Brian Cesar, Public Works Director, stated that they could be facing up to \$10,000 a day in fines.

Mayor Pro-Tem Lujan assured him that they are not putting a band-aid on it. They are planning to build a new one. Brian Cesar, Public Works Director, said that the issues that they have with the contact chamber will be addressed in replacing the middle portion of the plant. Mayor Brockett clarified that they won't be building a new plant, but they will be re-building those parts that are necessary. He stated that what they are talking about is a list of needs and wants, and the wastewater treatment plant is the one absolute need on the list in his opinion.

Mr. Pete Estrada spoke about the turn off on First Street from the bypass. He recommended that fixing that be on the top of the list.

Ms. Delia Mirabal stated that her concern was to encourage the community to not stop reading. She stated that knowledge is life and life is knowledge. They go hand in hand. Ms. Mirabal went on to say that they should not let the opportunity to expand the library go to waste. They should embrace the project and make a difference leaving a legacy for which all can stand tall and proud.

Ms. Nola Jones stated that there were a lot of people at the meeting who were very concerned about the city, and there are many who were not there. All of the constituents need knowledge, and that is a continuing growth issue. She stated that they need to upgrade to a library that will accommodate everyone. Alamogordo has outgrown its facility, and a library is an all-weather, all-ability, and all-growing attraction. It has to be big enough to accommodate that. In addition, it's the only free thing, and it's an American way of freedom.

Mayor Brockett recessed the meeting at 8:45 p.m. and reconvened at 9:01 p.m.

Mayor Brockett stated that they were at the point where the City Commission would discuss some of the issues and decide whether they wanted to take action or not. He stated that if it is a \$10 million issue, they really need to address the one absolute need on the list—the wastewater treatment plant. If they go to \$15 million there may be room for a lot of the other projects.

Commissioner Cole stated that he thought the waste water treatment plant was the most important challenge the community has, and he thinks it needs to be number one. He asked for clarification if they were talking about a bond issue of \$15 million, and Mayor Brockett said in his opinion they would need to do that but it is up to the Commission. Commissioner Cole asked about the estimate for the total cost of the wastewater treatment project, and Mr. Cesar stated that the last estimate including the engineering was about \$12 million

Mayor Brockett reiterated that they do not have to put the entire issue on the bond. He did agree that it should take the highest priority.

Commissioner Cole stated that he supports the library, but the health of the community is the most important. He thinks the largest amount should go to the wastewater treatment plant. The second thing he thinks is the most important is the understructure of the streets. If the wastewater treatment plant is not funded 100% through the bond issue, he thinks it should be close to it. He didn't have any other priorities on the list. I have no other priorities on this list, and if the bond issue passes they will have the money and should use it for that number one priority.

Commissioner Brewer agreed with Commissioner Cole on the wastewater treatment plant, and stated that it's the most important on the list. He is hearing a bunch of arbitrary numbers, however—numbers from 2002 and other years gone past. He cannot make a decision about any of it based on arbitrary numbers. He wanted concrete numbers on what they are doing and what they are dealing with before he will be willing to commit to anything.

Commissioner Ferguson stated that he has looked it and the wastewater treatment plant, and he thinks the bond issue should be broken into four parts. The wastewater treatment plant portion should be \$5.7 million, and he thinks they will have to raise the water and sewer rates to pay for it one way or another. They should let the voters decide if they want to pass the bond issue, but they will have to raise the water rates. The Fire Station doesn't need to be done right now. As far as the other stuff, which is about \$6.5 million, they should let the voters decide. It doesn't do any good to have a library or fire station if they don't have the sewer plant.

Mayor Pro-tem Lujan said that first he agreed with Commissioner Brewer. They need the final numbers, and the numbers keep changing. If it were up to him, he said they would just put the waste water treatment plant on there period. The next thing he would like to see would be the fire station. To him, that's a safety issue, and he would also want the Ninth Street bridge done for public safety routes. If one of the safety items is included, then all of them should be included.

Commissioner Griggs stated that he may look at it a little differently than some of the Commissioners. He thinks the wastewater treatment plant is very important, but he thinks they should fund it from rates in addition to \$6.25 million from the bond. His list would then include the library for \$3.5 million though he wasn't sure that he agreed with the proposal as presented, Oregon tennis courts for \$500,000, the fire station for either \$900,000 or \$750,000, the senior center pool at \$500,000 to include the solar panels, the youth football at \$300,000, and upgrading the zoo for \$300,000. He knows there are issues at Hoosier field, and perhaps \$70,000 is a good number to make that retention pond a little bit bigger. He has supported the trail system for a long time, and he supports adding money to that. There is the skateboard park that kids would like to see improved, and they have neighborhood parks that need work. Money should be set aside to do that. He came up with a total of \$12.6 million dollars leaving room for First Street and parking at the Family Recreation Center. One thing that Commissioner Ferguson brought up was he indicated that the bond cannot go out with a \$12 or \$15 million bond listed as it is. Maybe there are four or five bonds they will have to issue through this.

Commissioner Ledford stated that he thought it was obvious that the Commission agreed that the wastewater treatment plant is important. Last month staff brought to them the rate changes that would be necessary, which are pretty substantial, and a lot of the projects can't be paid for with water and sewer funds. A bond issue may be the only way they can get this done. As far as the library proposal, it seemed to him to be the fairest approach to building the library. It failed in all of the Districts when it was brought to election. Commissioner Ledford stated that they need to seriously consider the proposal the library had given them. They need to do something with Tenth Street. He'd like to see the library with \$3.5 million. They have come up with a proposal that will allow them to obtain the facility, have the old library available for additional space and have the whole area, which he thinks would be a good thing to do. Tenth Street has also suffered, and this is a good way to do something with that property to make it useful to the citizens. He would also like to see them put some money to the wastewater treatment plant, \$6.5 million. The wastewater treatment plant is the highest priority, and what they are discussing really is how they are going to pay for it. He underscored that if they don't pay for it with the bond issue, they will have to pay for it with rate increases.

Mayor Pro-tem Lujan asked if they put the waste water treatment plant on there for 12 and some other deals on the bond and only two things pass, that leaves \$8 million left for the waste water. He asked if they do the rest with rates or if they have to use everything that they put in that amount.

Commissioner Ledford said that the attorney is going to evaluate what that would mean, but the bond is the only way they can pay for the projects. Mayor Pro-tem Lujan pointed out that the sewer rates are going to increase whether or not they pass the bond. They don't want to raise the rates any more than they have to. They are hoping voters will pass it, but if the voters don't support the items, they won't get done. If the voters support the \$6.5 million, which according to Commissioner Ledford they should because otherwise they will pay a lot more in rates since it has to get fixed. Mayor Pro-tem Lujan said that he was not trying to cut the other projects down. Commissioner Ledford said that the City has ignored the sewer system for too many years by not adjusting the rates as they should have all along. It's an accumulation of neglect, and now citizens will be paying higher rates.

Mayor Brockett said that he thought there was value in every item on the list. He was willing to come down to 6.5 for the wastewater treatment plant and keep the Washington Spray Park. These are tough decisions, especially if one looks at all of the items some of which are for the kids including the library, which provides intellectual infrastructure. This also does cover the most important item, which is the wastewater treatment plant. He asked for clarification on the estimate for the wastewater treatment plant. Mr. Brian Cesar, public works director, stated that the \$12 million was off of the 2006 study. The last estimate was \$15 million.

Mayor Brockett then said that the grouping of the items was a surprise to all of them, but perhaps it's a good thing. Commissioner Ledford agreed with Commissioner Brewer that they need to have the numbers, and Mr. McNeile said they would work diligently on getting those numbers to them by Monday.

Commissioner Griggs said that one thing that was not on the list was the solar panels at the Recreation center. If they are looking at the therapy pool at the senior center then they should include the solar panels at the senior center also. We should look to see where we could plug that in.

Mayor Pro-tem Lujan stated that he wanted to make a decision at the meeting. Commissioner Griggs stated that when they looked at rates they were looking at rates for the sewer plant for \$15 million dollars. When they did that, if an individual used 1500 gallons a month, in about 4 years it would be a \$24 increase because you wouldn't have to raise rates to what you were looking at before.

Mayor Pro-tem Lujan argued that you don't know that, because you don't know what the yearly rate increase is going to be. They're trying to minimize that rate for everybody. At the same time, how many citizens are out there and don't realize how they are going to be affected.

Commissioner Griggs said that's why he supported putting the \$6.5 million into the sewer plant, but the quality of life issues are extremely important. Commissioner Griggs then said that Commissioner Ledford was right when he said things had been neglected. Commissioner Cole asked what street projects would be included if it were a \$15 million bond. Some discussion took place regarding how they would group the projects and also what other grants might apply.

Ms. Nichols commented on the water rates and how the proposed rate increases may be affected by utilizing funding from the bond issue. Mayor Pro-tem Lujan reiterated that he thought \$8 million from the bond should go to the wastewater plant.

Commissioner Ledford made a motion to approve the \$15 million bond with the projects as listed and \$6.5 million to go to the wastewater treatment plant. Commissioner Cole seconded the motion.

Mayor Pro-tem Lujan still thought it should be more than 6.5 for the wastewater treatment plant. A lot of the projects should be combined and I thought there would be money left over.

Commissioner Griggs thought they should word the approval in such a way that they could identify the projects. Commissioner Ferguson said that the motion was to lump everything together.

City Attorney Thies said that he would discuss the grouping with the bond counsel and prepare the question for the ballot. It could be broken down into five categories.

Ms. Nichols reminded the Commission that when they did the 2002 bond issue they had to categorize it. If the project cost less, they were able to use it for another project.

Mayor Pro-tem Lujan said he was willing to support the \$6.5 million, but he asked if they were remodeling the library or building a new building with the \$3.5 million for the library. Mr. Michael Shyne asked the Commission to include their plan with both options. City Attorney Thies said that if they structure the question broadly, then they could come back and consider their proposal and hire an architect. Commissioner Ledford asked if they are presenting a motion to present what the commission's intent was. City Attorney Thies suggested that they could take the step to pass a non-binding resolution telling the public they're going to explore the options.

Mayor Brockett called for a vote. A vote was taken, and all voted "aye." The motion carried with a vote of 7-0-0.

ADJOURNMENT.

Commissioner Ledford made a motion to adjourn at 10:26 p.m. Commissioner Ferguson seconded the motion. A vote was taken and all voted "aye. The motion carried with a vote of 7-0-0.

/s/Steve Brockett

Mayor Steve Brockett

(SEAL)

ATTEST:

/s/Reneé L. Cantin

City Clerk Reneé L. Cantin

(Prepared by Ubiquis Reporting)

Approved at the Regular Meeting held on December 2nd, 2008.