

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
MUNICIPAL BUILDING, 1376 E. NINTH STREET
7:30 P.M., COMMISSION CHAMBERS
MARCH 9, 2004**

**MAYOR DON CARROLL
MAYOR PRO-TEM RON GRIGGS
COMMISSIONER INEZ MONCADA
COMMISSIONER DON COOPER
COMMISSIONER ED COLE**

**COMMISSIONER JOHN ROBERTSON
COMMISSIONER MARION LEDFORD
CITY MANAGER PAT McCOURT
CITY ATTORNEY KEN McDANIEL
CITY CLERK ANGIE RAHN-BROYLES**

Call Meeting to Order, Roll Call, Invocation, and Pledge of Allegiance.

The Meeting was called to order at 7:30 p.m. The Reverend Rick Schulze gave the Invocation, the Junior Air Force ROTC from the Alamogordo High School posted the Colors, and Commissioner Cooper led the Pledge of Allegiance.

1. Swearing in of newly elected City Commissioners.

Temporary Municipal Court Judge Jack Moore performed the investiture of the newly elected Commissioners: Donald Carroll, Ron Griggs, Inez Moncada, and Marion Ledford.

2. Reorganization of the Commission.

Commissioner Cole nominated Don Carroll for Mayor. Commissioner Cooper nominated Inez Moncada. Mayor Carroll called for the vote and by a majority vote Don Carroll was appointed as Mayor (6-1-0) (Commissioner Robertson voted "nay").

Commissioner Moncada nominated Ron Griggs as Mayor Pro-Tem. There were no further nominations and by a majority vote Ron Griggs was appointed as Mayor Pro-Tem (7-0-0).

Mayor Carroll thanked those who voted for him and stated he would continue to represent the Commission and the community to the best of his ability.

Mayor Pro-Tem Griggs thanked the Commissioners for voting him in as Mayor Pro-Tem. He stated that it was important to know that the Mayor and the Mayor Pro-Tem positions were elected positions among the Commission and that those positions did not have any more power than any particular Commissioner. He said it was an honor and privilege to serve as Mayor Pro-Tem.

The Commission took a break at 7:40 P.M. and reconvened at 7:44 P.M.

Presentation of an Award: Mayor Carroll read a "Commendation Letter" and presented Master Cody Gsell with the "Outstanding Citizenship Commendation" and gave him a Centennial Book of Alamogordo. Mayor Carroll commented that with young people like Cody Gsell, the future of our community looks bright and we have every reason to be proud.

Commissioner Cole commented favorably on the Boy Scouts who were present and who usually attend the meetings

Call of the Consent Calendar:

Items Nos. 3, 7, 8, and 9 were on the Consent Calendar. None were removed from the Consent Calendar.

MINUTES:

3. Minutes of Regular Meeting of February 24, 2004.

Recommendation: Approve the minutes.

7. Resolution No. 2004-09 requesting the DFA, State of NM, approve revised budget figures for certain line items in the City's budget for FY 2003-2004.

Recommendation: Approve the Resolution. [Roll Call Vote Required]

8. Resolution No. 2004-10 authorizing and approving submission of a completed application for financial assistance and project approval to the New Mexico Finance Authority for the purchase of a Rescue/Ladder Fire Truck.

Recommendation: Approve the Resolution. [Roll Call Vote Required]

9. Acceptance of the Canvass of Returns for the March 2, 2004 Regular Election.

Recommendation: Accept the Canvass as presented.

Commissioner Cooper moved to approve the Consent Calendar including Item Numbers 3, 7, 8, and 9. Commissioner Cole seconded the motion. All voted "aye." Motion carried by a vote of 7-0-0

ORDINANCES AND RESOLUTIONS:

4. Ordinance No. 1199 amending certain Sections of Chapter 28 of the *Code of Ordinances* concerning water, sewer, and reclaimed water rates.

Recommendation: Approve the Ordinance for first publication

Mr. McCourt explained that page one of the attachment showed the City's current year budget and plan for the Water and Sewer Fund – Five-Year Financial Forecast (see Attachment 1). He said that when the revenues were reviewed, Staff realized that the water fund had fallen significantly short of their expectations. He then turned the presentation over to Ms. LeeAnn Nichols.

Ms. Nichols pointed out that after Staff re-evaluated the current estimates, less water was sold; therefore, the first column had been re-estimated. She explained what the \$481,000 was for in the first column and how Staff had to revise some cuts in the budget for the capital items and operating cost. (See Attachment 1.)

She also pointed out that in the second column "fiscal year 2004-2005" the estimates for next year included the impact for the water/sewer rate proposal. She said that the revenue was approximately \$541,000, and was an added number against last year's revenue. Mr. McCourt responded that the charge of the effluent water was revised and the correct figure was \$483,981.

Commissioner Robertson asked what the "Transfer in" line indicated. Ms. Nichols replied that the "Transfer In" line was concerning the garbage funds, and that it paid for the administration of the billing system such as the garbage collections.

She continued to explain that under the expenditures a 3% growth was estimated in the salaries due to union negotiations. The 2% Operating Growth estimates pertained to the health insurance, benefits, and operating cost. The Capital Outlay was \$88,460 for 2004 and next year the estimation would be \$291,717.

She pointed out a \$200,000 pipeline replacement budget was started last year. Mr. McCourt stated that this budget was for the ongoing replacement program which the City had promised would be done.

Ms. Nichols stated that the bond payment estimated revenue was 6% higher, which increased 3%. The Net Operating Revenue/Expense total for 2004 was \$624,840 and next year's estimate was \$782,000. The bond ordinance would need to meet 130% of the bond payment. (See Attachment 1.)

She stated that Staff recommended setting aside at least two months of operating reserve and in order to accumulate that amount in a five-year plan and the City would need to save \$169,000 a year, until 2009. That reserve was started last year.

Commissioner Cole inquired about the two-month reserve. Ms. Nichols replied that having a two-month reserve would help the City to meet any obligations or emergencies. He asked how the City would overcome a crisis if there were not an Emergency Fund. Mr. McCourt replied that the City would borrow the money from the General Fund.

Ms. Nichols continued to explain that the 2004 budget was more than \$763,915 of capital improvements and that had been lowered from the original budget; however, there were some revisions made. First Street water line and a portion of North Florida project were cut to make-up the shortfalls. She stated that next year's revenue would show \$800,000 available, if the proposed rates were passed.

Commissioner Ledford inquired about the \$800,000. Mr. McCourt replied that the \$800,000 was proposed to the Commission a few years ago and was to be used for repairs and upgrading the system.

Commissioner Ledford asked if the \$800,000 would be adequate for maintenance repairs. Mr. McCourt replied that the ICIP had over \$14 million in projects, so at \$800,000 and it would take the City 18 years to work through the list. Commissioner Ledford then inquired about the rate increase and if \$800,000 would cover it. Mayor Carroll replied that it would be difficult to talk about flat rate increases because they varied by the tiers and the individuals.

Commissioner Cole stated that he had strong reservations about any increases. Mayor Carroll replied that the overall presentation and budget needed to be heard before discussing and debating over the recommendations.

Ms. Nichols explained that if the proposed rates were approved, the estimates would be approximately \$800,000 to add to the ICIP and would give the City an ending cash balance of \$79,238 unreserved.

Mayor Carroll suggested taking the past two year estimates to get an amount. He stated that the \$600,000 was built into every projection starting from 2004. Ms. Nichols responded that it also had a 2% growth rate added. Mayor Carroll pointed out that when subtracting \$600,000 from the \$800,000, it would come out to \$200,000; and with an offset negative cash balance, we would have \$100,000 that could be added to capital.

Mr. McCourt stated that we did not have the ability to plan or the funds available for replacement of our water and sewer lines and that was the reason for the five-year forecast. The sewer line tops have rotted away making the ground ready to collapse. It is prudent management for the City to maintain the upkeep of the lines, keeping cost down, and to have a built-in rate structure to accomplish that purpose. When there was a shortage of commodity water, we had to cut back on our expenditures and deferred both our operating and capital expenditures. We need at least \$800,000 a year to replace the system and restore the sewer and water lines to keep it operational. This is a reasonable forecast. As the Commission pointed out for fiscal years 2005 through 2007, and with this year's rate increase built-in, we are in a deficit position.

Commissioner Robertson asked how long it would take to repair the roads. Mr. McCourt stated that at a rate of \$800,000 a year, based on the current ICIP, it would take about 18 years. Commissioner Robertson responded that the burden of the rate increase would fall upon the public and the bulk of the City's bad streets would not be repaired right away.

Mr. Armando Ortega explained the 2004 Utility Billing Rate Proposals beginning with the Water Commodity Proposal. He explained the current, proposed and annual impact of the tiers, and gave the estimated Total Inside Revenue of \$178,296 and the Total Outside Revenue of \$3,177, with a grand total projected revenue of \$181,473. (See attachment 1)

Mayor Pro-Tem Griggs asked about the 18-20% increase in the tiers except for tier 4, which showed just over 10%. Mr. Ortega pointed out that the study was done mostly for those people who were in tiers 1 and 2, and rarely are household users in tiers 4 and 5.

Commissioner Ledford commented on tier 3 and said that it had a 30% increase; whereas, tiers 1 and 2 contained an 18-20% increase, and tiers 4 and 5 maintained a 10–12% increase. He stated that tiers 4 and 5 should be charged more since they used more water, and he questioned why tier 3 had a larger increase than the other tiers.

Mr. Ortega stated that tier 3 was to inform the public that they are using excessive water and their main goal was conservation.

Mayor Pro-Tem Griggs stated the structure of the tier system had been setup to conserve water and continue to maintain the revenues. Five years ago, the commodity charge for water was about 72 cents. The base tier had not gone up that much over the years. Mayor Pro-Tem

Griggs stated that when the tier system was setup it was at 84 cents and it increased a penny. He believed that the public had done much to conserve water.

Mayor Carroll stated the percentage increase in tiers 4 and 5 was not reflective of the increases of the lower tiers. It was also not reflective of what the tier system was supposed to do and we want to encourage those people in tier 5 to drop back into tier 4, and those people in tier 4 drop back into tier 3. The percentage increase in the higher tiers should be at least equal to those percentages in the lower tiers.

Mr. McCourt stated that those adjustments could be made to the proposed ordinance. In tier 5, we have gone up to 70 cents. Mayor Carroll stated that 70 cents was not high enough in tier 5. He also questioned why tier 4 was not higher. Mr. McCourt stated that they had larger users in tier 5 because they were the commercial users like the hospital and restaurants. Mayor Carroll suggested that tier 3 should be adjusted.

Commissioner Cooper stated the City started with three tiers and now they were up to five tiers. Mr. McCourt stated the additional tiers were added to discouraged people from using excessive water. The tier system has had a large impact on the public and we have seen the re-designing of landscapes in yards which demonstrates that people are conserving.

Mr. Ortega proceeded with the Power Point presentation which include the following categories: Water Base Rates Non-Household User; Sewer Commodity Proposal, the Household Base Rate – No Change; Sewer Base and Commodity Proposal Non-Household; Effluent Water – Reclaimed.

Mr. Jose Martinez stated the proposed fees for septic tanks would affect his business. He stated that a few years ago the rate was 6 cents a gallon and it had almost doubled to 11 cents a gallon. This was almost a 100% increase in three years. He stated that for every penny increased, the customer pays a ten-dollar pumping fee. The proposed increase of 15 cents would mean a \$40.00 increase for the customer. He pointed out that due to the rate hike, his customers will not have their septic tanks cleaned and maintained as often as they should, which will eventually affect the ground water if the septic tanks become backed up and start leaking into the ground.

Mayor Carroll suggested that tier 1 be increased by 17%, tier 2 increased by 20%, tier 3 dropped from \$2.60 to \$2.40 to become a 20% increase, tier 4 from \$3.70 to \$3.80 to become a 15% increase, and tier 5 from \$5.70 to \$5.75 to become a 15% increase.

The Commission took a break at 9:20 P.M. and reconvened at 9:40 P.M.

Mr. McCourt stated that the figures had been re-worked based on the suggested increases mentioned prior to the break, and it appeared that it would be about \$500.00 less in revenue, so they would make the changes to the proposed ordinance.

Commissioner Moncada asked if changes could be made either upward or downward after publication. Mayor Carroll replied that any significant change upward would need to be republished. He asked if there were any other individual proposed items that needed to be discussed. Commissioner Moncada asked if there would be any changes in the proposed increase in disposal fees. Mr. McCourt said he would recommend they not be changed.

Commissioner Cooper made a motion to approve Ordinance 1199 with the changes for first publication. Commissioner Robertson seconded the motion. All voted "aye." Motion carried by a vote of 6-1-0. Commissioner Cole voted "nay".

5. Ordinance No.1203 amending Sections 8-01-010 and 8-03-070 of the *Code of Ordinances* pertaining to building codes and construction requirements.

Recommendation: Approve the Ordinance for first publication

Mr. McGuire stated that updating the 2003 International Building Code (IBC) was a housekeeping matter.

Mayor Pro-Tem Griggs asked Mr. McGuire if it was removing controversial drainage language and replacing it with different language. Mr. McGuire replied that it was.

Commissioner Cooper made a motion to approve Ordinance No. 1203 for first publication. Commissioner Robertson seconded the motion. All voted "aye." Motion carried by a vote of 7-0-0.

6. Ordinance No. 1208 amending Sections 28-01-010 and 28-03-085 of the *Code of Ordinances* regarding ancillary charges.

Recommendation: Approve the Ordinance for first publication

Mr. McCourt stated that the ordinance had to do with water/sewer systems that were connected to property; however, they were not active. People either moved away or were just not using the system; nevertheless, the system was not being used. He stated there were about 1100 accounts where people who were not using the lines should be charged or the meter should be removed to ensure that no one would be tapping into the lines. A fee of \$250.00 would be charged to those who would want to be reconnected. Mr. McCourt stated that it was a major policy change. Commissioner Robertson asked if it should be placed in the newspaper. Mr. Ortega stated they would send out letters to each inactive customer and give them an option.

Commissioner Cooper made a motion to approve Ordinance No. 1208 for first publication. Commissioner Robertson seconded the motion. All voted "aye." Motion carried by a vote of 7-0-0.

10. Award of RFP/CPM No. 2004-01, Professional Consulting Services, for the City of Alamogordo.

Recommendation: Award to Molzen-Corbin & Associates, Inc.

Mr. McCourt stated that this was part of the refurbishing of the Engineering Department, due to the reduction of that department, and that various engineering firms had been reviewed.

Commissioner Cooper made a motion to approve the Award to Molzen-Corbin & Associates, Inc. Commissioner Robertson seconded the motion. All voted "aye." Motion carried by a vote of 7-0-0.

11. Sale of City-Owned Property: Block 55, Airport Blocks, Unit 2, approximately 4.13 acres.

Recommendation: Approve the sale to Kenneth R. Grady in the amount of \$16,000, the sole bidder.

Commissioner Cooper made a motion to approve the sale of City-Owned Property to Kenneth R. Grady in the amount of \$16,000. Commissioner Robertson seconded the motion. All voted "aye." Motion carried by a vote of 7-0-0.

12. Notification of Vacancies on Boards and Committees.

Mayor Carroll mentioned there were vacancies on the Airport Zoning Board and the Community Development Advisory Committee, and anyone interested in those positions should contact the City Clerk.

UNSCHEDULED COMMUNICATIONS:

A. Commissioner Cole commented on Senate Memorial 19. Mayor Pro-Tem Griggs asked to send letters to the two Senators stating that the City was not in support of it.

B. Comments by Mayor Pro-Tem Ron Griggs:

1. He thanked Mr. Kimber, Mr. Meadows, and Mr. Winrow for stepping up and choosing to run for office.

2. He also mentioned that when he was campaigning some concerns mentioned by his constituents were items such as trash strewn all over the streets, inoperable vehicles parked in front of houses, and the renaming of Walker Avenue to Walker Road.

C. Commissioner Moncada mentioned that her constituents wanted to make sure that existing streets were going to be repaired and the (GRT) money would not be used for new streets.

D. Comments by City Manager Pat McCourt:

1. He thanked the Commission for allowing him to take some time off.

2. He reported that the water situation was continuing to improve and Well 5 was not turned on; however, the Prather wells were turned on. Commissioner Robertson asked how the Prather wells were holding up. Mr. Miramontes stated they were holding up quite well.

E. Comments by Mayor Donald Carroll:

1. He reminded the Commissioners of the upcoming NMML District Conference scheduled for March 19 in Cloudcroft.

2. He thanked Susan Flores, Raul Ruiz, and Louie Deleon for their hard work and effort on the dedication of Sgt. Willie Estrada Memorial Civic Center; although; Commissioner Don Cooper was the inspiration behind the event to make it successful.

3. He thanked the voters for taking the time and effort to come out and vote.

4. He also thanked David from Water Billing for the bottled water that he had provided the Commission.

Commissioner Cooper moved to adjourn into Executive Session to discuss purchase of real property. Commissioner Cole seconded the motion. All voted "aye." Motion carried by a roll call vote of 7-0-0. The meeting adjourned at 10:15 p.m.

"The Governing Body of the City of Alamogordo, New Mexico, hereby states that its specially scheduled closed meeting of March 9, 2004 at 10:15 p.m. was held and matters discussed in the closed meeting were limited only to those specified in the Notice of Closed Meeting."

/s/ Donald E. Carroll

Mayor Donald E. Carroll

ATTEST:

/s/ Angie J. Rahn-Broyles

City Clerk Angie J. Rahn-Broyles

(SEAL)

(Prepared by Deputy City Clerk Karen H. Groves)

Approved at the City Commission Regular Meeting of March 23, 2004