



Alamogordo City Commission NOTICE OF MEETING

Addendum to

Regular Meeting Agenda

Tuesday, July 8, 2014 – 7:00 pm
City Hall, City Commission Chambers
1376 E. Ninth St.

- Susie Galea** Mayor, At-Large
- Robert Rentschler**..... Mayor Pro-Tem, District 3
- Jason Baldwin**..... District 1
- Nadia Sikes** District 2
- Jenny Turnbull**..... District 4
- Al Hernandez**..... District 5
- Dr. George Straface** District 6

- Jim Stahle** City Manager
- Stephen Thies** City Attorney
- Renee Cantin** City Clerk

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the bulletin board located in the east/west lobby of the City Hall and in the glass case located outside a the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: <http://ci.alamogordo.nm.us> within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: <http://ci.alamogordo.nm.us>

The Mayor and City Commission request that all cell phones be turned off or set to vibrate. Members of the audience are requested to step outside the Commission Chambers to respond to or to conduct a phone conversation. The Alamogordo Commission Chambers is wheelchair accessible. Other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk’s Office at 575-439-4205.

Addendum to Regular Meeting Agenda

PRESENTATION

- A-1. Presentation by the New Mexico Cattlemen’s Association related to the Water rights on the Lincoln National Forest. (Gary Stone, Presenter)**

EXECUTIVE SESSION (Roll Call Vote Required)

Adjourn into Closed Session in compliance with Section 10-15-1.H, NMSA 1978 (2010 Cumulative Supplement), to discuss:

- A-2. Sale, Acquisition, or Disposal of Real Property (Washington Extension to Ocotillo)**
- A-3. Threatened & Pending Litigation (City of Alamogordo vs. Alvillar)**



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- Al Hernandez District 5
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- Jim Stahle City Manager
- Stephen Thies City Attorney
- Renee Cantin City Clerk

MISSION STATEMENT as Adopted by the City Commission on March 24, 1995.

The City of Alamogordo is a Municipal Corporation that exists solely for the purpose of providing the best possible services to our customers, the citizens of Alamogordo. We are committed to providing these services with honesty, integrity, compassion, fairness, and a commitment to excellence.

We are committed to the long-term financial stability and responsible growth of the City and all decisions will be driven by our commitment to provide the best services possible in a financially sound and responsible manner given the economic realities facing the City.

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the bulletin board located in the east/west lobby of the City Hall and in the glass case located outside a the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: <http://ci.alamogordo.nm.us> within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: <http://ci.alamogordo.nm.us>

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CALL TO ORDER & ROLL CALL

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PRESENTATIONS

1. **Presentation by the Mayor's Committee on Aging related to some upcoming events at the Alamo Senior Center. (Jesse Carr, Chairman)**
- A-1. Presentation by the New Mexico Cattlemen's Association related to the Water rights on the Lincoln National Forest. (Gary Stone, Presenter)**

PUBLIC COMMENT

Residents must sign up with the City Clerk to address the City Commission. Comments are limited to 3 Minutes with 21 total.

CONSENT AGENDA (Roll Call Vote Required for Item No. 5)

All matters listed under the Consent Agenda are considered to be routine by the City Commission and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

2. **Approve Minutes of the May 5, 6, 7, & 12, 2014 Special Budget Workshop Minutes and the June 24, 2014 Regular Meeting of the Alamogordo City Commission.** *(Renee Cantin, City Clerk)*
3. **Approve statement related to the Executive Session of June 24, 2014.** *(Renee Cantin, City Clerk)*
4. **Approve Resolution No. 2014-32 accepting the Assistance to Firefighter Operations and Safety Grant Award from the US Department of Homeland Security - Federal Emergency Agency, in the amount of \$93,436, including a local match of \$9,343.60. [Roll call vote required]** *(Mikel Ward, Fire Chief and Ruben Segura, Grants Coordinator)*
5. **Approve a memorandum of understanding between the City of Alamogordo and the Alamogordo Public Safety Officers Association (APSOA).** *(Stephen Thies, City Attorney)*
6. **Approve the Agreements with the NCNMEDD Non-Metro Area Agency on Aging Grant for the Senior Center Programs for Congregate Meals, Home Delivered Meals, Transportation, Homemaker and Physical Fitness/Exercise Programs in a combined total of \$345,543.00.** *(Matt McNeile, Assistant City Manager)*
7. **Approve the Agreement with the NM Economic Development District, Non-Metro Area Agency on Aging (NMAAA) for the Nutrition Service Incentive Program (NSIP) in the amount of \$51,625.00.** *(Matt McNeile, Assistant City Manager)*
8. **Approve a Memorandum of Agreement between the New Mexico Department of Transportation and the City of Alamogordo for federal assistance under the Federal Highway Administration - Recreational Trails Program in the amount of \$57,618.38 for the Washington Avenue Trail Project.** *(Matt McNeile, Assistant City Manager and Ruben Segura, Grants Coordinator)*

ITEMS REMOVED FROM CONSENT AGENDANEW BUSINESS

9. **Consider, and act upon, a waiver for El Zarape Restaurant related to their distance from a church for an application to obtain a Beer & Wine Restaurant License.** *(Renee Cantin, City Clerk)*
10. **Consider, and act upon, a request for authority to commence foreclosure proceedings on unpaid liens.** *(Stephen Thies, City Attorney)*
11. **Appointments to Boards & Committees.** *(Susie Galea, Mayor)*

PUBLIC COMMENT

(Continued if needed)

CITY MANAGER'S REPORTREMARKS AND INQUIRIES BY THE CITY COMMISSIONEXECUTIVE SESSION (Roll Call Vote Required)

Adjourn into Closed Session in compliance with Section 10-15-1.H, NMSA 1978 (2010 Cumulative Supplement), to discuss:

- A-2. Sale, Acquisition, or Disposal of Real Property (Washington Extension to Ocotillo)**
- A-3. Threatened & Pending Litigation (City of Alamogordo vs. Alvililar)**

ADJOURNMENT

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 26, 2014

Report No: 1

Submitted By: Renee Cantin
City Clerk

Approved For Agenda: 

Subject: Presentation by the Mayor's Committee on Aging related to some upcoming events at the Alamo Senior Center.

Background: The agenda request form is attached. Jesse Carr, Chairman of the Mayor's Committee on Aging will make the presentation.

Reviewed By:

City Attorney _____ City Clerk RC Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

RECEIVED
JUN 24 2014
CITY CLERK



City of Alamogordo City Commission Meeting

AGENDA REQUEST FORM

Date: 6-24-14

Date of Meeting:

8 July Tue

Name:

Jesse Carr (Senior Center)

Address:

ZIP _____

Phone Number:

(575) 439-0800

E-Mail Address:

jfreestone@cmact.com

Item requested will be for: (Please check one)

Information only

Action Item

Discussion/Action

Public Hearing

Report

Other: _____

Brief description of topic to be discussed:

Please attach one original of any documents pertaining to the topic -
We do not allow handouts at the meeting

Senior Center Mayor's Committee on Aging would like to present what is going on at the Senior Center

Signature: _____

Please return to:

Renee Cantin, CMC, City Clerk
City of Alamogordo
1376 E. 9th Street
Alamogordo, NM 88310

Phone: (575) 439-4205

Fax: (575) 439-4396

E-mail: rcantin@ci.alamogordo.nm.us

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: July 3, 2014

Report No: A-1

Submitted By: Robert Rentschler
Mayor Pro-Tem

Approved For Agenda: _____

Subject: Presentation by the New Mexico Cattlemen's Association related to the Water rights on the Lincoln National Forest.

Background: Gary Stone, President of the New Mexico Cattlemen's Association has requested to make a presentation to the Commission related to the Water Right's on the Lincoln National Forest.

Reviewed By:

City Attorney _____ City Clerk _____ Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 26, 2014 **Report No:** 2

Submitted By: Reneé Cantin
City Clerk

Approved For Agenda: 

Subject: Approve the Minutes of the May 5th, 6th, 7th, and 12th, 2014 Special Budget Work Session and the June 24, 2014 Regular Meeting of the Alamogordo City Commission.

Recommendation: Approve the Minutes.

Background: This action is required by the NM Open Meetings Act.

The minutes will be emailed to the Commission by Thursday, July 3rd, 2014.

Reviewed By:

City Attorney _____ City Clerk  _____ Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION SPECIAL BUDGET HEARING WORKSHOP MINUTES
3:00 P.M., FIRE STATION NO. 5, 1492 S. FLORIDA, ALAMOGORDO, NM
MAY 5, 6, 7 & 12, 2014**

**SUSIE GALEA, MAYOR
JASON BALDWIN, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
AL HERNANDEZ, COMMISSIONER
KATHY GILSDORF, BUDGET ANALYST**

**ROBERT RENTSCHLER, MAYOR PRO-TEM
DR. GEORGE STRAFACE, DISTRICT 6 COMMISSIONER
STEPHEN THIES, CITY ATTORNEY
RENEE CANTIN, CITY CLERK
LEEANN NICHOLS, CONTRACT FINANCIAL CONSULTANT**

MONDAY, MAY 5, 2014 - 3:00 P.M.

Mayor Galea called the meeting to order at 3:00 p.m. Mayor Galea announced Mayor Pro-tem Rentschler and Commissioner Baldwin were not present but would be here shortly.

Other Directors Present: City Manager Jim Stahle, City Attorney Stephen Thies, City Clerk Renee Cantin, Contract Finance Operation Consultant LeeAnn Nichols, Assistant City Manager Matt McNeile, Public Works Director Brian Cesar, Police Chief Robert Duncan, Fire Chief Mikel Ward, City Engineer Jason Thomas, and Human Resource Manager Katie Josselyn.

A. Budget Overview – Summaries

City Manager Stahle explained how the budget was put together and what they would be looking at for the next few days. He appreciated the hard work done by the staff, especially the Finance staff. At this point you have a recommended budget and by the time these meetings are done it will be your budget. He hoped the commission would devote this week and most of next having budget conversation with us and giving some direction. The tentative budget adoption will be a week from tomorrow night during your regular meeting. Before that meeting begins, we will have a Public Hearing on the budget and you can make whatever changes you've contemplated during these five work days. Remember, what you have in front of you is a balanced budget, and if you make changes you will simply be moving money around, unless you decide to increase some tax or fee. That would take some time to get officially taken care of. What you have in front of you he would classify as a maintenance budget, and that is important to understand. What he means by that is there isn't really so much revenue that we could take on additional levels of service, staffing or even provide raises. We are taking a cold, hard look at our financial condition and prepare for the future. One of the things you will be looking at is not only this fiscal year and next, but looking ahead. City Manager Stahle said he had been told they had not done that in quite some time, but he sincerely believed the only way to manage a major operations budget was to look well in advance; a five year look-ahead. When you look ahead you have to make some assumptions about what revenues will be affected in what way and what expenses might have to be increased. This budget, even though it is maintenance, in terms of staffing there is no change; no new employee positions being added and none being taken away. Unfortunately, there are no raises provided and even more unfortunate, some of the expenses associated with this year's budget have to do with things out of your control. Number one is the Hold Harmless situation the legislature has placed upon jurisdictions such as Alamogordo. That starts to show up with this budget and the future ones. Number two is the Affordable Care Act that will also affect us starting in January. Those two things alone are well beyond your ability to contend with; hold harmless is the exception. Within the statutory provisions of the state taking your hold harmless away over the next 15 years, you do have some leeway to create a new tax or add to the tax rate.

We did not assume any such rate increases in this budget, with the exception of water and sewer. We will talk about water in particular during these budget conversations. You will also be requested to act on adjustments to the rates for water this coming week. He encouraged them to consider, and it may be a little different for some of you who have been here a while, that instead of going on a department by department line item review, we will cover the big picture. He thought it important for this body to look at the big picture situation, make some strategic decisions on your finances and expenses and move on. He didn't know if they needed to get into

the details of line item budgets for every department, particularly in the situation we find ourselves in of a maintenance level budget. You can ask any question, this book is the entire thing, we will be happy to answer any questions and department heads have been asked to show up for explanations.

City Manager Stahle went on to say there are some things in here he believed are necessary such as the capital improvement projects. Most of those are large items you have been working on for decades, and those obviously have to continue such as flood control operations, the Desal and the sewer system improvements. You'll always have money in the budget for road repair although it will never be enough. Then you have a capital improvement replacement program and he takes that very seriously. Our staff have a problem doing their job if they don't have the equipment to do it. A great example is a policeman and a fireman; if you don't give them the necessary equipment it is hard for them to protect public safety. He said again that he takes this very seriously and has put some money in the budget to accommodate those things. There isn't a whole lot but it is a start and a philosophy. One of the things on capital improvement replacement is if you have a philosophy and stick to it, you will develop a routine for replacing or repairing equipment. He puts his money where his mouth is and you will see that in the budget proposal. We are hoping you all will hear us out, we will take it in presentations and bite sized chunks, we'll take breaks for refreshments. The truth is this is one of your most important duties and one he knows they will take very seriously while considering the consequences. Everything you say and do we'll be paying particular attention to. How you say it and what you say can have effect on everyone, so it is important to hear and understand each other and work with us; make sure we understand what it is you would like to see different. If we go over something and you don't agree with it, please pipe up. Kathy will essentially record those areas where it seems there is consensus on your part to adjust, but remember those things; next week it will be important enough for you to vote on them to make any changes. We wanted to give you maximum flexibility over the next five days to do it as aggressively or slowly as you want. Next Tuesday, we are expecting to get specific directions on what changes to make to the proposed budget, and then we'll have you adopt the tentative budget that evening.

Mayor Pro-tem Rentschler joined the meeting at 3:08 p.m.

Commissioner Straface asked if there was a statutory limit on cash balances, cash reserves. City Manager Stahle said there is a requirement that 1/12th of your operating budget be reserved and we do have that. Commissioner Straface said some of the decisions that will be made to adjust could come from cash reserve as long as we maintain that amount, and the city manager said that was correct.

Commissioner Straface asked about things in there for continuing projects and then asked about the time line to have this in to the state. City Manager Stahle said the tentative budget had to be submitted to the state by the end of this month, which means we have plenty of time unless you delay past next Tuesday.

Mayor Pro-tem Rentschler asked if we would go through this front to back and City Manager Stahle said we will cover high points. Mayor Pro-tem Rentschler said in the past we have gone back and forth, and the city manager said we will try to limit that as much as we can. We will follow the agenda as outlined.

Commissioner Hernandez remarked since we are doing a five year overview, he recommended we, for example on capital equipment replacement, be careful how you present it because last year we were told one thing and now we are doing something different. He brought up the Zia Trans to Las Cruces project and the monies they asked for were a one time deal, but we are continuing it. He noticed Commissioner Straface's time frame needed to be corrected under the Legislative Section.

City Manager Stahle said we want this to be a study session, an open dialogue. Mayor Galea agreed. City Manager Stahle reminded everyone this is not his first budget, nor is it for the department directors. You are to represent the community's interests and share what that is so we can have a budget everyone is comfortable with. It is important for the community to understand this is a maintenance budget and will not be increasing or decreasing the level of service. Unfortunately, we cannot add staff or add raises, and there are some expenses associated with the current benefit package that employees will face; they will be taking home slightly less. It is of grave concern to the staff and you can't keep motivating people without dollars as a major reward. The purpose of a maintenance budget is to get our collective act together so that in the future we may be able to provide those raises or benefit package adjustments. It is important to continue doing what you are doing, but don't go any further. He asked Contract Finance Operation Consultant LeeAnn Nichols to give her presentation.

Budget Process, Budget Development, Timelines and Adoption

Contract Finance Operation Consultant Nichols started with the PowerPoint presentation which will be included in the agenda book. Today she hoped to cover the budget overview, budget process, the development timeline, the overall-combined funds compared to the current year, major revenues, expenditures by category and estimated ending fund balance. We'll cover capital equipment replacement and other equipment summary, Katie will go over the personnel services summary, we'll do a five year outlook and a policy recommendation we would like to make for you on fund balance reserves. We will then do the general fund overview. If we get done with all that we can look at more. On Tuesday we will discuss the special revenue funds overview; an overview on all fund types, as well as internal service funds and enterprise funds. On Wednesday we will talk more about capital equipment and the capital improvement projects which include the street capital projects. The following Monday we will cover debt service, trust and agencies and outside agencies. On our final day, Tuesday, we will discuss any unfinished budget items and this is where we will bring back a list of things we feel you had a consensus over and then have you vote on that at 4:30 p.m. We will talk about the fund reserve policy as well and would like you to consider adopting one of those. We will then be adopting the preliminary FY15 budget at the regular commission meeting that evening.

She explained the budget process saying it basically starts in January when Finance puts together the budget worksheets for the department directors. It includes a two year actual – the current year, year to date and then we ask them to re-project for the current year. We use those projections for our beginning balances for the new fiscal year. The departments key their information into the budget itself and in March the budget analyst compiles the data into one budget document for review. Then we do city manager department meetings where the city manager reviews each departmental budget with the department director and makes changes as he feels necessary. The budget analyst then compiles the data for final review and from that, after the city manager gives the OK, it is compiled to form the city commission's budget books. The DFA requires we hold these Public Hearings for budget adoption. We adopt the preliminary budget at a regular commission meeting which will be on May 13th. The preliminary budget is due to the state by June 1st. FY14 year-end closing carryover balances, the final budget will be brought to you on July 18th. That is due to the state by July 30th.

Overall-Combined Funds – Revenues, Expenditures, etc.

Ms. Nichols said this is an overview of all funds combined, and shows the beginning balances for FY14 compared to FY15; the dollar difference and percentage difference. We go through revenues, transfers in and out, expenditures and then give you an ending fund balance. With all funds combined in the current fiscal year, we began the year with about \$65 million with estimated revenues of \$53 million, transfers in and out that are transfers we make in between funds that always match, and then expenditures of \$76 million, net revenues of \$23 million that we used from our fund balance, and we ended with a total of \$42 million. We are projecting we are going to end that as of June 30, 2014 and start the new year on July 1, 2014. Our projections for revenues for FY15 are nearly \$51 million which is a \$2.3 million dollar decrease over the prior year; 4% less. This is primarily due to the fact the City recognized loan proceeds from the NMFA

in 2014 for the RO project that totaled \$1.9 million. In the transfers in and out, they decreased by \$2.1 million; they include not only transactions for debt service and moving capital resources for projects, it also includes subsidized operations to the general fund. The major difference is contributed to transfers related to capital resources.

City Manager Stahle said one thing that helps people understand a government budget is that it is nothing but a planning tool that shows as of a certain day how much money you have in the bank that you haven't spent but plan on spending. Major construction projects take a long time with some of them requiring so much time, we put money in the bank and wait until the account is built up before spending it. It is a financial plan and a freeze-frame picture of where we are.

Commissioner Straface asked about some differences and if they were primarily a result of reduced gross receipts. Ms. Nichols said the primary reason we used the \$23 million of the fund balance is because we had large projects. Our expenditures of \$76 million in FY14 show we have a tremendous amount of large projects such as the RO project, sewer project, major road projects and flood control projects. Ms. Nichols said we will have more details on those projects coming up. She said the expenditures are \$22 million less attributable basically to the capital improvement projects. In the FY15 proposed budget, we are proposing to use \$3.1 million of the fund balance. We will go over all this.

Major Revenues with Assumptions used (including GRT/Hold Harmless), rate increases, etc.

Ms. Nichols continued with Revenue Assumptions they did when they projected FY15 revenues. In the GRT, since we had such a downturn in the current year that was unexpected, we felt like we might be leveling out and will be ok, but we took a conservative estimate of .73%. That was taken from the five year average.

Mayor Pro-Tem Rentschler restated that she was saying that was over the last year less the million dollars we are down in gross receipts that you expect to see .73% above that lower number, and she agreed.

City Manager Stahle said let's define what we talked about when we mentioned conservative budgeting. When you are budgeting in the government arena you never want to underestimate your expenses or overestimate your revenues. To do so is catastrophic; you have to be able to make sure you aren't going to spend more than your budget says and you have to make sure your collections are at least what they said. If they had used that .73% last year we would still be in a financial crunch because nobody anticipated that it would be down as far as it is.

Mayor Pro-tem Rentschler said the next question is the Hold Harmless that takes effect on July 1st, 2015, so it is not reflected in this. He wanted to make sure everyone understands when that will start to hurt us. City Manager Stahle said you plan for it. We have to take into account that lack of resources available to you when proposing the budget. It is time right now to start thinking about it.

Ms. Nichols continued with property tax. DFA requires us to follow a formula whereby we take the current tax values that have been certified; the most recent are 2013. Basically, it will be the same as last year and we have to use that. The new property tax values will not be out until September so we cannot adjust property tax until after that point. We used a three year average for franchise fees, licenses and permits were projected by the department, grants were based on what has been appropriated and what has been appropriated consistently in the past, charges for services were projected by departments, miscellaneous was projected on a three year average and investment income was current average earning rates.

Commissioner Baldwin joined the meeting at 3:35 p.m.

City Manager Stahle mentioned when you are talking about your budget these assumptions are critical, whether you are talking revenue assumptions or expenditure assumptions. If you make one adjustment to that top assumption, it has material effect on this budget and for years to come.

We are going to be talking about a five year projection and it's going to be based on some very conservative assumptions.

Commissioner Baldwin made an announcement that the Tiger High School Boys Team won District as well as the Individual Boy and Individual Girl competitions.

Commissioner Straface asked if City Manager Stahle considered all these conservative and City Manager Stahle told him some he does not, but for the most part they are fairly conservative. He had asked the ladies in finance to look back further to give him a better basis; five years back.

Commissioner Straface asked if you consider investment income incurred as conservative? City Manager Stahle said there is not that much money in it, so he doesn't get too excited.

Ms. Nichols said another reason is because we always plan and want to move forward with our projects. The departments work hard to get those projects completed, but we end up holding on to money a little longer than we think.

City Manager Stahle said the reality is you don't earn much money in your investments, period. Earnings on investments are not what they once were.

Commissioner Straface and the city manager discussed bond monies and how it is different with a municipality as compared to a school district.

Revenues

Contract Finance Operation Consultant Nichols said these are broken down into categories. The revenues are projected at \$50.8 million; \$2.3 million less than the current year. The major difference for this is due to bond and loan proceeds whereby we received the loan of \$1.9 million in FY14 for the RO project. For FY15 we have not included a projection for bonds or loans. We realize we will have the two GO bonds from the election, however, we are still working on the details of those and will have them included in the final budget in July. The taxes include gross receipts tax and property taxes and they are both slightly above FY14. We assumed again the .73% increase on GRT which is based on the five year actual trend the city has experienced. Property tax is projected based on calculations prescribed by DFA whereby the most current available property values are used which now is 2013. 2014 won't be available until around September therefore property tax remains the same as projected in FY14. Miscellaneous revenue consists of refunds, collections, credit card fees, insurance credits and administrative fees. It also includes charge backs for the use of internal services from PHA and landfill. The majority of the \$319,000 decrease in relation to reimbursement is related to the reimbursement received from Premier Pellets and from the economic development incentive contract. The other half of the difference is due to the recalculations of internal services. Grants is another area with a sizable decrease of \$506,000 whereby the city is receiving 6% less in grants at this point of projection. Grants are pursued all year and when one is approved, the budget will be adjusted accordingly. Investment interests are up 21% primarily due to holding more money on projects. We've held more money than we thought we would be able to earn on that investment on FY14, so we've already surpassed our original budget estimate on that. We think we've made it conservative even though it is 21% higher. Overall, revenues combined are 4% less than the previous year.

Next, Ms. Nichols showed by Category. She noted GRTs are the biggest piece of the pie. The GRTs at \$12 million are our imposed taxes and along with the States share it represents 38.7% of the total revenue for all funds combined. User fees which include recreation fees and

enterprise fees such as water, sewer and solid waste fees represent the second largest portion of the city's revenues – 30.5% or \$15.5 million.

She went on to explain the trend of the revenue comparison for all funds showing how it dips, rises and dips again for FY15. This is all combined revenue and includes everything; bonds, loans and grants. The next slide showed where she took the bonds and loans out. In FY12-13 it increased 3.4% and went down 1.4% in FY14 due to your downturn in GRTs. Total overall, all funds together in revenue, we are only projecting only a .4% increase for FY14.

She next showed the major revenues – grants, user fees and gross receipts taxes. They are pretty close together. She split the user fees into two slides and will show the larger user fees in a separate slide. This slide includes annual user fees under one million; community services is the largest fee source with FY15 estimated at \$400,000 and is 3% greater than FY14. PHA is estimated at \$353,575 for FY15 and is 2% lower than FY14; Airport and Senior Center are both within 1%; Miscellaneous User fees throughout other funds are 3% higher. The user fees that collect over one million include water/sewer at \$9.4 million for FY15 and are 1.78% under FY14. We will go over the water/sewer revenue in more detail when we do the rate analysis tomorrow. Solid Waste user fees are projected at \$1.988 for FY15 and are 2% under FY14 projections. The Golf Course was projected at \$1,265,575 and is almost 1% under FY14.

Ms. Nichols said the Grant Revenue total for FY15 is \$7.6 million and is \$505,000 below the current fiscal year. Grants in FY15 include the legislative funds for police cars, the RP project at \$4 million, \$100,000 for the public restrooms and \$300,000 for the storage pond at the golf course. Prior grants that we don't have projected for current year include airport FAA grants, state highway grants, state reclaimed water grants, a LEDA grant, Washington Ave. grant and a state grant for regional waste water. We will get more grants and when we do we'll put them in the budget. The finance department had a rule that they don't put a grant in the budget until they actually get the grant. We are changing that and will put the grants in that we know we are going to get, especially those that have a match.

Steve Boyle, Accounting Manager presented GRT and Hold Harmless. He showed we are down \$737,000, 4.6% for the first 10 months compared to last year. He went back a few years and showed how in 2009 we started at \$18.6 million; our best year was 2011 with over \$20 million. The reason for the 2014 original and 2014 re-projection is when we did our budget we thought we would stay flat, but we have had the downturn. When we re-projected we came up with \$19.2 million for 2014 and in 2015 it went up .73% as the city manager had indicated. Mr. Boyle gave some Hold Harmless information. First of all the maximum that can be enacted is 3/8 of 1%; we don't have to wait, we can do it whenever we want and we can do it in increments. The Hold Harmless will hit July 1, 2015, so it will impact us in FY16. The total loss in revenue for food and medical at this point is \$2.7 million over the next 15 years, that's what we will lose.

Mayor Pro-Tem Rentschler asked if that number was indexed for inflation at this point and Accounting Manager Boyle said it was the .073. He would show a chart of this later in the presentation. There wasn't any new legislation in 2014 and he had verified this with NMML. They had three bills introduced but not acted on. The tax is very similar to any of our GRT enactments; you can enact in July or January and do this two or three months before then. If we enact the 1/8% tax in January, it will end up \$367,415 for half a year, so there will not be a Hold Harmless affect from January to June 2015, and that would be money in the bank. As we saw from a previous slide, we are already down \$700 something from last year, and that would be half of that loss. He pointed out the amount we would lose if we waited until July 1, 2015 – June 2016. If we enact the tax July 1st at 1/8 we will get \$738,990 of additional monies and will be \$574,932 ahead. 2021-2030 it jumps from 6% - 7% of what we will lose each year, so we will lose \$191,401 each year beginning in 2021. Next he showed a graph showing the GRT with a .073% growth rate. We will lose 6% (\$164,058) the first year. He showed if there wasn't a Hold Harmless affect how the amount would increase, but with the Hold Harmless affect it decreases. He showed how much we lose each year and then showed the same statistics for 2021-2030. We would be using

\$191,000 a year now and grow from a \$1 million to a \$3 million loss by FY2030. Accounting Manager Boyle showed what would happen in 2014-2020 if we enact 1/8th as of January 1, 2015 and then if enacted on July 1, 2016.

Mayor Pro-Tem Rentschler asked if these numbers were in line with the DFA numbers; those put out as a result of the Hold Harmless being taken away. Mr. Boyle said he had used the most recent information he could find and it is where we have \$2.7 million in medical; it could change a little bit.

Mayor Pro-Tem Rentschler asked if the .073 he uses is what he expects the inflation index to be. Accounting Manager Boyle said that is being very conservative.

City Manager Stahle said the .07 is not tied to inflation; it is based on what we have experienced in the last five years in the way of average increase for fiscal year. That is dangerous because if you expect a worse downturn, meaning we aren't going to get even what we got last month, then we need to adjust our numbers downward as well. We've estimated a .73 whatever it is increase in GRT from the current fiscal.

Mayor Galea appreciated that they show different alternatives if enacted. Accounting Manager Boyle said he only used the 1/8th because we can multiply it by 2 or 3. If you went to 2/8th or 3/8th we wouldn't need all that money, but it would certainly help.

City Manager Stahle said we can always talk about other options you have when talking about revenue streams, but as you have already seen, that's where the lion's share of your revenues come from. If you are going to have any significant impact, it will likely be there.

Mayor Pro-Tem Rentschler said Alamogordo was one of a handful of cities that at the end of the 2030 Hold Harmless phase-out, we were not able to come completely whole with the 3/8th tax. He said he didn't see that on the charts. Accounting Manager Boyle said since we don't know where GRT futures will go, these take the \$2.7 million we know about today and take the 1/8th on there.

Mayor Pro-Tem Rentschler said he was talking about Taxation and Revenue numbers. Ms. Nichols questioned him on this. He said we are one of three or four cities in New Mexico who do not get completely whole by enacting all 3/8th. Accounting Manager Boyle said we know we are going to lose \$2.7 million with Hold Harmless. If we enact 3/8th, we are going to get \$700,000 X 3 all at once in one year. He didn't understand where they got that. Mayor Pro-tem Rentschler said it's kind of what the county did.

Mayor Galea said the projection with the DFA was as if we had imposed the 1/8th as needed instead of 3/8th up front, as Las Cruces had done. At the end of the 15 year phase out, there won't be a way to make us whole if we phase it out over time. There will be a difference of \$400,000 less in revenue.

City Manager Stahle said in fifteen years it will be easier to contend with a \$400,000 reduction in revenues versus a \$2 point anything reduction in revenues. Mayor Galea said we do have to think fifteen years down the road and City Manager Stahle said that is our chore. He pointed out they had lots of other revenue options to play with, but you need to talk about your expenditures and we are going to spend a lot of time on the expenditure side.

Expenditures

Ms. Nichols told the commission the expenditure assumptions we used in developing our expenditures were the city manager's instructions to departments. The city manager asked the departments to re-project their current years, compare year-to-date and actuals from prior years, and adjust accordingly. Capital was frozen and approved on an as-needed basis due to the GRT revenue shortfall in the current year. Projections for FY15 should be relatively flat as to FY14 and

capital is based on needs and priorities. Expenditures for all funds across the board are: total Salaries and Benefits are 1.6% above FY14 - from \$19.1 million to \$19.4 million – a difference of \$308,443. This is primarily due to the Health Insurance increase of 10% and the Affordable Health Care Act (AHCA) that takes effect on Jan. 1, 2015. We put a total of \$825,000 in the budget for that and only had to cover half the year for FY15. The HR Manager will go over that in more detail after the expenditures. Supplies decreased by \$104,000; Maintenance increased by \$172,000 or 11.8%; Utilities have a 44% increase of \$704,000 and she meant to look up how much each utility went up (she will bring that to them tomorrow); Other Services decreased by \$1.8 million; Insurance decreased by \$104,574 or 8.5%; Capital, and we don't have as many major projects scheduled in FY15 as we did in the current FY, has decreased by nearly 61% or \$21.3 million. She remarked she needed them to understand that is what they see right now which is the projected for FY14. When we projected FY14, all the larger capital improvement projects had been estimated at 100%. We already know some of those are not going to be done by June 30th, so they will carry over. When you see the final budget number come to you, whatever is left over of the \$35 million will add to the \$13.7 million for the next year. We will carry those over until those projects are completed. It is important to understand you have committed that money for those projects. The reason that is important is we will be talking about the reserve fund balances and the policy we will recommend to you, so we do end up carrying a lot of the capital projects over until completed. Debt Service had an increase of \$34,000.

Commissioner Straface asked if the 44% increase in utilities was normal and if not, what causes it. City Manager Stahle agreed and had asked the same question. He thought some of it has to do with the Waste Water and Water Treatment facilities.

Mayor Pro-tem Rentschler said it should have gone down since we've put 2.5 megawatts of solar on there in the last year. City Manager Stahle said they may not have taken that into account, so let's talk about that.

Public Works Director Cesar said we didn't have too much of a winter so the surface flows are down and they saw a decrease. He said he could get them the exact number. We did increase the electrical usage of wells by approximately \$200,000. He will get them the exact numbers. A good portion of that is from the water side.

City Manager Stahle said you can see from the columns that one is projected and one is proposed budget. One is based on eight months of actual expenses and we get much more precise on estimating what the end result would be in a 12 month period. The FY15 is the exact opposite; we are estimating a full 12 months of expenses. You will always see in fund accounting a projection less than the actual budget.

Ms. Nichols went on to say in this chart you see the comparison between FY14 in darker red and FY15 in the blue color. She showed that Code Enforcement is less in FY15 and all of these are basically less in FY15. She just noticed an error in Series 1 and Series 2; Series Red is the FY15 and Series One is Blue, FY14.

Commissioner Straface asked how she accounted for the increases in the proposed legal, city manager, and planning and zoning. It was discussed and then he withdrew his question. Ms. Nichols apologized because this slide belongs in General Fund and not Overall Expenditures. Commissioner Straface asked if the red was 2014. She told him FY14 was \$18,000 and FY15 is \$4,786, so the red is FY15 and the blue FY14. It was decided to re-visit this one.

B. Capital-Capital Equipment Replacement and other Equipment Overview

Budget Analyst Kathy Gilsdorf stated this shows all of the capital which is \$13.7 million. This shows how it breaks out between Street capital, water and sewer lines, motor vehicles, contract engineering which is attached to different projects, infrastructure/construction, ICIP basically for

15 is some of the water projects that didn't fit within some of the other lines, recreation, building improvements, Desal plant, capital equipment replacement, flood control, hardware and software and cell development with the landfill. This breaks out the whole \$13.7 million. The next slide showed how the pieces break out and biggest majority is the Desal plant. The other chart breaks it all out into pie charts. She showed the approved capital basically by category primarily your CER which are your vehicles and equipment and your proposed hardware and software. The vehicles are primarily \$300,000 for Fire, a contingency they will get every year. Police got around \$300,000 which also includes the \$200,000 legislative grant they received for their vehicles. The city put in the additional to equal \$300,000. Some of the other areas got some vehicles, but it is much smaller.

Commissioner Hernandez asked about the PD vehicles. Now they are asking for five Explorers and two Taurus's; is that in addition to the nine we got from the state? City Manager Stahle said his position has been for the two major departments, PD and FD that go through vehicles in an extraordinary fashion, he recommended you assume \$300,000 each year for capital equipment replacement. In FY15, the state has authorized a certain percentage of dollars for equipment replacement in the PD only. As far as which vehicles it will be, he didn't want them to bog down in that. We do have an explanation of the type of vehicle and it is for the ones readily available and how far \$300,000 will go.

Commissioner Hernandez asked if the \$300,000 was what the state is putting in or us. City Manager Stahle said it is us and the state together. \$300,000 is the total amount for next year for PD equipment replacement. Commissioner Hernandez said since we are going to the newer vehicles from the Crown Vics, does it include the equipment for the vehicles, and the city manager said yes. Commissioner Straface asked how much the state contributes and was told \$200,000. Commissioner Hernandez said we will have to put \$100,000 in and was told yes.

City Manager Stahle said he takes a philosophy that when it comes to the equipment, we have to be committed to that. Over time it all needs to be replaced, so the concept of having an equipment replacement program in place means if you plug in \$300,000 a year it becomes a natural replacement of the tired iron, so to speak.

Commissioner Hernandez asked if the vehicles would be delivered ready to roll or if they would sit in the city yard for months waiting for equipment to be installed. City Manager Stahle said he would hope they would be delivered and be equipped immediately, but he couldn't answer that. Commissioner Hernandez said the last time the departments were busy and the vehicles sat there for a long time. If it is sitting in the yard we obviously don't need it and can use that money for something else. City Manager Stahle agreed and said it should be done quickly. The reality on particularly fire trucks is that it is a long lead item and those things take forever. They are built once they are ordered and it used to be the same with vehicles. Commissioner Hernandez reiterated he didn't want them sitting out there for six months. City Manager Stahle said that was duly noted, and he was talking about a replacement program that had to be routine. We need to develop a program in which you have planned for equipment obsolescence.

Mayor Pro-tem Rentschler said DPS had a capital replacement budget as well, and how does this compare to that when you put PD and FD together. His concern was if we would have to pay the entire amount next year without state support. City Manager Stahle said he hoped not. Mayor Pro-tem Rentschler said part of splitting DPS into two entities was to remain budget neutral. Is this a budget neutral situation? City Manager Stahle said no; he did not believe we are capable of handling stand alone departments and staying at the budget provided in years past. He was trying to look ahead, man them, equip them and make them function like stand alone professional organizations. Mayor Pro-tem Rentschler asked if he understood that was the deal, and the city manager said he did as of that time. Mayor Pro-tem Rentschler said we would not have passed that if it hadn't been in there, so we need to know.

City Manager Stahle said before you throw rocks let me show you the differences; we want you to see them and be comfortable. It isn't realistic to continue to think that forever and a day it will be budget neutral. Keep in mind, it is not a gigantic increase in either one, but as things settle down and we know who is where, what equipment is necessary and what buildings need to be replaced, you are going to face the reality that both are expensive operations. It is up to you whether you will have the money or not. It has not been a situation where we have pored a bunch more money into those two operations. These capital items are the biggest adjustment for Fire that he could perceive putting in front of you. Keep in mind we are trying to use volunteers to operate and if you switch from volunteer to professional the number will really go up.

Commissioner Straface asked if we have established criteria for vehicle replacement, and City Manager Stahle said he had in his own mind. In a tough financial condition the 80,000 miles/5 years may have to be stretched to 100,000/6 years. Now, he is saying to plug some money in to get it in our heads we need to be looking ahead for that capital equipment. We'll deal with the policy on how quickly to replace at a later date. One example, in Arizona the interstate system came right through their community. You are doing 80 MPH and if you want to do a pursuit at 100 MPH you need a vehicle that can do that. It also depends on your situation; if there isn't a lot of crime you might not need to replace equipment as often.

Commissioner Straface said some depends on your vehicle maintenance and City Manager Stahle agreed. He said modern equipment lasts longer than equipment used to; your environment matters a lot.

Mayor Galea knows we can get more into detail when we get to that department budget and wanted to continue with the presentation.

Ms. Nichols pointed out the Miscellaneous tab in the back of the book. There is a yellow piece of paper separating some of the reports. Right behind that yellow piece of paper is a list of all capital equipment we put in the budget by department.

Mrs. Gilsdorf continued with the capital equipment replacement program by director. Administration didn't get anything new. Last year they got the two pool vehicles that could be used by anybody. Community Service is getting less. They are getting within the CER a riding mower, Senior Center got a 250 bus, and Solid Waste got an affordable building. Engineering hasn't gotten anything and their vehicles are fairly new; Finance includes MIS and last year they got a van; FD is way up because of that \$300,000; Municipal Court didn't get anything new; PD is a little less than last year and the FY15 in the red represents the \$300,000; Public Works really went up because of the radio voting system that is primarily for the PD and cost \$440,000. It is in the Facility Maintenance budget which is under Public Works.

City Manager Stahle explained the radio voting system. The radio system for Emergency Services has some challenges reaching the whole city so there is a type of equipment we have been told will solve that problem. Once it is in place it will do like your cell phone does and go to the tower that is most available to handle the traffic. It decides which tower to use in order to get the communication through. We will look at it very carefully to make sure it is worth it. It is for both Police and Fire.

Ms. Nichols said it is budgeted for \$440,000. The capital equipment replacement was budgeted at \$100,000.

Mrs. Gilsdorf showed the major capital in the budget and it showed the Desal Plant at \$4 million; Street programs at \$1.2 million; Flood Control for Corp of Engineers at \$1.5 million; Radio Voting System (RVS) at \$440,000; PSAP at \$425,000 and is in the Public Safety/Police Dept. budget.

City Manager Stahle explained the \$425,000 was only an estimate of what we believed the consolidated PSAP would cost us. Once we are co-located then we start qualifying for the

money we each put in to the state fund to replace equipment. We're also pursuing whether they can help us defray some of that expense. We are facing a bigger change than the County and the reason is we are talking about moving our operations to the County building. Most importantly, that number includes an estimate for the Computer Assisted Dispatch operation (CAD) software and we would share the expense with the County and other service agencies in the PSAP. Whether we spend that or not depends on a contract we would all be comfortable with.

Commissioner Straface asked if under the Street program there was an identified list of needs and priorities. City Manager Stahle said there is and we will talk about that more. Now there are some major projects that should wrap up by the end of the calendar year and regular maintenance such as reconstruction and maintenance of existing streets. If we used our entire budget we still would not be able to meet all our needs. Commissioner Straface said he would like that list and City Manager Stahle said we will give you a map that illustrates where they are.

Contract Finance Operation Consultant Nichols said we have also planned to discuss the street maintenance program and some other capital monies during another capital improvement section on Wednesday.

Commissioner Hernandez asked about the RVS and whether it was through a vendor and the city manager said it was. Commissioner Hernandez asked if they were guaranteeing it would work and the city manager said we won't do it unless they guarantee it. We will still look at all options. He was tired of hearing about the dead areas and this will try to fix that. Commissioner Hernandez said it is a lot of money to spend if it doesn't work.

Ms. Nichols said we will turn this over to Katie but she first wanted to show them a picture of personnel services showing the salaries, overtime, standby, allowances and benefits. In FY15 the total wages are \$13,262,313 as opposed to FY14 of \$13,308,849. The salaries went down by about \$46,000 basically due to changes in positions. The benefits increase by about \$354,000 and went from \$5.8 million to \$6.1 million. Health insurance increased by 10% and we did put in some money for the AHCA.

Commissioner Baldwin asked what percentage of the total budget was for personnel services and was told it was 36%. City Manager Stahle said it is important to understand that is total budget. Commissioner Baldwin said well done.

City Manager Stahle said what we just showed on the prior slide was the expense to the city only. When there are benefit packages there is some buy-in from staff as well.

C. Human Resource Summary - By H.R.

Katie Josselyn, Human Resource Manager explained the slide showing the number of employees and saying this proposal maintains the same levels we have in the current year, FY14. There are 343 regular full-time/ 48 regular part-time/ 42 seasonal/ 433 total actual positions/ 377 full-time equivalents.

Commissioner Straface asked her if under the AHCA we are talking about the need to identify employees who work more than 30 hrs. per week. She told him yes and is based on the current policy which defines full-time as 40 hrs. per week. Regular part-time is anything less than that and is budgeted all year. Commissioner Straface asked if it could be less than 30 hrs. per week and she told him yes.

Human Resource Manager Josselyn pointed out again there are no staff level changes in FY15. She next showed personnel budget factors that affect budget. She showed the COLA increase to AFSCME and that there are no COLA increases for APSOA since their contract is still in negotiations.

City Manager Stahle said that is an important point. He told the commission we haven't settled so had they done as AFSCME, the 1.5% would have come out of our budget and also would have meant the staff within that union would have seen a slight adjustment in their pay. Since that did not happen, we are not legally able to provide that 1.5%. That point has been a noted piece of the conversation in negotiations.

Commissioner Straface asked about the 1.5% on July 1st and if it was the current fiscal year. City Manager Stahle confirmed. Commissioner Straface then asked if there was a guaranteed contract for next fiscal year and City Manager Stahle said they are still negotiating. He went on to say first of all, AFSCME is in negotiations for next year's union contract; APSOA is still in negotiations for the current year's contract. Commissioner Straface asked if part of the process was arbitration and City Manager Stahle said it may get to that. Commissioner Straface asked if it was binding arbitration and City Manager Stahle said the commission still has final authority on all union contracts.

Human Resource Manager Josselyn continued by saying this chart shows the current fiscal year and the next chart would show FY15. She reminded the commission that for FY14 they had approved a 1.5% increase for January, 2015, but it was contingent on GRT revenues so it was not implemented.

City Manager Stahle interjected that FY14 was correct, and if we had seen the projected increases in GRT then we would have been able to get that. A condition of your authorization for the 1.5% increase in January of this year was that our gross receipts were on pace with what we had estimated they would be. Since they were not, that was not authorized.

Human Resource Manager Josselyn explained the PERA employee contribution that was increased by 1.5%, the health insurance premium increase and vacancy savings in wages and benefits. The next page showed the FY15 budget with no COLA increase, no wage increases, the 10% health insurance increase to both the employee and the city, the AFHA contingency fund for what we are proposing to do in order to handle this and the full family group insurance budget. She said over the years we have had about 20% of our employees pick up family and with the changes with the AHCA it is very hard to determine what we might be facing. City Manager Stahle said you always assume the worst with expenditures.

Commissioner Straface felt it was important for us to understand where those dollars are.

Commissioner Sikes asked if the 10% health insurance increase would be passed on to employees and Human Resource Manager Josselyn confirmed. City Manager Stahle said the \$120,000 is just ours and is not passed on; we share that right now. Commissioner Straface said everyone gets 10% now and Human Resource Manager Josselyn confirmed.

Human Resource Manager Josselyn said the workmen's comp. mod rate would be increasing a little and she said we pay for what has happened over the last four years. The mod rate has to do with how many claims and the cost of the claims over the last four years. 2011 was our worst year so in FY16 we will drop that year and thus get that down significantly. In her own department's budget, they went down 75% compared to 2011, and 2012 and in 2013 we went down about 40%. It is reducing and has a better outlook for future years. On July 1, 2014, PERA will increase the employers share by .40%, and if we meet our safety training we will receive an \$801,647 dividend credit.

Commissioner Straface asked about the 15% health insurance increase this year. Human Resource Manager Josselyn said we didn't have an increase for three years before that and they've really hit us this year.

Human Resource Manager Josselyn showed the percentage based deductions/benefits that are deducted from employee checks. She noted the FD and PD employees do not pay social

security taxes. The regular employees have total deductions of 14.7%, Police have a total of 8.5% and Fire employees have 8.4%. The percentage benefits the city pays for are totals of 32.24% for Regular, 42.86% for Police and 46.44% for Fire.

Commissioner Straface said for Police under employer benefits, we pay 42% of every person's salary and Human Resource Manager Josselyn said yes. City Manager Stahle said it is an amazing fact most people don't understand, and Commissioner Straface remarked that was without social security, and the city manager confirmed in Police and Fire. He felt one thing that would help staff take a big picture look at their salaries would be to show them on a paycheck what the city is paying in addition to the actual dollars they get to take. He said he has done this in another jurisdiction and it was an eye-opener. People don't appreciate how much every position costs us, and this doesn't even talk about the building, vehicles, computers, cell phones, etc. This is just the cost of salaries and benefits. Human Resource Manager Josselyn stated this doesn't have health insurance in it; they are simply percentage based benefits. She told Commissioner Straface that in the 1950's they signed a section 218 agreement that exempted them from social security but they have the inflated contribution to PERA. Commissioner Straface asked if the amount of health the city pays was added on to the 42%, and Human Resource Manager Josselyn said yes. On the employee side it is also added on to their deductions. Commissioner Straface said the cost of an employee to the city for benefits is more than 50% and City Manager Stahle said that was only for Police and Fire. Human Resource Manager Josselyn said the regular is 32.24%.

City Manager Stahle said the general fund salaries represent 72% of the budget; the total general fund, and Commissioner Straface said that is because you are labor intensive. City Manager Stahle confirmed that.

Human Resource Manager Josselyn said one of her objectives is to give a benefit breakdown to all employees showing the total cost of their position. Commissioner Straface said the school district paychecks show both the employee and school district numbers.

Commissioner Hernandez said we get one about every three years that shows what your salary, benefits, training, cell phones, meals, etc. are, because it is part of your salary and the City Manager Stahle agreed. So, a \$30,000 employee is making \$70,000. Mayor Pro-tem Rentschler asked him if that was every three years and Commissioner Hernandez confirmed. Mayor Pro-tem Rentschler agreed that it is an eye-opening.

Human Resource Manager Josselyn has worked here 23 years and doesn't remember getting one. City Manager Stahle said perhaps we should cure that. He went on to say it is a rude awakening to most staff, and they do need to understand it since there is a budget in front of you that doesn't give them any increases this year. In fact, some will be a cost to them.

Commissioner Hernandez said what makes the difference to a staff member in their take-home is more important that 20 years down the road, because that is what they have to contend with today. That's why that 1.5% we gave last time was very important, but it didn't mean anything since we are raising it more. City Manager Stahle said it was already eaten up by the AHCA. Commissioner Hernandez said we need to really watch turnover and what it is costing you. You have to be careful with all of it.

Human Resource Manager Josselyn showed the breakdown with the 10% increase for this year, and then broken down by the four different policies we offer. The current split on that is the employee paying 40% and the City paying 60%, with the exception of the basic life policy of which the city pays 100%.

Commissioner Straface asked about some of the costs and if an employee and spouse who work together get any benefit on that. Human Resource Manager Josselyn said both cannot; there can't be a duplication of coverage. Each employee can pick up a basic life policy as an employee

and the city pays 100% of that. City Manager Stahle said if you abide by the recommendations it will get worse for both sides.

City Manager Stahle said it is critically important to understand because of the health insurance increases and because of the AHCA, we are going to have to make some important decisions that will affect every single employee. He asked for Human Resource Manager Josselyn to be meticulous in going over the next page concerning AHCA.

Human Resource Manager Josselyn explained the FY15 insurance budget for employees with a total of \$1,596,843 and then broke it down for all the different policies. The total group insurance budget is \$1,737,000 and the approximate cost of the 10% health increase is \$120,000. She showed other totals

Commissioner Sikes asked if we developed any models where we eliminate health insurance altogether, and let people pick up one of the policies offered by the state and then possibly increase salaries to cover this. Human Resource Manager Josselyn said they had looked at a lot of different possibilities and would go through them.

Human Resource Manager Josselyn showed the considerations for the AHCA. We are required to comply effective January 1, 2015; employees were required to comply effective March 2014. We are required to provide affordable employee only health insurance to full time staff; that will change our definition of full-time. 30 hours or more per week and more than 120 days per year will become full-time staff. We'll have to look at that for some of our seasonals. We have to establish a measurement and stability period and she recommended a 12 month period. That means we will be required to do tests and measure how many hours employees are working. If we discover a position is working more hours than originally set up for, or if they have gone over that period, then the stability period would be the same length of time we would be required to cover that employee and offer them insurance if they elect to pick it up for that next year. Every year you start over and it is measured on a month by month basis.

Commissioner Straface asked her if there would be a fine if you don't and she told him there is a significant fine.

Human Resource Manager Josselyn said the employee premium cost, the amount coming out of the employees check, cannot exceed 9.5% of the employee's gross household income. Our challenge is how you measure the household income because by law we cannot ask for that information. We have to go with the worst case scenario and look at what that employee makes working for us. There are some back door ways to look at that such as if an employee comes in to look at the exchange and you see you are not meeting the level where they can get insurance, then on a one-on-one basis we can see what an employee's household income is. For measuring the group as a whole, she said it isn't something we can do. We use the employee's wages with the city to measure that.

Mayor Pro-Tem Rentschler asked if we don't look at any other way to measure, like asking for a 1040 Form to figure it out. He asked if the law allows for any of that and she said no; this new act is putting employers in a precarious situation.

Commissioner Sikes asked if the IRS would test it and Human Resource Manager Josselyn said through attrition and as things are practiced and worked with over the next several years, it will change. Commissioner Sikes asked if you have to be married. Human Resource Manager Josselyn said this looks at the employee only coverage. City Manager Stahle said it is based on the household and if your household includes non-relatives, it will be an interesting point, and a problem.

Human Resource Manager Josselyn said we have to make it available for dependents. We don't have to meet that test for dependents, but we do have to make it available to the employee to

pick up. Hours and employment duration of 12 seasonal positions will be changed in FY16 to eliminate the eligibility. She said we have 42 seasonal positions and when she put all of those to these tests, 12 met the full-time staff requirements and require us to offer insurance to them. They worked about 40 hours for 30 weeks, so worked over that 120 day period. You can have a position working a 40 hour week; they just can't work past the 120 day threshold.

Mayor Galea said how would it work if it exceeds 9.5% of their gross pay? Human Resource Manager Josselyn said we looked at 18 different options and there are two different tests. First they have to meet the 30 or more hours per week/120 days per year, and then you have to meet the 9.5% test.

Human Resource Manager Josselyn said what they are looking at doing for those 12 seasonal employees is turning them into 24 seasonal positions. They could only work for the 15 weeks instead of 30. City Manager Stahle said that causes work and frustrates potential seasonal employees because they have to get more jobs or not have the income. It affects our community, without a doubt. Human Resource Manager Josselyn said it also affects management because you can't have them work for 15 weeks, release them for a week and then bring them back. You have to use the entire measurement period to get those 120 days.

Human Resource Manager Josselyn showed her facts that of 343 positions eligible for insurance under our current definition of full-time. Positions eligible under AHCA are 351 and that adds the eight part-time positions that meet that test; that does not include the 12 seasonals. There are 86 employees not meeting the 9.5% test, so that means the cost for employee only insurance coming out of their checks is more than 9.5% of their salary. The current participants in our group health insurance are 213, which is just the employee. What she did was look back at how many employees signed up for insurance in January because employees had the requirement in 2014. She had between 5%-6% sign up for insurance and she anticipates more than that. On July 1, 2014, with the 10% increase of the employee only cost to the employee is \$2,277 per year. The other thing she did was look at what the lowest paid employee made and what percentage we would have to pay of that policy to meet that 9.5% test. We would have to pay at least 79.43% of that insurance policy to meet that test. Presently, we are paying 60%.

Next she explained they looked at the different ways we could try to handle this. One way was to change the contribution amount the city pays for health insurance. The state uses a sliding scale based on salary, but their cut-off point is \$50,000 per year. That is not an option for our group. If you bring that down to about 25, then you will see in option 15 for a full year period if we looked at the whole 351 picking up insurance, it would cost us \$642,000 more per year. We looked at changing only those who do not meet the test, and then you run into other factors such as internal equity. We also looked at changing the pay of just those employees and that was option 17 which costs \$259,000. That opens you up for future years and you'll have to measure that every year. You'll have some employees getting wage increases and not others which could cause a morale issue. City Manager Stahle said it would be a big morale issues and it's called salary compression. An employee has been around a lot longer than a newby and yet they are getting paid the same. There would be a ripple effect that is unpleasant for everyone.

Commissioner Straface asked if she was recommending option 12 and she said yes. Human Resource Manager Josselyn said option 12 based on several things – the impact to the city and the employee, a reasonable estimate of participants, internal equity, administration of the plan and future plan compliance. All these costs will vary with the actual enrollment level of what employees elect to do. If you look across the chart at the very top, it shows where we are now. The city pays 60% of the employee only coverage or family coverage. The cost of that is \$1.5 million and the impact to the employee for an employee only policy is \$2,277 per year and for family coverage \$6,705. That is with the 10%

Commissioner Straface asked if option 12 had the expenditures calculated, and Human Resource Manager Josselyn told him option 12 is what we use to place the contingency fund of

\$125,000, because we are only doing it for half a year. City Manager Stahle said yes, it is in the recommended budget for half a year, and \$248,000 being on top of the \$1.5 million.

Human Resource Manager Josselyn said that the number enrolled of 248 is using the estimate she had suggested of 25% more of the eligible signing up. We could have all 351 sign up; we just don't know. As far as administration, the easiest would be for us to pay 100% of the employee only, but she could see that running up enrollment when people may sign up as a secondary insurance. We are looking at administration, the future plan, the future plan compliance and all those factors when we are suggesting option 12. What option 12 does is that the city, beginning January 1st, would begin paying 85% of an employee only policy. However, for dependents they would pay 35% of the difference for the dependents to be on the policy.

Commissioner Straface said the easiest thing would be to pay the penalty or you hurt your employees. Human Resource Manager Josselyn said she has found some private companies and corporations doing exactly that. They are saying they won't have insurance anymore and just pay the penalty. Commissioner Straface said they will let the employees go through the exchange.

City Manager Stahle said it goes back to what was said earlier – we'll pay you what we have been and you get your own insurance. There is a consequence to that; it's take-home that matters so if you give them the amount you are otherwise paying for insurance, they might not buy some more and be uninsured. That would be a consequence on your operations. As you can see from this chart, option 12 seems to be the best we've got.

Commissioner Sikes asked about the state insurance we provide to all employees and if we just take what they give us. Human Resource Manager Josselyn said we looked at it last year and the numbers we got were significantly higher than what we are getting from the state. We have to remember the state is a pool and there are other entities that are not pools. When you have a bigger buying group it is kind of like buying it at Sam's.

Commissioner Sikes said all of the exchanges are pools, too. Human Resource Manager Josselyn agreed and said we are a Large Employer with over 50 so we can't just say we are going to let the employees go to the exchange. We are required to offer the insurance or we get penalized. For every one of our employees who goes to that exchange and gets a credit through the exchange, the city will be fined. That is an annual penalty so they break it out. If you have some employees who only do it for six months, then it would be a ratio of that year. That is the worst case scenario.

Mayor Pro-Tem Rentschler said the City offers three types of health insurance currently. Human Resource Manager Josselyn said there are two different ones and the coverage is very similar; we don't offer a low level coverage.

Mayor Pro-Tem Rentschler asked if there was an option and she said she had asked about that because the state had a health savings account policy, but they have dropped it since it didn't meet the other criteria. The insurance company has to pay at least 60% of the services rendered or that doesn't meet the test for the AHCA.

Human Resource Manager Josselyn said she was much more of an advocate to encourage healthy employee and wellness programs since that affects morale which affects workers comp claims which affects all the other things that go along with it. These are the black and white numbers and there are so many other factors.

Commissioner Sikes asked what input she receiving from city employees. Human Resource Manager Josselyn said they hadn't seen it. Commissioner Sikes asked what they were saying up until now.

Commissioner Hernandez asked if our rates were based on usage or just what they are giving to us. Human Resource Manager Josselyn said it was based on usage. We have a 1% load fee on top of the basic fee to the state because of high claims.

Commissioner Hernandez said one of the things they have done because they are health care is that most nurses who had a kid with a runny nose went right to the ER. We implemented a program called 'Swift MD' where the hospital pays for it, but it is free to the employees. When you have a cold or the flu, you call or email and a doctor calls you back within the hour. They can even prescribe medication over the phone and this cuts back on usage quite a bit. Human Resource Manager Josselyn said those kinds of programs and wellness programs are very beneficial in lowering claims. Commissioner Hernandez said it helped us a lot.

Human Resource Manager Josselyn said when you are in a big city it is different, but here in Alamogordo if you have a sick child, it is your only option and it is expensive.

Commissioner Straface said that with 'Swift MD', like Commissioner Hernandez is talking about you have 24/7 access. Commissioner Hernandez said it works really well and you just have to learn how to use it.

City Manager Stahle asked Human Resource Manager Josselyn to explain the effects of option 12 on staff. Human Resource Manager Josselyn told them this page only shows the annual impact for an employee with employee only insurance and it will actually save \$1,400 per year. For an employee who picks up family it will cost \$1,300 more. This is part of the reason they chose option 12. She pointed out some of the other options with family.

Commissioner Straface said if our employees pay \$595 for families they will increase it by \$100+, and Ms. Josselyn agreed.

Human Resource Manager Josselyn said the next screen breaks it down weekly and monthly. It showed the amounts with a 10% health premium increase and the city paying 60%. The dental insurance also comes out. The other chart showed amounts under the AHCA which showed the impacts to the employees for the first six months and for a whole year.

Mayor Pro-Tem Rentschler said dependent insurance would not be as affordable and Human Resource Manager Josselyn agreed. She told them an employee may look at the exchange and it could be cheaper for them to pick up dependents.

Mayor Pro-Tem Rentschler asked if they go on the exchange for their insurance, is there a way to take them out as far as the city is concerned and not have the penalty. She said that is what generates the penalty; if they go on there and get the credit and pick up insurance, we pay a penalty for every one of them. Mayor Pro-tem Rentschler said we look at their annual rate, take the penalty out and that would be the increase in their salary.

Human Resource Manager Josselyn said that in the January enrollment we had 103 employee only, 21 with employee plus child, 38 with employee plus spouse and 51 with full family. That is roughly one fourth of all those who pick up insurance. She continued to explain the options shown on the Power Point chart. Mayor Galea asked about option 6 and the human resource manager explained.

City Manager Stahle said this does not apply until January. There will be a lot of interpretations, amendments and delays in enactment; we don't know what is going to happen. We have to be responsible and deal with what we do know.

Commissioner Sikes asked why it would matter if someone decided to go to the exchange instead of through the city. She continued with the example of an employee opting out of city

insurance and going to the exchange to find something more affordable. How would that impact us? The employee is covered by the exchange and we still have the obligation to offer insurance.

Human Resource Manager Josselyn told her we must offer affordable insurance, so there are some whose salary would not meet the test. 86 times \$3,000 equals \$258,000. If you are going to spend that, why not cover the employee.

Commissioner Straface said you pay a penalty every time a person goes to the exchange, and what they don't want you to do is go to the exchange so the employers pick up the cost. Mayor Pro-Tem Rentschler asked if we are required to offer families, as well. Human Resource Manager Josselyn said we are required to offer it but it doesn't have to meet the test. You only have to meet all the tests for the employee.

Commissioner Hernandez said if you don't meet it for the family, it is all part of it because if they go shopping it will be cheaper for them to get insurance for the employee and family versus the employee and family separate.

Human Resource Manager Josselyn didn't think the exchange insurance was that great and she used an example. Her 27 yr. old nephew got insurance so he wouldn't get dinged on his income taxes. He qualified for a credit so the insurance was \$125.00 per month and he had a credit so he was only to pay \$60.00, but the deductible is \$5,000 per year. It doesn't make sense.

Mayor Pro-Tem Rentschler asked if we were capable of looking at something different to help with the cost. Human Resource Manager Josselyn wasn't sure how it was being done because you have to cover at least 60% of all.

Commissioner Hernandez said it's secondary and just to help reduce our usage. Human Resource Manager Josselyn said it is something we should look at – lowering the claims the employees and families have.

Mayor Galea wondered if the Commission could look at option 6 or 13 to be less cost to the employee for family insurance. It would give less incentive to shop on the exchange and we wouldn't have to pay penalties. City Manager Stahle said option 6 would be a lot more than this recommended. We would have to figure out where we are going to get that.

Mayor Galea asked if there can be something grandfathered in.

Commissioner Hernandez asked if this needed to be decided by Thursday. Ms. Nichols said no because it does not take effect until January 1, 2015. You would like it in your final budget; we can keep the number we currently have in there now.

Commissioner Hernandez recommended asking the employees for their opinion on this and maybe use a random number.

Mayor Pro-Tem Rentschler said the bottom chair is going to be 9.5% and anyone leaving the City because of this would find the same at any job.

Commissioner Straface said if we do option 13 as opposed to option 12 we would have to adjust our budget for an increase of \$160,000, and the city manager agreed. Mayor Pro-Tem Rentschler said we have to plan for it. Commissioner Straface said it will increase over time.

City Manager Stahle said we have another issue and that is union negotiations because these are benefits and directly related to union negotiations, so it is important for us to get guidance from you. The money simply isn't there and you have to make some tough decisions with this being the toughest one of all.

Mayor Pro-Tem Rentschler said anything about 9.5% is the City's, and Human Resource Manager Josselyn said what she did is take the lowest pay in the city and what percentage it would take for the City to make that test.

The meeting was recessed at 5:40 p.m. and reconvened at 5:57 p.m.

City Manager Stahle said we have to look ahead, at least five years out.

D. 5-Year Outlook

Accounting Manager Boyle explained the handout titled COA General Government Sources of Uses of Funds, Funds (11,32,63,65,98). Those funds represent the General Fund. The first page of the handout showed the 2014–2019 Forecasted Amounts, the second page showed the Assumptions, and the final page listed Sources and Uses of Funds for 2014-2019 Project Amounts. The General Fund gets 52.5% of our total GRT enactments including the State share. These projections do not show any Hold-Harmless affects as far as enactments go.

City Manager Stahle said a critical point is that in years past you have been deficit budgeting, but have not spent on a cash basis in a deficit manner. Since you have spent essentially 85% of what was budgeted you have been able to not have a cash deficit. We can't keep doing this.

Accounting Manager Boyle said the General Fund is Salary and Wage heavy - 72%.

Commissioner Straface said he didn't think you ever spend 100% of what is budgeted. He would like to see the projected, the proposed, and then the audited numbers. Turnover has always been absorbed and City Manager Stahle agreed.

Commissioner Straface felt there was enough flexibility in Salaries and Benefits accounts so that no jobs would need to be eliminated.

City Manager Stahle said if you are not saving for the future in order to handle what you are projecting, then you have made a mistake.

Mayor Galea spoke of a tax increase and City Manager Stahle said that was the Commission's call.

Recessed the meeting at 6:23 p.m. and will reconvene tomorrow at 3:00 p.m.

TUESDAY, MAY 6, 2014 - 3:00 P.M.

Mayor Galea reconvened the meeting at 3:00 p.m. All were present except Commissioner Straface and Commissioner Baldwin.

Other Director's Present: City Manager Stahle, City Attorney Thies, City Clerk Cantin, Contract Finance Operation Consultant Nichols, Assistant City Manager McNeile, Public Works Director Cesar, Police Chief Duncan, Fire Chief Ward, City Engineer Thomas, and Human Resource Manager Josselyn.

Contract Finance Operation Consultant Nichols started with a breakdown of Utilities Expenses which was a handout (see handout in Power Point). She pointed out the electricity line and asked for Public Works Director Cesar to explain.

Mayor Pro-Tem Rentschler said there was an Electricity increase of 69% which was astonishing, and City Manager Stahle reminded him those were projected. Mayor Pro-Tem Rentschler wondered what part of our electrical budget was for pumping.

Public Works Director Cesar presented the Water & Waste Water Utility Expenses. Mayor Pro-Tem Rentschler asked him for a breakdown of what he believed these were producing and what we are paying for when he could.

Commissioner Baldwin joined the meeting at 3:16 p.m.

Ms. Nichols moved on with the General Fund Overview. It was comparing the total General Fund to other years and to FY15. It is important to understand the budget is based on a cash level, and the fund balance is estimated to be \$5,404,000.

Mayor Pro-Tem Rentschler said you are saying we started with \$5 million and used \$3 million to balance it out of the last reserve, and we don't have to do that again. Ms. Nichols explained numerous points of these figures to the commission.

City Manager Stahle said we budget at 100% and gave the example, if we project there will be a vacancy at the end of June, we will budget as if we will spend the maximum amount for that position.

Mayor Galea said if we do not want to deficit spend we would have to find \$3.1 million to cut in expenditures. City Manager Stahle said no, that is budget deficit and not spending deficit. You must realize you have your reserves. He felt it was important to understand the 1/12th required by law. We must modernize our Reserve policies. We will get into this later.

Ms. Nichols pointed out that the General Fund is your main General operating fund and accounts for all operations of the City that don't have their own sub-balancing fund. General Fund is basically the most non-restrictive funds you have.

E. General Fund – Overview

F1. General Fund – Revenues

Ms. Nichols said the General Fund includes Administration, Public Safety, Code Enforcement, Finance and Planning. General Fund revenues are projected at \$15.9 million, which is 2% higher. The handout showed a breakdown of FY12-FY15 and noted how flat the numbers were.

Mayor Pro-Tem Rentschler asked about GRT's and thought there would be more than this amount. City Manager Stahle said this is a conservative estimate on purpose, and it is optimistic to say there will be an increase. We don't know the impact of the F-16 coming to town.

Contract Finance Operation Consultant Nichols then explained the General Fund Expenditures page which is the last page of the handout. She said the biggest difference of 13% is attributed to the 10% health insurance increase and the AHCA. She said they could see all numbers related to the slides on page 24 in the budget book - General Fund Expenditures. She will include the dollar difference.

F2. General Fund – Expenditures (Summary by Department)

Contract Finance Operation Consultant Nichols explained page 24 in the budget book.

F3. General Fund – Subsidized Operations

Ms. Nichols explained the subsidized operations. She said there is a separate fund, Fund 40, for airport improvements.

City Manager Stahle remarked that two major sources of revenue for basic operations of the airport are the Fuel and Rental fees.

F4. General Fund – Capital

Ms. Nichols referred to page M-7 under the Misc. Tab and said any number beginning with 011 would be General Fund. She said the question came up yesterday about the comparison of PD/FD from the re-organization/separating of the two.

Steve Boyle stated it was said the split of the two departments would be a neutral position, but it wasn't at all, and he pointed out the changes made. The FY14 budget had a \$1.7 million increase with PD \$1.1 million and FD was \$609,000. He showed the history up until the split and the projection for 2015, and then a chart of actuals.

City Manager Stahle said it is critical for you to understand that you now have a Fire Department that relies on fighting fires by the volunteers and firemen instead of Police Department. It will take us a while to get enough trained volunteers in place to take the load off the police officers.

Mayor Pro-Tem Rentschler asked if we are still allowing PD officers to train, and Fire Chief Ward told him the ones who were training prior to the separation are being allowed to continue that training. Mayor Pro-tem Rentschler asked if we are training any new police officers and was told no. City Manager Stahle said we are reserving expenses to those who actually use it.

Mayor Galea asked if in the Five Year Projections it had been included to increase staff in the FD. City Manager Stahle said no. He said we have to have a core of volunteers in the FD to assist paid staff and we are working toward that. In reality, if you needed more firefighters, three per building, it is a lot so we are relying heavily on volunteers. Someday you will need to have additional paid staff to help offset. We are trying to keep this all as budget neutral as possible.

Mayor Pro-Tem Rentschler questioned the non-training of PD officers. City Manager Stahle said the complications are whether they need to be paid extra during that training or if they will volunteer for that training. Fire Chief Ward commented on training and volunteers and the fact there are minimum required hours of training per month and year.

Mayor Galea asked that we discuss this at a later date.

SKIPPED THE FOLLOWING TWO ITEMS:**Municipal Court (Fund 27)****F5. General Fund – Legislature**

Moving on to Special Revenue Funds, Contract Finance Operation Consultant Nichols said the chart basically showed the expenditures.

City Manager Stahle said we have a lot of special revenue accounts in the City. Most cities our size don't have nearly as many as we do. This also impacts your flexibility for the use of money, and some of these revenues have zero flexibility. Not all of these could be converted to General Funds.

F. Special Revenue Funds – Overview

Mrs. Kathy Gilsdorf, Budget Analyst continued with the Special Revenue slide showing FY14 projected, FY15 proposed and the difference between the two.

Ms. Nichols said she would go over the Special Gross Receipts Tax Income Funds later in more detail.

Mayor Galea asked about the Municipal Court fines and Mrs. Gilsdorf explained most of the fines collected go into the Court Automation. Since a lot of the fines go to the State, they get a portion back.

Mrs. Gilsdorf then went over the Special Revenue Expenditures page, and said these funds are projecting less.

G. Internal Service Funds

Ms. Nichols covered Internal Service Funds Revenue and Expenditures and that they basically showed the in-house fees. The Landfill, PHA and the Senior Center pay in a revenue and what you see between FY14 and FY15 is just that difference. She went on to explain the differences in the Expenditures. We will be having our technology system evaluated, from the hardware to the software, in order to give us the best advice for becoming more efficient and cost effective. City Manager Stahle added it does not include doing anything about it once the study is done.

H. Enterprise Funds

Ms. Nichols continued with the Enterprise Funds Revenue and pointed out the difference between FY14 to FY15 which include projections for a rate increase.

Assistant City Manager McNeile said any grant monies for the airport and library would be reflected when received.

Ms. Nichols went on with the Enterprise Funds Expenditures noting Water/Sewer was our largest Enterprise Fund and spent more than the PD. She asked them to turn to page 320 in the Budget Books and pointed out the detailed budget. She then went over Water & Sewer Revenue/Expense on the next Power Point slide, noting there is a lot of capitol in the numbers. Next was the Water & Sewer Fund Expenditures page.

Mayor Pro-Tem Rentschler asked if the Waste Water Treatment Plant included Reclaimed and was told yes. He asked if the State's \$300,000 for Bonito Lake was included and was told yes.

Recessed the meeting at 4:34 p.m. and reconvened at 4:43 p.m.

Commissioner Sikes had to leave the meeting at 4:40 p.m.

Rate Analysis - Customer Services Manager Ortega

(see handout in Power Point)

Customer Services Manager Ortega explained the Rate Analysis chart. The staff is required to review the rate structure for water/sewer operations annually and report to the commission as well as make any recommendations for rate changes. This presentation will reflect the annual rate review for FY15 – FY16 and rate adjustments through June 2016.

Mayor Pro-Tem Rentschler asked where the excess revenues were being put and Customer Services Manager Ortega said they were going to carry-over. Contract Finance Operation Consultant Nichols thought it important for the commission to know that the City knew years ago it would have so much capital and you get really good bond ratings when you try to do capital as you go. Any of that left over money from doing an increase now would basically go to the ongoing capital. The reason the City had the goal to keep that at two times the coverage to begin with, was so we could pay for ongoing capital. The \$150,000 represents the new amount of money generated from the rate increase we are proposing and it would carry over into that capital.

Customer Services Manager Ortega said our revenues are not guaranteed; if we go to water conservation measures it would hit us pretty hard.

Mayor Pro-Tem Rentschler clarified we would have a rate increase now because of the increase we will need to have in 2017, and the rate increase now would be used for capital projects. Mr. Ortega said they are budgeted and a portion will be used for this. He said capital projects were budgeted at \$600,000 for this year and \$1.2 million for next year. Public Works Director Cesar

said the projects were upgrades to the Alamo Filter Plant, replacement of the line from Green to Cobblestone Road, two projects at the Alamo Plant and at the La Luz Filter Plant.

Mayor Pro-Tem Rentshler said you will use the original money for the first two years and then it will be there ready for the RO Plant when it goes on line. Customer Services Manager Ortega said yes.

Commissioner Turnbull asked about connection charges and Customer Services Manager Ortega said the revenues from the connection charges are based on the meters we are selling. Commissioner Turnbull said people would complain about rate increases when they saw new houses being built. Customer Services Manager Ortega said we followed the 40 Year Water Plan on growth so that is considered in all the budget numbers.

Customer Services Manager Ortega continued with the Power Point showing the water base proposal and that they were asking for a 2% increase across the board. We try to save the base charges for when we go out for a new loan or new bonds. They ask for guaranteed funds and base charges are guaranteed. He explained the water commodity and the tier system of 1-5. Mayor Pro-Tem Rentschler asked him to explain why we can't go from 5 to 3 tiers. Customer Services Manager Ortega said he had looked into this and found the revenues from tiers 4 & 5 are \$679,000 and tiers 1-3 would have to be increased by 30% to recover the \$679,000. Mr. Ortega said we are a model to other communities going to conservation efforts, and we have been commended by the Governor for conservation.

Commissioner Hernandez is agreeing, but part of the blight is the green lawns and trees turning brown because of lack of water. If you lowered the rates so people could water their lawns, they would use more water and you wouldn't lose any money. Mayor Galea said its certainly worth it but then we would have to find the rates to cover our debt service, and our water table is down by two feet. Customer Services Manager Ortega added we will also have additional operating costs to produce more water. When Snake Tank comes on line we will discuss adjusting the Tier system.

The commissioners discussed water and keeping yards green, as well as incentives for homeowners to keep a neat yard. Commissioner Baldwin said Bonito Lake isn't up and running and the entire Southwest is in a drought, and he questioned us promoting use of more water. Mayor Pro-Tem Rentschler said people in tier 3 get murdered, tier 2 a little less and they are ok at tier 1. Commissioner Turnbull said we fine those who keep up their yard, but don't fine the ones who don't.

City Manager Stahle said in most places in the Southwest lawns in front yards are not allowed, and they punish with high rates for high water use. Maybe we should consider alternatives for 'green'.

Commissioner Turnbull had to leave the meeting at 5:14 p.m.

City Manager Stahle said we might look at changing the water restrictions, but we need to move on.

Customer Services Manager Ortega explained the Rate Comparison slides.

Mayor Pro-tem Rentschler asked which businesses would be affected and Commissioner Hernandez said it is pretty much any business with a flush valve; they would have a 1"-2" meter.

Customer Services Manager Ortega said he recommended starting to look at possible funding sources for future purchases and expenses – pay as you go. One recommendation was to place a Capital Replacement Surcharge on every utility bill in the City of Alamogordo. It is done in

other cities and by other utilities to help pay for infrastructure or for capital. The commission would decide how the surcharge would be distributed; he was asking for direction.

City Manager Stahle said the intent is to start developing a fund where you don't have to borrow money every time you want to do anything to improve or replace at the plant. It means a lot when you have to go for a loan. This would be on the water bill only. He noted the RO system is going to be expensive to operate and we have an inordinately large number of very old lines in the city. The sooner we can develop a replacement program for some of the existing system, the better off the city will be.

Mayor Pro-Tem Rentschler asked if the current debt service added to the sewer bills would be eliminated, and Customer Services Manager Ortega told him they would not be eliminated; they would be enhanced.

City Manager Stahle said you have five or six debts that have to be serviced. It is common for a surcharge to ultimately prevent you from having to go out and get debt, so you have cash on hand and don't have to borrow, but it will take a long time to get to that point. Anytime you can put more of a match up for a grant, you have a better chance of getting the money.

Mayor Galea asked if there is anyone who is opposed to bringing it to a future commission meeting. Mayor Pro-tem Rentschler wanted to wait for a quarter or a half. City Manager Stahle said you could also apply it gradually.

City Manager Stahle said you are going to decide on the rate structure at Tuesday night's meeting. You need to be thinking about it so you can give us direction at that time.

Mayor Galea asked if there is a line replacement plan currently in place.

Ms. Nichols said the Water/Sewer Dept. has \$250,000 per year for ongoing pipeline replacement. Customer Services Manager Ortega pointed this out on page three of the packet – Misc. Pipeline Replacement 2014.

City Manager Stahle asked the commission if they were willing to create a surcharge; we don't have any right now so it is difficult to say how it would be used. Mayor Galea is willing if it is \$1.00 per month.

Customer Services Manager Ortega said Ruidoso ran into major problems and had to put a \$40 per month capital surcharge on their water bills until they were able to pay for their capital needs. Mayor Pro-Tem Rentschler asked if it had since been repelled and was told it is still there to address all their problems.

Commissioner Hernandez said he knew we were being very conservative, but he would like to see a 10-15 year outlook for the PD and especially for the FD, concerning manpower. If the volunteer system does not work or we are not able to keep our ISO ratings where they need to be, what do we need to do to increase the man-power. He would like to see this succeed. City Manager Stahle said it will be a tough one and you won't like the numbers.

Mayor Galea would also like to revisit the employer cost of health care when it comes to the employee cost.

Customer Services Manager Ortega asked for direction on the capital surcharge. City Manager Stahle said we will wait until next week when they make some decisions. There will not be any direction today, but can be included as an action item for the commission.

Recessed the meeting at 5:34 p.m. and will reconvene tomorrow at 3:00 p.m.

WEDNESDAY, MAY 7, 2014 - 3:00 P.M.

Mayor Galea called the meeting to order at 3:00 p.m. Mayor Galea announced all Commissioners were present except Commissioner Straface and Commissioner Baldwin.

Other Director's Present: City Manager Stahle, City Attorney Thies, City Clerk Cantin, Ms. Nichols, Assistant City Manager McNeile, Public Works Director Cesar, Police Chief Duncan, Fire Chief Ward, City Engineer Thomas, and Human Resource Manager Josselyn.

I. Capital Improvement Projects

Contract Finance Operation Consultant Nichols said Mrs. Kathy Gilsdorf would go over these slides that include everything in the fiscal 15 post budget.

Mrs. Gilsdorf told the commissioners this was a list of all the major new projects budgeted for the FY15 proposed budget, and then listed the Legislative Capital Improvement projects. Ms. Gilsdorf pointed out figures on the Water & Sewer Projects page.

City Manager Stahle said the Corp of Engineers (COE) money was match money.

J1 Capital Funding Resources.

(see handout with Power Point)

Ms. Nichols covered the Capital Funding Sources: 1984 GRT (Fund 42), 1996 GRT (Fund 69), Environmental GRT (Fund 89), Infrastructure GRT (Fund 61). She showed them the numbers in the various fund sources for capital. The first one was Fund 42 and she noted we are well within the debt service coverage.

Mayor Galea asked about the debt service coverage percentage. City Manager Stahle told her you can not go below 2%, but the higher the better so you'll have money for a project you want done. Mayor Galea said we've talked about other projects and we could talk about doing them this year.

Contract Finance Operation Consultant Nichols said it is important to point out that this is a capital fund resource and not for operations. It can cover this street maintenance operation and has done so for years, but we don't put any operations in here; we transfer them out.

Ms. Nichols continued with Fund 69 that pays for the Quality of Life Bond issues and amounts for flood control. She felt the downturn in gross receipts tax had caused debt service coverage to be below 1.5%, but felt it would come back up. City Manager Stahle said this is based on a fairly flat revenue picture for next year.

Ms. Nichols said they would discuss a fund balance reserve on Monday. She felt it was highly important for them to consider this. She would be recommending they set aside in reserve half of the bond payment as a safe guard in case the GRT falls down.

Environmental GRT – Fund 89 Multi-year Budget

Ms. Nichols said this was the tax passed in 1993 or 1994 when the landfill was built. That has since been paid for so there isn't any debt service in here. She recommended they consider setting aside a portion of these monies when they talk about fund balance reserves.

Mayor Pro-Tem Rentschler asked if this could be used to help fund the Desal plant and to fund the examination of the landfill and was told yes.

Ms. Nichols said we would be bringing over the final budget on July 22nd with carry-over balances, so you can put those in the final budget, and you'll have that choice throughout the year.

Infrastructure GRT – Fund 61

Ms. Nichols said this fund does not have any bond issues attached; it has been used for various things, but mainly for matching monies related to the airport. She gave some history of this fund and Fund 63. This money only goes so far so you must look at the future.

Mayor Galea asked why we do not account for the matches in the future for additional improvements at the airport. City Manager Stahle said we try to limit how much match money we put in until we actually know what we are going to get.

J2 Capital Improvement Projects:**Airport Improvements – Fund 40**

Ms. Nichols noted there were no scheduled projects for FY15 as of this date.

Current Year Bonding Projects

Ms. Nichols didn't have specific slides for the on-going bond projects. She said the City has estimated they will be complete in the current fiscal year and what does not get done will be carried over and will show up in the final budget on July 22nd.

City Manager Stahle said one example is Fund 118; we will not finish some of the major projects before July 1st, so we will carry the monies over and finish them out.

Flood Control Corps Project – Fund 56

Ms. Nichols covered this project that began in 2000.

City Manager Stahle talked about the influence of the federal government's financial condition on our level. We have been warned the COE may tweak the local match requirement; we are now at 25%. We need to be vigilant to what the feds are doing. He said another important thing to note is we have to cough up our share right away. We have to put in the necessary match when we are ready for the next part of the project. Contract Finance Operation Consultant Nichols said they have to have it before October 1st which is the federal fiscal year.

She showed the estimated amounts of In Kind, Corp and totals. At the end of FY15, it is estimated we will have spent \$18,366,000.

City Manager Stahle said it would be appropriate to remind you when we do work with the Corp and complete the Flood Control Project, the flood maps will be changed and we will be saving property owners a lot of money. This is an investment in our community that certainly benefits the private and public properties.

J3. Street Capital Improvement Projects

Ms. Nichols started with Street Capital – Fund 109. There are two separate GRTs passed for Street Capital: Street Maintenance Program (SMP) passed in 2004, and the 2008 GRT which was intended to do new roads and those streets needing to be completely redone. You are generating about \$1.5 million per year and can use that to do the street project. She said there is \$800,000 set aside in Utilities every year strictly for street projects.

Mayor Pro-Tem Rentschler commented the recent problem has been that the street projects have stripped the Utility money we have. City Manager Stahle said the \$800,000 is up to you and you may increase that amount.

Contract Finance Operation Consultant Nichols said there is fund balance available in Fund 81. City Manager Stahle said once the fund balance is gone the flexibility is gone.

Mayor Galea brought up the Public Arts Charter that gives 1% of all road projects to Public Arts along the roadway. Ms. Nichols said that does not fall into the Ordinance language of the passing of that tax, so she felt you would have to discuss it with the city attorney. This was discussed among the commissioners.

Street GRT Capital/SMP – Fund 109

Ms. Nichols noted this went from \$590,000 to \$1,123,000. This one will be spent in FY14; FY15 will begin with zero. With this fund you can do one of two things; you can accumulate this and use it for streets. Since it has a debt service, we recommend you set aside half of the payment – this is a one time set aside. We are going to combine the 2008 and 2004 after we have completed the Fund 118 projects. She went on to cover the 2004 Gross Receipts Tax – SMP. It generates \$1.4 million per year.

R.O./Snake Tank/Desalination Project

Ms. Nichols said this is the capital project fund, so all transactions are related solely to the RO/Snake Tank Desal project.

Accounting Manager Boyle said the \$1.9 is not proceeds money; you have to spend the money first and then get reimbursed.

Mayor Galea doesn't understand why we are spending \$2.1 million a year for the Holloman transmission line. Public Works Director Cesar explained and there was discussion on the project

Commissioner Hernandez asked when we can expect to use water from the Desal project. Public Works Director Cesar said it will be about two years. Commissioner Hernandez asked when he felt the project would be 100% completed, and Public Works Director Cesar gave his projections. Commissioner Hernandez asked when the RO skid would be purchased and Public Works Director Cesar said it would be in roughly two years. When it is operational it will produce one million gallons of water a day. Commissioner Hernandez thought technology would change in two years. Mr. Cesar felt that in 2017 the plant will be up and running. By 2020 the parallel transmission line that will run next to the Bonito line will be in place and that completes the first phase of the project; we will need to expand over time. Mayor Pro-Tem Rentschler and Public Works Director Cesar discussed the project in more detail.

Mayor Galea wondered if the commission would be open to discussing a regional water plan.

City Manager Stahle said he had been contacted by Ruidoso about water and said the big question here is what's in it for the City of Alamogordo. We would be foolish not to be open to discussion.

Ms. Nichols pointed out that in 2018, if these plans continue, we will be short and we will be looking for grants. City Attorney Thies said we have two loans from the Water Trust Board. Mayor Pro-Tem Rentschler said the question is do we have to use all the money from the Water Trust Board before we can apply for new money. Ms. Nichols understood the money was a grant with a loan component. Public Works Director Cesar said we can apply, but they were not granting any monies if the applicant had other projects still on the books and had not expended down to 10%-15%. Ms. Nichols said you can still apply for loans through the NMFA or a bond issue.

Recessed the meeting at 4:18 p.m. and reconvened at 4:32 p.m.

1986 ¼ % GRT – Fund 49

Ms. Nichols explained Fund 49 – the outside water resource funding. This is a capital funding source and there isn't any operating in it, except for in-house engineering. \$2.1 million will be taken out for the Snake Tank project.

Mayor Galea asked about the sediment part that is not funded. City Manager Stahle said that would be up to the City. If there is dredging equipment on site the mobilization expense will be significant so if we are going to try and dig more out, that would be the time. We are guessing the cost of dredging just the amount from the fire, so until we have real numbers it is hard to do.

You

need to put that in perspective with all these other expenses. Ms. Nichols pointed out the money

in the Environmental GRTs could be used as well. She said if you remember in the RO project, she had put a bond issue in their bond proceeds of \$4.5 million to help cover cost in future years.

The debt service of that bond issue would be paid from this fund. With an additional \$365,000 of debt service and the \$2.1 million that we've been carrying through FY20, we are running short. We hope our GRT turns around to make up for this, or some of these expenditures are under. It is something to watch out for.

J4. Water & Sewer Capital Improvement Projects

J. Debt Service

Accounting Manager Boyle showed the 2015 obligations and how they are broken down. As of right now we have 19 debts with two of those being the Desal project. If we don't do another loan, we will owe \$76 billion over the next 20 years. He remarked that the city is in good shape from a debt standpoint.

Mayor Galea asked how much more before we could not borrow. Mr. Boyle said after 10 years you can get new money to pay off other money, and we did a lot of that in 2011 because of the better interest rates. We will have to wait 10 more years before we could do that again.

Ms. Nichols said the city manager has asked her to look at a debt management policy for the commission to consider.

City Manager Stahle also wanted the commissioners to get a spreadsheet of the call dates for various funds. Our debt is something we need to be very careful of. When we did the last GO Bond, we no longer have a lot of GO Bond capacity since those two passed. You would be crazy to use all our capacity at any time.

Commissioner Hernandez left the meeting at 4:46 p.m.

Contract Finance Operation Consultant Nichols mentioned there was a plan so we knew exactly when those would pay off and you could float another one, and we are going to get that back together.

Accounting Manager Boyle said on page 252 or 253 of your Budget Book there is a summary of each debt. He told them which loans would be ready in 2014 to potentially re-do. Ms. Nichols said there is a lot of thought that must go into this. Just because it is callable and you are able to refund doesn't mean you necessarily need to do that unless you have a good plan. Mayor Pro-Tem Rentschler said if we can get down to 1% than it would be something to look at and consider.

City Manager Stahle reminded all that on Tuesday at 4:30 p.m. a Public Hearing will be held where you can make motions to amend what has been presented. At the 7:00 p.m. meeting that evening you will have the actual tentative budget to approve, and you will have the final in July.

Mayor Galea asked everyone to write out any motions to amend and give to all commissioners so there won't be any duplication. Contract Finance Operation Consultant Nichols remarked the budget has to be balanced, so if you have changes that would add additional impact to the budget, we will need time to figure that out.

Mayor Galea asked for pay scale information compared to other communities and City Manager Stahle said he could provide it by tomorrow morning.

Recessed the meeting at 4:50 p.m. and will reconvene Monday, May 12th at 3:00 p.m. here at the Fire Station.

Not Covered:

General Obligation – Property Tax (Fund 53)

Revenue Bond P & I (Fund 59)

Water/Sewer Bond P & I (Fund 82)

MONDAY, MAY 12, 2014 - 3:00 P.M.

Mayor Galea called the meeting to order at 3:00 p.m. Commissioner Baldwin and Mayor Pro-Tem Rentschler were absent. All other commissioners were present.

Other Director's Present: City Manager Stahle, City Attorney Thies, City Clerk Cantin, Contract Finance Operation Consultant Nichols, Assistant City Manager McNeile, Public Works Director Cesar, Police Chief Duncan, Fire Chief Ward, City Engineer Thomas, and Human Resource Manager Josselyn.

City Manager Stahle drew their attention to the skipped areas from last week – the Fund Reserve Policy recommendations. They will begin with that today and then the Administrative Fees, Franchise Fees, Trusts, Agencies, Public Housing, and Other Outside Agencies.

Contract Finance Operation Consultant Nichols said we want to talk about the fund balances and that it is important the city make a policy. We do not have a written policy ready at this point.

K. Policy Recommendations

E1. Fund Reserve Policy

GASB 54/ Restricted, Committed Funding was presented by Helen Viscarra-Reno

Assistant Finance Director Viscarra-Reno went over the Policy Recommendation. City Manager Stahle clarified GASB as Governmental Accounting and Standards Board, and GASB 54 is their policy recommendations. Assistant Finance Director Viscarra-Reno continued with the information concerning GASB 54 which was illustrated on the Power Point slides.

Ms. Nichols said the city audit was as of June 30, 2014. The finance department did prepare a management discussion and analysis and throughout the audit it does point out fund balance. The fund balance has those specific five categories of non-spendable, restricted, committed, assigned and unassigned. She gave the numbers associated with these categories. We need you to understand that the commission has to pass a policy in order for the audit to recognize these areas, so we need to get this done. We are asking to bring that final policy when we bring the final budget back to you on July 22nd and make it retroactive back to June 30, 2014, so we are able to categorize that fund balance. The audit showed the total unassigned fund balance was \$9,334,000. She continued with the Fund Balance slide.

Commissioner Straface asked for her projection as of June 30, 2014, and she said that analysis had not yet been done. When it is done she will let them know.

City Manager Stahle said the unassigned is for major capital projects that have been approved and are being addressed.

Commissioner Straface would like to know what the unassigned, uncommitted balance is.

Ms. Nichols referred then to page 15 – the All Funds Summary (3 pages before the General Fund tab.) She pointed out the recaps.

Mayor Galea said as it is now, \$2.3 million will be left in the General Fund cash balance, and maybe there will be a million dollars left before adopting the reserve. Ms. Nichols responded the \$1,067,000 has to come out of the \$2.3 million; there is where you have the \$1.3 million that is unappropriated at this point. She reminded everyone these are all estimated numbers. General Funds are usually your most unrestricted funds.

Ms. Nichols went on with the recommendations to adopt a two month operating reserve. These all would be based on operations and not on capital.

Mayor Pro-Tem Rentschler joined the meeting at 3:21 p.m.

Mayor Galea asked if that was already assigned but not restricted. Ms. Nichols said yes, but since the city commission cannot approve a budget past the current year, we would want to include this in the policy in order to make it consistent. City Manager Stahle added some of these operating reserves will take some time to build up. We are required by law to have a one month reserve.

Commissioner Straface asked what that dollar amount would be. Ms. Nichols said she had some slides to show that and she continued with the slides. In 2012, when we had the flooding we inquired into using this reserve and found we could but it would have to be replenished by the end of the fiscal year. City Manager Stahle added that is why we need that additional reserve.

Contract Finance Operation Consultant Nichols said we will put language in the policy where it can be used and it will be flexible for the city.

Mayor Pro-Tem Rentschler asked what that will do to our planning, and was concerned about the immediate future. City Manager Stahle said it is up to you how you want to do this, and how the reserve would be spent is entirely up to you.

Commissioner Straface asked about spending and City Manager Stahle explained we have had to dip into the reserve. Ms. Nichols explained what the City had done this year budget wise, and that we are using fund balance for the budget. Commissioner Straface said you can't do that forever and all agreed. City Manager Stahle said this is why we asked you to allow us to put together a Five Year Plan.

Mayor Pro-Tem Rentschler asked if we used \$1.6 million to balance this fiscal year, and Ms. Nichols said it was for FY14. We are using \$3 million this year, for 2015.

Mayor Galea said we would need a lot of new economic development opportunities in the city to make up the difference in GRT revenues. Commissioner Straface remarked we could reduce. Mayor Galea said there a lot of services we provide which other communities do not. Discussion amongst the commissioners and city manager.

Ms. Nichols went on saying the General Fund subsidizes the Court Operations, Community Services, Community Development, Senior Center and Airport. Because these are Operational Funds, they should be included in the reserve for two months. They would have to set aside an additional \$1.3 million. She continued explaining how to set money aside. This could be done over four years or even five, six, eight or ten years.

Commissioner Straface asked if we had only 1/12th reserve would it include those five things you listed. Contract Finance Operation Consultant Nichols said in the General Fund, yes. It would include the General Fund operations and the operations the General Fund subsidizes. Commissioner Straface asked if they had operating reserves and was told no.

Ms. Nichols recommended all Enterprise Funds have an equal two month reserve. She explained the Fund Reserve Recommendations slide going through each fund. She reminded the commission that when money is set aside for the Reserve it is a one time thing and won't have to be done again.

City Manager Stahle said the underlying principal behind the Reserve Policy is important to understand. You have money now that you could spend, but the reality is that you have already dedicated most of it. It is important for you to look ahead and get our financial house in order.

Commissioner Straface said we have three choices: we could say no, we could say we want to do this immediately, or we could say we want to do this over a period of years. City Manager Stahle said that is correct.

Accounting Manager Boyle said the GFOA recommends there be a Fund Reserve Policy, and the City has not had one. It shows the City is planning ahead and thinking about the future. All audits are on the State website and someone could make assumptions they shouldn't because we don't have a reserve. City Manager Stahle said it also goes to Wall Street and that makes a big difference. He was surprised the City of Alamogordo didn't have a policy. He said it's important that it be adopted prior to the final budget adoption in order for it to show in the next audit. We will probably be bringing it to you the first meeting in July.

Mayor Pro-Tem Rentschler's biggest concern is whether this is a good year to start it, since we are coming off a significant GRT downturn. City Manager Stahle said that might speak to how many years you want to use in order to build this up. Mayor Pro-Tem Rentschler said his concern was if the NM Legislature does not respond to the Hold-Harmless. Mayor Galea thought that was a reason to start it now in order to have some safety net.

Commissioner Sikes said it was unrestricted so we could access it if needed, and City Manager Stahle said we could access our part but not the 1/12th. Ms. Nichols said we could make our reserve flexible. Commissioner Straface asked how we could access the 1/12th and was told by amending the budget. City Manager Stahle said good financial planning suggests this policy is needed.

Ms. Nichols reminded them it isn't simply good financial planning; we won't be able to do these five categories without a policy.

E4. Administrative Fees/(Franchise Fees) - allocations

Ms. Nichols explained the Administrative Fees. All the city operations utilize the Administrative Fees.

Mayor Pro-Tem Rentschler asked what percentage goes into Administrative Fees. She didn't know the exact percentage but explained how they arrive at the figure.

City Manager Stahle said for example we have Solid Waste and we have an Authority. There are certain expenses the attorney incurs as a result of advising the Special District. That is what this is.

Mayor Galea said part of the Admin. Cost is part of the transfers out. What else is part of transfers out? Ms. Nichols said the Admin. Fees are not transfers out, those are Internal Services.

Commissioner Straface and City Manager Stahle discussed the Admin. Fees.

Ms. Nichols said in the Admin. Fees, we take the total budget of various departments and calculate what that budget is to the total budget of all. She continued with her explanation. She noted the \$943,183 total was inaccurate; we will make that correction.

Commissioner Straface said when you say Enterprise Fund to me that means it's self supporting. Contract Finance Operation Consultant Nichols said it is supposed to be. He went on to discuss this with Ms. Nichols.

Ms. Nichols pointed out that the City Manager in 2012 charged all of the Enterprise Funds including the Housing Authority a 5% Franchise Fee in addition to this. So the Administrative Fee amounts include administration fees to cover the General Fund expenditures for the City Manager, City Clerk, Finance, and City Attorney. The other is franchise fees. The Franchise Fees in the budget being presented to you have been eliminated with the exception of the Water/Sewer Operating (F-81). She explained why this is being done.

City Manager Stahle said the brutal fact is we were double charging the budgets and that is not normal. Commissioner Straface asked how much you are losing and City Manager Stahle said we have absorbed it, so in the proposed budget it is taken into account.

Contract Finance Operation Consultant Nichols explained further. City Manager Stahle said this is getting us back to what is considered normal accounting.

Commissioner Straface asked what the amount was that was absorbed. Ms. Nichols responded \$433,000.

City Manager Stahle said that whatever you funded for Other Agencies had to be matched in this budget. If you did not fund them last year, it is not in here this year. There isn't any money for S.A.N.E. or Alamogordo Club for Teens. You only funded Zia, OCEDC and the Chamber, and we funded those three.

Commissioner Hernandez asked about the Alamogordo Club for Teens asking for \$5,000 or a building. Would the Civic Center be available to them if it met the scheduled times, and the city manager said the scheduled times would be an issue. He asked about the outside offices within it, and Mayor Galea said she thought they were looking for stations for homework and computers, like a clubhouse. It was noted the Library was full.

City Manager Stahle said this is one of the hardest things any jurisdiction faces, because a lot of entities have wonderful programs you would like to fund. The problem is we have our own level of service that would be impacted if you do divert money to them. He explained how this has been done by other jurisdictions.

Commissioner Sikes feels like it's a repetition of services. She noted many churches do something, there is the Recreation Center and a Library with after-school services and the Boys and Girls Club. Mayor Galea would like to see a presentation on this. Commissioner Sikes said she appreciated what they are trying to do but they are not a proven agency and have no success record. There was further discussion on this.

City Manager Stahle said if there was anyone in the audience who wished to speak to any of this they were welcome, but this is what has been budgeted.

L. Outside Agencies

Chamber of Commerce Services (fund 20)

Lenora Stevens, Vice-President of the Alamogordo Chamber of Commerce addressed the commission. (See handout). She said they are requesting the same for both of their contracts – Tourism Contract remains at \$25,000 per year and Promotional Services Contract at \$26,000 per year. Ms. Stevens explained how the monies are used and gave statistics for the past year.

She did not have a presentation for OCEDC but had a handout and could answer any questions.

Economic Development (Fund 20 & 105)

Mayor Pro-Tem Rentschler asked if all outside agencies are up to date on their audits, and the city manager felt they were. He knew that OCEDC and Chamber came up with the required reports.

Zia Therapy – Z-Trans (Fund 44)

Joe Hardin presented the Z-Trans report. He remarked there was some controversy last year over the Las Cruces transportation. He thought they would see by the charts that their ridership has almost doubled over the last year. We did institute a \$3.00 fare and are still experiencing an increase in ridership for Las Cruces; these are mainly students. He explained the complete program. They were glad to have the same amount this year as last. DOT gave us two years to prove the Las Cruces program and they did it within schedule so that has allowed us to roll it into our application for federal funding for FY15-16.

Commissioner Turnbull asked about the adding more bus shelters. Joe Hardin said they would love to, but will have to work with the city to coordinate. City Manager Stahle said one issue is that the clientele changes at locations, so needs change.

Mr. Hardin said they have added county stops for Dona Ana County in order to get that county into the program. We don't charge them \$3.00 since it is such a short trip into Las Cruces. That county is paying through the Regional Transit District and we are billing through RTD.

Commissioner Hernandez said he could support the local routes but not the Las Cruces route.

Mayor Pro-Tem Rentschler asked Mr. Hardin about the application to the Federal Transit Authority. He asked if that reduced the load on the city, and was told no. The city is supporting the Las Cruces run with \$10,000.

Sharon Gilsdorf said the city is putting in \$10,000, Las Cruces is putting in \$10,000, NMSU is putting in \$10,000, and Otero County is putting in \$10,000. The City's total is \$109,989.20. Ms. Gilsdorf said that of the \$109,000 put in by the City, the federal government puts in an additional \$153,000, so city-wide the transportation is \$263,000. Mescalero puts in more than the City but they operate on the Saturday system.

Mayor Galea said she is definitely in support of the Las Cruces route.

Sharon Gilsdorf asked if they had a chance to read the success story of the individual who is wheelchair bound and blind. He used our system to go to NMSU-A. He is now using the route to go to Las Cruces to continue his education.

Joe Hardin felt Z-Trans has proved itself over the years. This year we are looking at going over 120,000 riders. Mayor Galea said this is something that will be looked at through BRAC. Joe Hardin said we have been surprised at the number of students who have been riding this year. Sharon Gilsdorf said we also have some people from Las Cruces riding to work here, and others going to Las Cruces to work.

Alamogordo Club for Teens, Corp.

He had to leave for a medical appointment.

SANE of Otero/Lincoln Counties

Kari Rankin, the director of SANE was disheartened to hear they were not included in the budget. She asked if anyone here was expecting to get in a car accident on the way home, and answered no. She asked if anyone here was expecting to get sexually assaulted on their way home, and answered no. We know it happens here and know it can go unreported. We have to send victims to Las Cruces for services because we have not had the ability to serve the victims of our area. She was asking for money for the nurses. They are able to offer follow-up care for victims. They come to us for a medical exam, we give them the cocktail of STI medications and send them on their way with a

mental health referral. We hope they follow up with their primary care physician, but after that we have no choice but to be done with it. What she would like to see happening in the program is for those nurses to be able to follow up with the victims/patients and call them up three weeks later to see how they are doing, have they followed up, are they taking the medications. What people don't realize is our exams are only good for a five day period and our STI medications are good within a 30 day period of an assault. If victims aren't coming forward to tell people they have been assaulted they are probably not going to their primary care providers to be tested for various STI's. If we have people walking around with various STI's then we potentially have a public health risk. Our program can offer those completely anonymous because we are bound by HIPA, and by our nurses being able to provide that after care service it allows them to ask those questions and make sure they are doing ok and following up. We know attackers attack an average of six times. If the first one gets help and reports it then we possibly save five other victims. The other thing she was looking for was on-call pay for the nurses. Our program budget is very small and we only receive state grant funding from the coalition programs out of Albuquerque. She said their nurses were amazing and all work crazy shifts – ER nurses, labor/delivery nurses and more who will come in after 12 hour shifts with no questions asked. They are also on call and many of our calls come in at 2 a.m., 11 p.m., etc. She would like to also offer them compensation for a 12 hour shift outside of what they are already doing for us. In addition, this should help us retain and recruit more nurses, because the first question they ask is if we offer on-call pay. We do not because we do not have the funding for it. (unintelligible) If they report it to law enforcement now the Las Cruces nurse has to come here. We would really like to keep this within our community. For follow-up care nursing she asked for \$200.00; the standard nurses pay is \$28.00 per hour. We are a target for (50?) cases for the year and that would include follow-up care for each case. She was asking for \$8,760 for on-call pay and that is at a \$2.00 per hour standard rate times 12 hours per day times 500 equaling 4,380 hours for the entire year. The total she is requesting is \$10,160.

Commissioner Straface asked how she was funded and she told him strictly by NM Coalition of Sexual Assault Programs; they provide the grant money.

Commissioner Sikes asked how many victims they had this year and Ms. Rankin told her this year, 2014, to date they have had 17.

Commissioner Straface asked if they have requested funding from other agencies and she said they have not. There are some internal issues they are working out to be able to do that. Commissioner Straface asked if a request had been made to the County and she said not yet. She said she is new to the process and she had come in under the wire since a lot of her focus had been in rounding out and learning about this program. She has been in Albuquerque with the Coalition learning about this and so she is trying to catch up now. Ms. Rankin said she wants to go to the County.

Mayor Galea said she sees this as a necessary service and you are saying your shortfall after the state funding is \$10,160. Ms. Rankin said their state funding covers salaries only. She is required to be there and they have a clinical coordinator who is a nurse and is also required to be there in order to take care of medications and all medical information. Our entire budget goes towards salary; neither of us work full time in this position. This is something that benefits the community and the more we get the word out there about sexual assault the more people will know. They can come to us without telling anybody; we are primarily a medical service bound by HIPA and our nurses are trained in forensics.

Mayor Galea said she knew this was a question for our city attorney. Commissioner Sikes had a great question last year asking if there was a revenue stream that could be created through a court fine. She wondered if that question had ever been answered. Commissioner Sikes said we never pursued it. Kari Rankin remarked the previous director had said this was something we should look in to. Their priorities have been all over the place and it is something we are looking for. Obviously, we work with (?) and our Sexual Assault Response Team and so she would like to have that conversation with the various court systems between here and Lincoln County.

Commissioner Sikes said she mentioned the Sexual Assault Response Team (SART) and wondered how much overlap there was between what she does, what SART does and what the organization from Holloman does. Ms. Rankin said basically they are a part of SART. We are there primarily to review what comes through – how is law enforcement dealing with it, how is the hospital dealing with it, how are the SANE staffers dealing with it, and the Holloman group. We all try to get together to discuss issues and we usually discuss (pediatric?) issues because we don't want to see them fall through the cracks. The idea is that together we can have better systems in place to deal with the issues as they come up. Is the hospital calling the right people when they show up at the emergency room? Do all the cops know what to do when they get a victim? That is the purpose of SART; make sure all the outside agencies know what each does and how to react with each other. None of us can stand alone. SANE does a medical exam. They are nurses who make sure the victim is ok and sometimes are the first person to tell the victim they are believed and will be ok.

Commissioner Sikes said the victim can get that at the hospital, too. Ms. Rankin said the hospital likes to send them to us. Commissioner Sikes asked why and Ms. Rankin said no one wants to talk to a sexual assault victim, let's be honest. Commissioner Sikes said it is 2014 and they are talking about it. Ms. Rankin said that is true, but we still kind of shy away from it. Commissioner Sikes said it is happening to three victims a month. Ms. Rankin said unfortunately yes, reported. The rest aren't coming in and we know that. A large part of it is the media says to us it is violent crimes committed by strangers, when that is a small percentage. We know most are by someone you know and that makes things more confusing. For instance, they say it was my husband's friend and I don't want to cause any problems so I won't say anything. Ms. Rankin stated we know sexual assault will most likely happen with someone you know and likely will happen in your house. All those issues combine – are we going to blame the victim, will they believe me – so we just don't talk about it. Commissioner Sikes said she is playing devil's advocate here; the more I ask these questions the more you talk about what you do, and she thought what they do is extremely important.

Mayor Galea said what if we can leverage a partnership with the County. We did something similar with the state for the New Mexico Museum of Space History (NMMSH). Could we guarantee funding if the County could match it? Hypothetically, if we threw out \$5,000, it would be up to the County to match it in order to equal \$10,000.

Commissioner Hernandez stated he was going way out on a limb that might snap off, but that doesn't matter. The issue you brought up about fines from the Magistrate and Municipal courts to fund this; it has been 12 months since this was brought up and he knew she was extremely busy and her predecessor was extremely busy doing things that she probably shouldn't have been doing, and that's the limb that is probably going to snap off, but he thought if they would have done that instead of what they were doing maybe you guys would have that in place, or the possibility of having that in place. He said to continue looking at us when we are short-falling again, we can't give our employees raises or anything like that yet we are going to pay your employees \$28.00 per hour; that was really tough for him. He knows this is a needed service and he works with them quite a bit on some of the stuff they do, but he felt there were other resources out there that could help you, also, and you aren't tapping those. Ms. Rankin agreed with him and couldn't speak to what the former director did (and something about three months). Commissioner Hernandez said it wasn't good and there's a really bad taste so it makes it tough. Ms. Rankin asked him to take her on and not the former director. Commissioner Hernandez said ok, but still saying, that is the problem. He went on to say he understood what she was saying and he agreed with her.

Commissioner Sikes asked when the County goes through their budget process. City Manager Stahle said they are in the process like we are. Commissioner Sikes said Mayor Galea has had a good idea because that would almost double your money and shows on the part of the County. It worked with the Space Museum when we tried that. She was told by someone that was a one time deal.

City Manager Stahle said tomorrow is the time for direction from this Commission on how you want to handle any changes to the budget, and that would obviously be a change unless you had any other questions.

Commissioner Hernandez asked if this would come out of the general fund and was told yes.

Mayor Galea asked if the commission wanted this to come up on discussion tomorrow as a one time budget change adjustment.

City Manager Stahle said we did, unless there is anything else from outside agencies, list a trusted agency fund, so he wanted to back up and catch that.

It was decided to take a break.

Recessed the meeting at 4:47 p.m. and reconvened at 5:02 p.m.

M. Trust & Agencies

L1. Trust & Agencies Funds Summary

Ms. Nichols explained the Trust and Agency Funds.

Mayor Pro-Tem Rentschler asked why there are no expenditures in the cemetery/perpetual care fund. Ms. Nichols said it is for long term care after the cemetery is filled to its capacity. Mayor Galea said in our long term planning for the cemetery, are there other areas where it can be extended. City Manager Stahle said it is pretty much surrounded by private property, so if they needed to expand we will have to go elsewhere. Assistant City Manager McNeile said we currently have 2,000 cremation plats available, which would be about 20 years worth.

Commissioner Straface asked about the Corp of Engineers Escrow Account Reserve. City Manager Stahle said we put money into the account and they tap that. Ms. Nichols said we have a 10-15 year Corp project for Flood Control and in that agreement whatever money we pay them for that year has to go into an escrow account by August 15th prior to their fiscal year. Ms. Nichols told Commissioner Straface we are funding it at 25% and we are in the last phase on that.

L2. Public Housing Authority Component Unit

Capital Fund Projects (Fund 904)

Low Rent Operating (Fund 901)

Homeownership Operating (Fund 903)

Mayor Galea understood that because of new policy, they cannot have a large reserve balance. Are there plans to utilize the use-or-lose portion of that? Maggie Paluch, Operations Manager said it's not that we can't have a large fund balance, it's that they don't recommend as much as we have. HUD requires four months on reserve or 40%.

Mayor Galea asked if there were any remodels or improvements planned with more than 40% and Ms. Paluch told her no.

City Manager Stahle said we are contending with houses the city already owns, and he has worked with Habitat for Humanity to see if they have any interest in them; they do not. We will revisit that issue. Commissioner Straface asked for a list of these properties and Ms. Paluch said she and her staff would be more than happy to give a tour. Mayor Galea explained the past history on these properties.

N. Any other unfinished discussions

Mayor Pro-Tem Rentschler brought up a Zipper machine used to remove asphalt. He felt if we had this machine in-house we would be much more likely to use it for the smaller jobs, and he noted some places where this could be used. He also discussed working on the South Fork.

City Manager Stahle had asked the Public Works Director for an estimate to work on the South Fork and was told about \$45,000. They spoke about communicating with the residents in that area. Mayor Pro-Tem Rentschler said he was told we own the day time flows but not the night time flows, and that was discussed. Mayor Galea said she agrees with being pro-active but also fair. City Manager Stahle said we do have an obligation to manage our water resource.

Mayor Galea asked the cost of the Zipper machine. Mayor Pro-Tem Rentschler said it would be \$135,000. Mayor Galea asked how often it would be utilized.

Commissioner Sikes said we can sell the striping machine we never use.

Commissioner Hernandez said Pastor Forney came last year to ask the City to look at the road in front of his church. Commissioner Hernandez went to look at that section from Delaware to Maryland and saw it was bad. The rest of the road was great and wouldn't need to be done. City Manager Stahle said we currently contract that expense and if we had our own equipment it would save us. Mayor Pro-Tem Rentschler said it would also be to help run utilities. There was more discussion on the machine and how it is used.

Mayor Galea asked if this is something we will see as an adjustment to the budget tomorrow and Contract Finance Operation Consultant Nichols said she would put it on the list.

Mayor Galea said Human Resource Manager Josselyn had provided her with a list of comparable PD and FD salaries from other communities. Our officers are paid more and she was surprised by that, and Commissioner Hernandez said the reason was because we are closer to the border. She proposed we not give a reoccurring annual cost of living increase this year, and instead give a one time 5% of their gross pay merit. Commissioner Hernandez didn't have a problem with that but said there are a lot of other employees.

Mayor Galea asked how that would affect the budget overall if we did the one time 5% merit across the board.

Commissioner Hernandez said we have a Five Year Outlook, and there isn't anything in there for salaries and benefits other than the insurance we are talking about. We have already cost our blue collar employees 25% in the last two years. He discussed negotiations. Mayor Galea asked what he would propose to negotiate with, fringe benefits, paying more insurance, or what?

Mayor Pro-Tem Rentschler said we did negotiate the 1.5% and they never agreed to it. City Manager Stahle said that was APSOA only. Commissioner Straface said there are several options, but when you give a percentage it goes on forever. You can offer a set dollar amount every year and give the employees an option as to how they want to use it.

Commissioner Hernandez said this year we are budgeting \$300,000 for police and fire vehicles. What good are they without the people to put in them; you have to take care of your people.

Mayor Galea asked if he wanted a Staff report of how it would affect the budget to give a one-time amount to just PD and FD and then if that one time amount was given to all city staff. Commissioner Hernandez said we have to thank our employees for the job they are doing.

Mayor Pro-Tem Rentschler and Commissioner Straface discussed one option. Commissioner Hernandez suggested a redline bonus. Mayor Galea asked if he would be ok with a one time merit amount. Commissioner Hernandez thought we should build in something that would be there every year. Mayor Galea felt we needed to recognize all employees and that we should look at our

reserves for this. Commissioner Straface thought we should charge the city manager and staff to see what it would cost and the consequences. Commissioner Turnbull said one way to do it if you wanted to use the Reserve is cut down that 25% from four years to seven years and you could use that excess.

Mayor Galea asked about making employees whole. City Manager Stahle said we can come up with some ideas, but just the 10% rate increase for employee only insurance would cost the employee about \$207.00 a year. Mayor Pro-Tem Rentschler reminded all that the lowest paid employees are protected from that. This was discussed back and forth.

Human Resource Manager Josselyn said the Affordable Care Act will affect everyone. Mayor Pro-Tem Rentschler, City Attorney Thies and Human Resource Manager Josselyn discussed this.

City Manager Stahle said we can provide you with some numbers concerning all this tomorrow for your review. Human Resource Manager Josselyn said the 10% increase at current levels is about \$120,000 – our side only.

Commissioner Straface felt that whatever decision is made it will have to be found in the budget, and we will have to stand by it.

Commissioner Hernandez said another item is employee engagement. He felt the employee parties were very important to let the employees know they are appreciated. City Manager Stahle is in support of two events per year – one adult gathering during the holidays and a spring-time picnic for the families. Human Resource Manager Josselyn said the employee picnic cost about \$4,200.00.

Commissioner Hernandez would recommend contacting the police department so they don't set up a road block on the same day.

Mayor Galea attended the State of the City Address in El Paso and the commissioners each gave a State of the District Address at the same time and place. It was a no-host lunch put on with the help of the Chamber of Commerce. She thought it would be a good thing to do. City Manager Stahle said the Chamber usually charges but there is not a cost to the City.

Mayor Galea would like to see reclaimed water storage, but would keep this until tomorrow.

City Manager Stahle said we will meet here tomorrow at 4:30 p.m.

Commissioner Hernandez moved to adjourn at 5:45 p.m. Commissioner Sikes seconded the motion. Motion carried by a vote of 6-0-0.

Mayor Susie Galea

ATTEST:

City Clerk René L. Cantin

*(Prepared by Nancy Jacobs, Deputy Clerk)
Approved at the Regular Meeting held on June 24, 2014.*

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
7:00 P.M., COMMISSION CHAMBERS
JUNE 24, 2014**

**SUSIE GALEA, MAYOR
JASON BALDWIN, COMMISSIONER
NADIA SIKES, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
AL HERNANDEZ, COMMISSIONER**

**ROBERT RENTSCHLER, MAYOR PRO-TEM
DR. GEORGE STRAFACE, COMMISSIONER
JIM STAHLE, CITY MANAGER
STEPHEN THIES, CITY ATTORNEY
RENEE CANTIN, CITY CLERK**

CALL TO ORDER, ROLL CALL, INVOCATION & PLEDGE OF ALLEGIANCE

Mayor Galea called the meeting to order at 7:00 p.m. Roll Call was taken by the City Clerk. Clerk Cantin announced there was a quorum present. Invocation was given by Reverend Victor Colton and the Pledge of Allegiance was led by Mayor Pro-Tem Rentschler.

APPROVAL OF AGENDA

Mayor Pro-Tem Rentschler moved to approve adding the Addendum items to the agenda. Commissioner Straface seconded the motion. Motion carried with a vote of 7-0-0.

Mayor Pro-Tem Rentschler moved to approve the amended agenda. Commissioner Turnbull seconded the motion. Motion carried with a vote of 7-0-0.

PUBLIC COMMENT

A. Harv Hamilton commented on the following:

- 1) Mr. Hamilton remarked that at a Fireside Chat earlier in the year people talked about the police doing things he considered trivial, when the police need to be patrolling his street because cars were traveling more than 50 MPH even though the speed limit is 25 MPH. As a result of a public records request, he ran across a 1998 traffic study dated December 7th that showed 86 cars were going more than 50 MPH and 10 were going more than 70 MPH. There hasn't been any change on that street as far as width or things like that. It was the only study done on the straight-away; all others worry about counts at intersections. This one showed counts and speeds. It also indicated the safest speeds that were also the safest speeds in 2011 and 2013.
- 2) Prior to the mayoral debate, one of the questions he submitted for the candidates was asking why the Planning & Zoning Commission was not involved in traffic studies. One candidate suggested NMSU students could make inputs to it and it seemed to him that it made sense for the P&Z to get involved. He didn't understand why doing the streets drives city expansion and not the reverse; we are getting the cart before the horse.
- 3) Concerning the Fund 118 projects, he wondered how whims influenced how the special projects were listed. Recently, there have been letters to the editor explaining the flurry of activity to get the money spent. He had looked at the Public Hearings and who commented on what, and what has happened to the projects originally discussed with the public in 2011. He named Puerto Rico turning right onto Indian Wells and Washington stop signs. Eight people made comments and six were in favor of putting in stop signs. There was discussion on Scenic and 10th Street, the right turn lane on White Sands Blvd., Washington and Canyon Rd., Panorama/Hamilton, and Florida – 10th St. to 16th St. Doing anything about the area between 1st St. and 10th St. on White Sands Blvd. was not on the list, and he thought that was surprising. That is where all your money is coming from and where traffic is. Lastly, Juniper was not on the list. It was indicated as something the commission at that time was going to handle in a different way.

Mayor Galea said we will follow up with him off-line. The 118 Fund projects are all major road construction and began three commission terms ago; one commission cannot hold another accountable to any projects. The prior commission had re-ordered the projects based on need.

CONSENT AGENDA (Roll Call Vote Required for items No. 4, 5, 6, 7)

1. **Approve Minutes of the May 5, 6, 7 & 12, 2014 Special Budget Workshop Minutes and the June 10, 2014 Regular Meeting of the Alamogordo City Commission.** *(Renee Cantin, City Clerk)*
2. **Approve statement related to the Executive Session of June 10, 2014.** *(Renee Cantin, City Clerk)*
3. **Approve the Lodger's Tax Expenditures for Tourism & Travel.** *(Jan Wafful, CS Admin. Assistant)*
4. **Approve Resolution No. 2014-28 requesting written approval from the Local Government Division of the Department of Finance & Administration, State of New Mexico for the revised budget figures computed as of June 24th, 2014. [Roll call vote required]** *(Kathy Gilsdorf, Budget Analyst)*
5. **Approve the final publication of Ordinance No. 1469 amending the zoning map, changing the classification of a certain area consisting of Alamo Blocks Block 84 Lot 12, the South half of Lot 13, and Lot 14 (commonly known as 1121 and 1115 North Florida Avenue) from their present designation and zoning district of R-4, Multiple Family Dwelling District to C-3, Business District. (Case # Z-2014-0001(A)) [Roll call vote required]** *(Renee Cantin, City Clerk)*
6. **Approve the final publication of Ordinance No. 1470 amending the zoning map, changing the classification of a certain area consisting of Quail Hollow Subdivision Lots 7-11, and Quail Hollow 2 Subdivision Replat A Lots 2A-8A (commonly known as 1150, 1200, 1210, 1220, 1230, 1240, 1250, 1300, 1310, 1320, 1330, and 1340 San Carlos Street) from their present designation and zoning district of R-1, Single Family Dwelling District to R-2, Townhouse Dwelling District. (Case # Z-2014-0002(A)) [Roll call vote required]** *(Renee Cantin, City Clerk)*
7. **Approve the final publication of Ordinance No. 1471 modifying the composition of the Airport Advisory Board. [Roll call vote required]** *(Renee Cantin, City Clerk)*
8. **Approve the award of RFP No. 2014-001 Financial Services for the City of Alamogordo to the overall highest rated proposal, RBC Capital Markets.** *(Matt McNeile, Assistant City Manager)*

Item #1, was removed from the consent calendar by Mayor Galea.

Item # 9 was removed by Mayor Pro-Tem Rentschler from the consent calendar.

Commissioner Hernandez moved to approve items # 2, 3, 4, 5, 6, 7, 8 of the consent calendar. Commissioner Baldwin seconded the motion. Roll call was taken for items #4, 5, 6 & 7. Motion carried with a vote of 7-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

1. **Approve Minutes of the May 5, 6, 7 & 12, 2014 Special Budget Workshop Minutes and the June 10, 2014 Regular Meeting of the Alamogordo City Commission.** *(Renee Cantin, City Clerk)*

Mayor Galea asked the Commission to table the special minutes because she had not had a chance to review them and they are quite extensive. She did ask to approve the June 10, 2014 Regular Meeting Minutes.

Commissioner Straface moved to table May 5, 6, 7 & 12, 2014 Special Budget Workshop Minutes. Mayor Pro-Tem Rentschler seconded the motion. Motion carried with a vote of 7-0-0.

Mayor Pro-Tem Rentschler moved to approve the June 10, 2014 Regular Meeting Minutes. Commissioner Turnbull seconded the motion. Motion carried with a vote of 7-0-0.

9. Approve the award of RFP 2013-006 Fixed Network Mesh Automated Meter Reading (AMR) System to Zenner USA. (Armando Ortega, Customer Service Manager)

Mayor Pro-Tem Rentschler remarked he had removed this one primarily for informational purposes, and he did not intend voting against it. Any time we are going to spend \$2.6 million dollars, we need to discuss it. This automated meter reading stuff has been going on for all the years he had been on this commission. He asked Customer Service Manager Ortega whether we were doing Fire Fly anymore, and Mr. Ortega said we are not.

Customer Service Manager Ortega said we are going from the Legacy product to the mosaic product; from a single frequency unit to a multi-frequency unit that will allow less jamming of the system. This is because we live in a basin. The single frequency system was being jammed by WiFi and garage door openers and is not efficient. That is what the technology was when we first began looking at these systems. We are not longer using that system, at all.

Mayor Pro-Tem Rentschler said that was disheartening to hear and asked how much was spent on that system. Customer Service Manager Ortega told him it was about \$400,000.

Mayor Pro-Tem Rentschler said you believe this mosaic system will be good. Customer Service Manager Ortega told him that was correct. He had run a pilot project and got good feed-back from it. He said the system works off the mesh system and you have over 250 frequencies it hops against. If there is one frequency jammed it goes to another and feeds off each meter. It is based off a network system that will allow us to read meters from the office as well as run profiles. The big thing for us is capturing lost water because the system will run trickler reports for us that will tell us of any customer with more than 24 hours of continuous consumption; it will notify that customer by email or phone. We can adjust our leak abatement program since we can notify customers within 24 hours, so if they don't fix their leaks in a timely manner then we can adjust the abatement program to reflect that. The cities using this system are seeing a 6%-8% growth in their revenues simply based off the dead meters, and that should pay for the system within five to six years.

Mayor Pro-Tem Rentschler asked about efficiency as far as employees are concerned and whether we need meter readers anymore. Customer Service Manager Ortega said the meter readers' job duties will change and will be technical based and trouble shooting. We only have two meter readers at this time. We'll see how that goes, but based on the preliminary information he had, they will be programming, trouble shooting, pulling profiles and more customer service.

Mayor Pro-Tem Rentschler asked what the timeline would be to implement this system. Customer Service Manager Ortega said we want to have it done before the end of the calendar year.

Mayor Pro-Tem Rentschler felt this is something we really need to do and hoped we were going in the right direction this time.

Customer Service Manager Ortega said the narrative on the agenda report showed the way they had structured the contract and implementation plan. We will have to have a fully functional route before payment even goes out. That means infrastructure, all the radio reads installed, reading, talking and everything working.

Mayor Pro-Tem Rentschler said this will include computers and everything in your office, and Customer Service Manager Ortega told him that was correct. It will include brand-new meters at every single home. We have some projects where we recently put in compatible, hard-wired meters, and we won't be changing them out, of course. That will save us some money.

Mayor Pro-Tem Rentschler asked if there was anything else we need to know about this system before we approve it, and Customer Service Manager Ortega said no. It has been a long time coming, and Mayor Pro-Tem Rentschler said it has been at least five years and he was glad to see it here. The abatement programs and what we lose in leaks will be impacted by this.

Customer Service Manager Ortega said the first thing we want to do is look at our abatement program because we will not be reading for the previous month anymore. We can bill within three days; read, do an exception billing and have the bills out within a couple of days. We will be contacting customers by email and phone.

Mayor Pro-Tem Rentschler asked if everyone's billing dates would change and Customer Service Manager Ortega told him it was something they were looking at. Water bills will be going out on three different days as opposed to nine different days we are currently doing. It will be once a week for three weeks. Mayor Pro-Tem Rentschler asked if there was any economy in that. Mr. Ortega told him that if we read the meters and bill them right away, you lessen that gap where customers don't know what their consumption is.

Mayor Pro-Tem Rentschler asked if he would contact the customers about this change since some are on fixed incomes; some may need leeway in their billing. Customer Service Manager Ortega said it was one thing the commission pulled for when looking at this new system; whether we could adjust due dates with fixed incomes. We can do that with this system.

Commissioner Straface asked how realistic the timeline was to have it all done by the end of the year. Customer Service Manager Ortega said it was very realistic since he had been told October today. Commissioner Straface asked if we have the manpower to change every meter in town and Mr. Ortega told him it would be a turnkey project done by Zenner. They will hire a local plumbing company to do the installations.

Mayor Pro-Tem Rentschler moved to approve the award of RFP 2013-006 Fixed Network Mesh Automated Meter Reading (AMR) System to Zenner USA. Commissioner Hernandez seconded the motion. Motion carried with a vote of 7-0-0.

10. Approve an agreement with Western Bakery Corporation to close-out economic development project. (Stephen Thies, City Attorney) WITHDRAWN

NEW BUSINESS

11. Presentation, discussion, and possible action on the Transportation Plan. (Jason Thomas, City Engineer)

City Engineer Jason Thomas addressed the commissioners and introduced the City's GIS manager, Tony Pistilli. He noted Tony had, with virtually no budget, put our GIS mapping on line in order to make it available to the public. Anything you will see tonight is available to the public on line. There are multiple layers that you can turn on/off, and Mr. Thomas applauded the GIS manager for this work.

City Engineer Thomas began the Power Point presentation and went down the list of the Transportation Plan Update (in Power Point pg.2). He then went over the URS Traffic study done in 1998 that combined Holloman Air Force Base (HAFB) and the City. The principal finding was the construction of the Relief Route with connections to existing arterials.

City Manager Stahle spoke to the point brought up earlier about the Planning & Zoning Commission being involved. They were involved in this study and referenced in the Transportation portion of the Comprehensive Plan. It is important to have your planners involved in transportation systems.

City Engineer Thomas continued with the presentation by showing the overall map in the 1998 Traffic Study. At this point, Mr. Thomas pointed out the Map Gallery that is on the City of Alamogordo website. He told the commissioners the yellow highlighted areas were study corridors for the 1998 Study. The grid to the left of the Relief Route was kind of a pie-in-the-sky grid, and all the other yellow lines including major improvements to White Sands Blvd., 10th St., S. Scenic, extension of Florida, MLK, and other collectors here and there are all recommendations of the 1998 Study. That Study's primary purpose was to justify construction of the Relief Route and connecting all the arterials.

City Manager Stahle disagreed with City Engineer Thomas's pie-in-the-sky description. As a planner, he was sure there had been considerable thought put into the city growing to the west. If we do grow that way, we will need some serious transportation enhancements out there. He pointed out it was heavy in the southern end, and that area has started to materialize. The majority of the growth in the last ten years has probably been there and a little bit to the north.

City Engineer Thomas went on to the 2011 Traffic Study and it focused in on eight main tasks which he listed (PP pg. 7). He noted which of these had been implemented to date (PP pg.8). He noted the New Mexico Department of Transportation (NMDOT) Functional Classifications from the Guidance Manual dated February 2014 are what we follow. He noted the seven major functional classifications (PP pg.10), both urban and rural. He said that if your street isn't classified as at least a minor collector, it wouldn't be eligible for federal funding through NMDOT. This is why we have pushed to get all our streets reclassified. Federal legislation uses functional classification to determine eligibility for funding under the Federal-Aid Program, and the NMDOT uses functional classification in many decision-making processes for project prioritization, asset management, safety programs, design, traffic control, and maintenance. Mr. Thomas then defined and showed a cross-section of each functional classification (PP pg.14-19).

Mayor Pro-Tem Rentschler asked about the minor arterial and the difference between rural and urban. He asked if all of Alamogordo was considered urban. City Engineer Thomas said we use the urban classification and have been playing around with the idea of classifying some of the outlying streets as rural, but as of today, we have not reclassified any of them.

City Manager Stahle said the Federal Government also uses these classifications for the purposes of distributing funds for improvement. In trying to balance the rural/urban distribution, they take accommodations for rural areas because they are usually longer and cost as much as urban. He thought this was a consequence of the Federal DOT recognition that some streets ought to be considered for funding even though they may not be serving immediate residential or commercial areas. It is tied to the funding.

City Engineer Thomas said in February we submitted reclassifications to NMDOT where we went out and counted seven streets (PP pg.20). They were all local so we brought them over into either the collector or arterial range, and at that time the commission directed us to keep going and were highly encouraged by NMDOT to do the same thing. We kept collecting traffic counts with the goal to take all streets in a local classification and move them up if they deserved to be. He pointed out the counts since February 2014 (PP pg. 21). We have more streets to count and he mentioned the SERPTA meeting would be on Thursday and these won't be ready for that meeting. We will continue to count and reclassify streets and then bring a long list back to you for the next SERPTA meeting.

City Manager Stahle reminded everyone why we are doing that. If we have them at the higher classifications, we will qualify for outside funding. It isn't an assurance, but if they are not on these lists, they will not be considered.

Commissioner Straface asked about the slide showing Proposed Functional Classification. He asked what each color meant. City Engineer Thomas explained and Commissioner Straface said he understood and could deal with it.

City Engineer Thomas then showed the Proposed Street Classification map with blue and red lines in the City. The thick reds are principal arterials – Hwy. 70, White Sands Blvd., Relief Route and N. Scenic. The skinny red lines are minor arterials, the thick blue lines are major collectors and the skinny blue lines are minor collectors (not in PP). The map shows all proposed changes which are not all NMDOT approved, but we didn't see any sense in showing you old and new data; we wanted to show you where we are going with it. He next reviewed the Current Street projects (PP pg.23), followed by the Proposed Street projects that are coming from Engineering with the Capital Improvement Project program (PP pg.24). These are all being recommended by the Engineering staff and will require future action from the commission.

Mayor Pro-Tem Rentschler asked if this was the N. Scenic extension's Relief Route extending at Desert Sun to the existing traffic light on Mesa Verde, and City Engineer Thomas affirmed.

City Manager Stahle said one of the challenges with the extension of Scenic over to the Relief Route is the railroad track. In order to cross that track we'll more than likely have to give up an existing crossing. Mayor Pro-Tem Rentschler said that would be 8th St., and City Manager Stahle said that would be the logical one since it is the least used of all the crossings in the City. He wanted everyone to understand that fact because when you deal with a railroad, they are slow to take action and don't want any more crossings than they have now. You can understand that since they run at high speed through town. It is a long lead item and will take some effort to get done.

Commissioner Straface asked what ICIP stood for and City Engineer Thomas said it's the Infrastructure Capital Improvement Plan. Commissioner Straface asked for some clarification on the map and asked if the area was currently chip/seal, and City Engineer Thomas said it goes from chip/seal to dirt to desert. Commissioner Straface asked if this plan was for FY16, and City Engineer Thomas said we are proposing a portion of the project at that time. It is project Number Four on the Engineer's Wish list.

City Engineer Thomas talked about the Washington Ave. Reconstruction and said it was a repaving and new curb rehab project. He reminded the commission he had previously come with a MAP grant application, and one of those requirements was that it had to be on the ICIP list.

City Manager Stahle said we will be conducting some Public Hearings to consider the staff generated list of ICIP projects city-wide; not just road projects. He thought it was on July 10, 2014 at the Civic Center at 7:00 p.m. Later in July, the commission will be asked to approve an ICIP list, which is an important list of projects in order of your priority. The State requires every jurisdiction to pick their top five to submit to the legislative process. It's not just about roads, intersection improvements and the like, and he encouraged them to think about this.

City Engineer Thomas covered the Five Year Street Maintenance Program (PP pg.25) and pointed the areas out on a map. He reminded them the annual average funding that is allocated is \$1.2 million from the Street Capital Fund with an annual average of \$800,000 from the Water/Sewer Fund. Those two fund the Street Maintenance Program annually. He described the three categories of work. Basically, each year the Engineering Department brings to the commission a list of proposed streets for the next fiscal year. We are currently designing FY15 and hope to advertise that in July or August. He pointed out the streets on the interactive map. The streets he was asking the commission to consider for FY20 were N. Florida from 16th to Indian Wells, Panorama from Hamilton to Ocotillo, Dexter Lane and Dewey Lane from Puerto Rico to Hawaii because both of those streets have had their water lines renewed, so they were good candidates, and finally the streets around the Post Office – Alaska/Hawaii/12th St. He said some of you, as well as our state senator, have mentioned to me that one of the first things people see when they come to town is the area around the Post Office, so it would make sense to try and get them in. This is what Staff recommends for

FY20. He encouraged everyone to drive on these streets and they would agree on this. There are some pretty bad sections of pavement out there in dire need of replacement.

City Engineer Thomas said we'll switch over to multi-modal discussions and went on to say we have a Pedestrian Corridor system. The map he used to illustrate his presentation was an old one that neither he or Mr. Pistilli had cleaned up, but would act as a starting point to show there is a lot of work to do in order to work out all the pedestrian corridors and be accurate with everything we are currently building. It is an integral part of our transportation plan and this map will be upgraded. The same goes with the Trail system. When you build a flood reduction project you often leave a real nice trail system behind. We want to integrate that with the trail systems leading into the Forest Service, and create outer and inner rings. Washington Ave. is an important part of the Trail System and Public Works is working on that right now. That map needs a lot of work, too. The Airport projects were touched on next (PP pg29). You'll see those again during the Capital Improvement discussions.

Mayor Galea asked when Airport Rd. is planned to be done. City Engineer Thomas hoped they could finish in July with funding. The city attorney is working on a co-op agreement and they want to add more to it, but at this time we have agreed on Airport Rd. and Eddy/Alamotero in a co-op agreement. We were looking at part of S. Florida that is really rough and trying to figure a way to get that done using their zipper system.

City Manager Stahle said since you have budgeted for a zipper machine, it isn't out of the question we could do that section ourselves, but we will explore all the cost options and bring them back to you. He made clear that in the federal funding cycles for transportation systems, currently called MAP 21, in the last 20 years multi-modal has been key. We have to prove to the federal government we are thinking of more than just vehicular traffic – bicycles, pedestrians, mass-transit and air traffic. It is critical we update our Comprehensive Plan and the Transportation element of it so we look at all of those. They all have to interact with each other; we're not just talking about cars.

Commissioner Straface assumed that as you look at pedestrian corridor and trails, we have some citizen advisory/input. City Manager Stahle said updating a Transportation element to your Comprehensive Plan is a big deal. When you do these improvements, it is both appropriate and required to get public input, so we will absolutely want to involve the community, the planning commission, county and state. Commissioner Straface asked if citizens had been identified who could help with this, and City Manager Stahle said we had not yet; it isn't exactly cheap.

Mayor Galea noted the Safe Routes to School has partnered with the City and had a lot of community input. Commissioner Straface said that is why he raised the question because we have had people involved in this already.

Commissioner Hernandez recommended, for instance on the FY20 Streets Project, the photo posted showed sidewalks on one side but not on the other. As we do construction projects we require residents to put in sidewalks and we have a program to help them. He would like to see that we get started on that portion today, visiting with the residents and letting them know we have this program available, so we can get that done. A lot of the streets you listed such as Dewey and Dexter do not have sidewalks, and it would be better to start on that today instead of waiting until the last minute to let residents know they have to put in a sidewalk. City Manager Stahle said he likes that thinking – it is multi-modal. Commissioner Hernandez said it is easier if we start today.

City Engineer Thomas said we want to partner with Z-Trans in order to get their route information into our GIS system. That will show how everything is linked together.

City Engineer Thomas went on with the recommendations and conclusions (PP pg.31). We need to consider updating a Comprehensive Transportation Plan. Having the City collect some of the traffic data and to work with a consultant would cost around \$400,000. Much of the high-growth area to the south has changed, so we would need to take another look at that as well as all over the city. Future action to consider Proposed Reclassifications for application to NMDOT/SERTPO, and the

continuation to develop pedestrian, trail and bus plans need to be done. We will continue to develop the Airport CIP projects. If you are ready, he would like action tonight to approve the FY20 Street Maintenance Program.

Mayor Galea asked if there are any questions about the FY20 Action Plan for Streets. She would like Hubbard Drive on that program, also. She would like to see this sooner than FY20.

Mayor Pro-Tem Rentschler said it's certainly something to consider. The major problem on Hubbard is the bridge. The chance of rebuilding that bridge is a question we have, and the use of that stretch of road will be minimal compared to Washington. He was concerned about Dewey Lane because it is rubble in a lot of places, and he didn't know if it would last until 2020. City Manager Stahle said a gravel road would be smoother than what is there, and Mayor Pro-Tem Rentschler agreed. He named some other streets where you couldn't even ride your bicycle because of the cracks. We need to keep all of this in mind and he hoped we could do some minor repair without it triggering ADA upgrades, because that is what costs us. He asked City Engineer Thomas what ADA upgrades cost, and Mr. Thomas wasn't sure but said he could find out. He said water and sewer takes such a huge portion.

Mayor Pro-Tem Rentschler said the Street Maintenance program outruns Water/Sewer by quite a bit and he didn't know if we had come up with a way to fix that. Any of the streets that had their water lines replaced were perfect candidates for this work. We have to do it as economically and sensibly as we can. It is like the paving done by the State. White Sands Blvd. between 1st St. and 10th St. isn't being repaved because we told the State we are trying to replace water lines off of that area. It is a continuing problem to find where more Water/Sewer money can come from.

Commissioner Straface said he is probably not ready to take action on this until he has more information. One concern were the minor streets – 12th, 13th, 14th, 15th Streets, between White Sands Blvd. and Florida. Some are abominable and he wondered what our plan was to deal with those.

Commissioner Hernandez said in speaking of that, one of the things we've talked about is that we have a construction crew now. Some of those streets only need a block done and there is a lot of those in his district. He has spoken to Public Works Director Cesar about this, so maybe you guys can come together to get those areas done. You can fix every street in town and if you miss one, it will be the squeaky wheel.

City Manager Stahle said unfortunately, we couldn't do all of the streets at any time. It's the prioritization and making sure we follow up once the infrastructure under ground is redone, then build the roads. You have to be methodical about it and it is your judgment as to what we do. We are in a growth spurt now while trying to use the Fund 118 money to complete major projects. Our intent is not for you to react quickly, but to think about it carefully and seriously. You may find other streets that need attention immediately. You must remember it may require some utility improvements and that would raise the cost dramatically. We could certainly analyze any street/road you think needs improvement. The city is more than 100 years old and some of the streets have needed work for 40 years. He suggested they give it all serious thought and talk about it in the future.

Mayor Galea said Commissioner Straface stated that he wasn't prepared to take action yet and she felt the same. She would like to table this discussion and spend some time working with the public in order to make well-informed decisions. She lets citizens know that if they have a street in worse condition than any streets scheduled for work, to let the commission know.

Mayor Pro-Tem Rentschler talked about street classifications. He asked about federal and state funding and if that money was available to do utilities, as well. City Engineer Thomas said he understood it was not for utility upgrades. City Manager Stahle said it was normally for minor not major improvements. The feds don't want to give you street money if you haven't maintained your underground utility system, but there are some exceptions such as drainage systems; every wash in our system crosses a road somewhere.

Commissioner Straface would like some time in the next week or two to meet with City Engineer Thomas in order to understand it better. He told the mayor that this was so significant, he didn't think it would be ready by the next meeting. Mayor Galea said a month would be better.

Commissioner Straface moved to table the item for a month in order to make a more informed decision. City Manager Stahle didn't think we need a motion for this, and recommended waiting until after our Public Meeting to talk about the ICIP. He thought maybe July 22nd or even later would be best to act on this.

Mayor Galea asked if the Street Maintenance Program would be available at the July 10th Town Hall meeting at 7:00 p.m. at the Civic Center and City Manager Stahle said of course.

Commissioner Baldwin commented to City Engineer Thomas that during the presentation he was able to follow along very easily with the GIS maps on the City website. He complemented his staff for this and thought it good information for our citizens.

Mr. Pistilli, GIS manager gave a quick overview and showed the capabilities of the maps.

Mayor Galea said we will bring the transportation plan back at a future meeting.

Mr. Andrew Baker commented on the following:

1) Mr. Andrew Baker from the audience had comments about transportation and economic development. He has lived in Alamogordo since 2001 and he has seen the majority of White Sands Blvd. repaved about three times, while there are other residential roads that haven't been touched.

Mayor Galea let him know that White Sands Blvd is owned by NMDOT, and the City of Alamogordo only does some maintenance. City Manager Stahle added it is important to note the higher speed limits justify making sure the roadway is safe to drive on. It is the State system and they are required to do the heavy maintenance on it.

2) Mr. Baker said the GIS system is very easy to go through and he enjoyed it.

3) He has noticed that recently there are a lot of firearm manufacturers and assorted gun part industries moving from the Northeast because of taxing and legislative issues, and maybe the City could try to lure one of those companies here.

Mayor Galea thanked him for that idea and that we would work closely with OCEDC.

12. Appointments to Boards & Committees. (Susie Galea, Mayor)

Mayor Galea announced the Boards and Committees with current vacancies and appointed Kandice Daugherty to the Housing Authority Advisory Board as a Resident Member. There were no objections.

PUBLIC COMMENT

A. Tiffanie Owen commented on the following:

1) She was excited to see something in the water bill about the Noise Ordinance. Her family, who lived on a fairly busy street, had been concerned about this for some time. She was curious if Chief Duncan might be able to give an idea of how many citations may have been issued to citizens with cars playing stereos that rattle your house.

Mayor Galea asked her to leave her email address with the City Clerk so that Chief Duncan could follow up with her on this.

2) She said she would address her other concerns in an email as well so that Chief Duncan would have time to compile the information.

CITY MANAGER'S REPORT

- 1) City Manager Stahle told everyone to pay attention around construction zones throughout town.
- 2) Fourth Friday is this Friday at the Zoo, beginning around 5:00 p.m. He encouraged all to attend.
- 3) There will be a Special Meeting this Thursday at the Golf Course, 19th Hole, at 6:30 p.m. It is a planning discussion and study session with three topics: tasks for the City to work on, relationship building for commission, and the water conservation ordinance.

REMARKS AND INQUIRIES BY THE CITY COMMISSION**Commissioner Straface commented on the following:**

1) He said he was talking as the Chairman of the Chamber of Commerce Board. Today they had a comment come to them concerning remarks made by members of the Soaring Heights group at HAFB. They have made comments to perspective home owners that they should not buy a home in Alamogordo because of the possibility they could not resell it. We have met with Col. Thompson and shared our concerns with that and have asked him to pursue this. Our concerns are not only for economic development but for our realtors, as well as new home builders. He asked the commission to let him know of any concerns so he could share them with the Chamber Board.

Mayor Galea thanked him for the comment, noting there are over 900 homes for sale in Otero County and there is excess capacity on HAFB, so it is important this commission continue to work with her and the Committee of 50. Commissioner Straface said we were talking about the F-16 people coming in at 400-600 people, and this is a potential issue if not addressed.

Commissioner Sikes commented on the following:

1) She talked about the COPE CDBG expansion project. On Monday she, the Mayor, Grants Coordinator Segura and COPE's executive director, Kaye Gomolak will be heading to Santa Fe to represent the project to the committee who will determine whether or not we will get \$500,000 to complete that project. She will report back at the next commission meeting.

Mayor Pro-Tem Rentschler commented on the following:

1) He has been traveling up and down Hwy 82 a lot lately, and has noticed that the North Fork of the Acequia has become overgrown. He asked the city manager to check and see if regular maintenance is being done on this. We get our vast majority of water from this.

Mayor Galea commented on the following:

- 1) She attended the NMML Policy Committee meeting last Saturday in Albuquerque. They draft and support resolutions for the next legislative session. There are many committees and all of us have the opportunity to be involved.
- 2) She had given a Mayor's Commendation to Col. Brant Dayley who was the garrison commander at Fort Bliss. During his time here, he worked with both HAFB and White Sands Missile Range (WSMR) to improve flight ranges.
- 3) The mayor said that in the spirit of local industry and jobs, while preserving our water shed and protecting private property, she is organizing a Regional Logging Summit. She is inviting all mayors in the region and asked the commission for their support. The goals are to collaborate, reduce the threat of unnatural crown fires, prioritize and strategically target treatment areas, develop site-specific reference conditions and use low-impact techniques to protect wildlife. A chief complaint throughout the state is that the National Forest has been mismanaged and has become overgrown, and many use this fact to make the case for more state land stewardship in the place of federal reserves.

EXECUTIVE SESSION (Roll Call Vote Required)

Recess into Closed Session in compliance with Section 10-15-1.H, NMSA 1978 (2010 Cumulative Supplement), to discuss:

- **Collective Bargaining Negotiations (APSOA & AFSCME)**
- **A-1. Threatened or Pending Litigation (URS)**

Mayor Pro-Tem Rentschler moved to recess into Executive Session to discuss Collective Bargaining Negotiations (APSOA & AFSCME); Threatened or Pending Litigation (URS) at 8:37 p.m. Commissioner Baldwin seconded the motion. Roll call vote was taken. Motion carried with a vote of 7-0-0.

RECONVENE INTO OPEN SESSION

Take any action as a result from Executive Session.

Mayor Galea stated the Commission will reconvene into Open Session.

A-1. Consider, and act upon, a Breach of Contract with URS related to the Airport Master Plan. (Stephen Thies, City Attorney)

She stated no action will be taken as a result of the Executive Session and requested a motion to adjourn.

ADJOURNMENT

Mayor Pro-Tem Rentschler moved to adjourn at 9:20 p.m. Commissioner Hernandez seconded the motion. Motion carried with a vote of 7-0-0.

Mayor Susie Galea

ATTEST:

City Clerk René L. Cantin

*(Prepared by Nancy Jacobs, Deputy Clerk)
Approved at the Regular Meeting held on July 8, 2014.*

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 25, 2014 **Report No:** 4

Submitted By: Mikel Ward,
Fire Chief

Approved For Agenda: _____



Subject: Consider, and act upon, Resolution 2014-32 accepting the Assistance to Firefighter Operations and Safety Grant Award from the US Department of Homeland Security - Federal Emergency Agency, in the amount of \$93,436, including a local match of \$9,343.60.

Fiscal Impact: \$ 9,343.60 (Local Match 10%) Fund: 11 & 33
Amount Budgeted: \$ 93,436 Total Project (\$84,093.00 grant award)
Fund: 11 Project: FG1401 Line Item: 11-4204

Recommendation: Approve the resolution.

[Roll call vote required]

Background: In December 2013, the City of Alamogordo Fire Department identified a competitive grant through the US Department of Homeland Security – Federal Emergency Management Agent, for which we sought to apply for funding. This grant was the Assistance to Firefighters Grant, which provides funding, through a competitive process, to Fire Departments nationwide for a variety of projects. Staff applied for the Operations and Safety portion during this year's application period. This grant provides funding to aid in reducing the threat and danger of fires to firefighters and the community members they serve.

On December 3, 2013 the City Commission granted staff authorization to formally submit the Assistance to Firefighter Operations and Safety Grant to the US Department of Homeland Security - Federal Emergency Agency on behalf of the City.

On December 6th, 2013 the Fire Department applied to the FY2013 Assistance to Firefighters (competitive) Grant Program with a directive from the City Manager, in order to protect the safety of the public and firefighting personnel by helping establish and create a physical fitness program for firefighters.

On June 23rd, 2014 the Fire Department received notice that the grant application had been approved, and the City had been awarded a project amount totaling \$93,463. The federal

Reviewed By:

Assistant City Attorney SPT City Clerk AC Assistant City Manager _____ Community Services _____
Finance Chair Housing Authority _____ Planning _____ Police Chief _____ Fire Chief Ward
Public Works _____ Purchasing _____ City Engineer _____ Human Resources _____

contribution is equal to 90% or \$84,092.40 of the project cost, while the City is required to make a 10 percent match or \$9,343.60.

Approval of this grant will allow the Fire Department to extend the effectiveness of our budgeted funds for these purposes by an additional 90 percent. This grant will provide for the purchase of \$25,000 toward the purchase of communications radios, \$48,996 toward the purchase of self-contained breathing apparatus (air-packs), and \$19,440 toward creating and implementing a firefighter fitness and health program, designed to provide firefighters with medical screenings, immunizations, training, and equipment to keep them effective, efficient, and safe during the execution of their job duties.

The City staff recommends that the City Commission approve the resolution.

Reviewed By:

City Attorney _____ City Clerk _____ Assistant City Manager _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Police Chief _____ Fire Chief
Public Works _____ Purchasing _____ City Engineer _____ Human Resources _____

RESOLUTION NO. 2014-32

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF ALAMOGORDO, NEW MEXICO ACCEPTING THE ASSISTANCE TO FIREFIGHTERS OPERATIONS AND SAFETY GRANT (AFG) FROM US DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY AGENCY IN THE AMOUNT OF \$93,436.00, INCLUDING A LOCAL MATCH OF \$9,343.60.

WHEREAS, the Board of Commissioners of the City of Alamogordo, of Otero County of the State of New Mexico seeks to accept the federal assistance being offered to the City by US Department of Homeland Security, Federal Emergency Agency under the Assistance to Firefighters Operations and Safety Grant Program; and,

WHEREAS, the purpose of the Assistance to Firefighters Operations and Safety Grant seeks to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards by funding critically needed resources and training to emergency personnel in order to foster interoperability and support community resilience; and,

WHEREAS, the Assistance to Firefighters Operations and Safety Grant Program project funds totals \$93,436.00, of which the federal share is 90 percent or \$84,092.40 of the approved amount and the local required match is 10 percent or \$9,343.60.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF ALAMOGORDO, NEW MEXICO, THAT

Section 1. The City of Alamogordo hereby accepts the Assistance to Firefighters Operations and Safety Grant from the US Department of Homeland Security, Federal Emergency Agency; and,

Section 2 . The City Commission acknowledges that by accepting the Assistance to Firefighters Operations and Safety Grant it also accepts the federal responsibilities for administering this grant in accordance with the grant agreement program articles found in the Assistance from Firefighters Grant Program's E-Grant; which outline the terms and conditions of the grant.

Section 3 . Directs and designates the City Manager, or his/her successors and designees as official representatives authorized to sign and request reimbursement requests and act as a single point of contact concerning all matters related to the grant agreement; and,

Section 4 . The City of Alamogordo officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED APPROVED AND ADOPTED this _____ of _____ 2014.

CITY OF ALAMOGORDO, NEW MEXICO
A New Mexico Municipal Corporation

Susie Galea, Mayor

ATTEST:

Renee L. Cantin, City Clerk

APPROVED AS TO FORM;

Stephen P. Thies, City Attorney

Award Package

U.S. Department of Homeland Security
Washington, D.C. 20472



FEMA

Mr. Mikel Ward
City of Alamogordo Fire Department
619 Texas
Alamogordo, New Mexico 88310-6759

Re: Grant No.EMW-2013-FO-07134

Dear Mr. Ward:

On behalf of the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS), I am pleased to inform you that your grant application submitted under the FY 2013 Assistance to Firefighters Grant has been approved. FEMA's Grant Programs Directorate (GPD), in consultation with the U.S. Fire Administration (USFA), carries out the Federal responsibilities of administering your grant. The approved project costs total to \$93,436.00. The Federal share is 90 percent or \$84,093.00 of the approved amount and your share of the costs is 10 percent or \$9,343.00.

Before you request and receive any of the Federal Grant funds awarded to you, you must establish acceptance of the Grant and Grant Agreement Articles through the Assistance to Firefighters Grant Programs' (AFG) e-grant system. Please make sure you read and understand the articles as they outline the terms and conditions of your grant award. By accepting the grant, you agree not to deviate from the approved scope of work without prior written approval, via amendment request, from FEMA. Maintain a copy of these documents for your official file.

If your SF 1199A has been reviewed and approved, you will be able to request payments online. Remember, you should request funds when you have an immediate cash need.

If you have any questions or concerns regarding the process to request your grant funds, please call 1-866-274-0960.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Kamoie".

Brian E. Kamoie
Assistant Administrator
Grant Programs Directorate

Summary Award Memo

**SUMMARY OF ASSISTANCE ACTION
ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM
Application**

INSTRUMENT: GRANT
AGREEMENT NUMBER: EMW-2013-FO-07134
GRANTEE: City of Alamogordo Fire Department
AMOUNT: \$93,436.00, Operations and Safety

Project Description

The purpose of the Assistance to Firefighters Program is to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards.

After careful consideration, FEMA has determined that the recipient's project submitted as part of the recipient's application, and detailed in the project narrative as well as the request details section of the application - including budget information - was consistent with the Assistance to Firefighters Grant program's purpose and worthy of award. The recipient shall perform the work described in the approved grant application as itemized in the request details section of the application and further described in the grant application narrative. These sections of the application are made a part of these grant agreement articles by reference. The recipient may not change or make any material deviations from the approved scope of work outlined in the above referenced sections of the application without prior written approval, via amendment request, from FEMA.

Grantee Concurrence

By providing the Primary Contact's electronic signature and indicating acceptance of the award, the recipient accepts and agrees to abide by the terms and conditions of the grant as set forth in this document. Recipients agree that they will use the funds provided through the Fiscal Year 2013 Assistance to Firefighters grant in accordance with these Articles of Agreement and the program guidelines provided in the Fiscal Year 2013 Assistance to Firefighters program guidance. All documents submitted as part of the original grant application are made a part of this agreement by reference.

Period of Performance

13-JUN-14 to 12-JUN-15

Amount Awarded

The amount of the award is detailed in the attached Obligor Document for Award. The following are the budgeted estimates for object classes for this grant (including Federal share plus recipient match):

| | |
|------------------|-------------|
| Personnel: | \$0.00 |
| Fringe Benefits | \$0.00 |
| Travel | \$0.00 |
| Equipment | \$73,996.00 |
| Supplies | \$0.00 |
| Contractual | \$12,390.00 |
| Construction | \$0.00 |
| Other | \$7,050.00 |
| Indirect Charges | \$0.00 |
| Total | \$93,436.00 |

NEGOTIATION COMMENTS IF APPLICABLE (max 4000 characters)

PO Comments: Equipment and PPE: Fund as Requested. Wellness and Fitness: Fund with adjustments. Reduce fitness equipment from 1 @ \$80,560 to 0.

The Program Office has made the following reductions to your grant:

The approved cost for Wellness and Fitness is \$19,440, not \$100,000. Therefore, they have recommended the award at this level:

Total budget \$93,436

Federal share \$84,093

Applicant share \$9,343

If you have any questions about your award package, please contact your GPD Grants Management Specialist: Francisco Bernal at Francisco.Bernal@fema.dhs.gov.

System for Award Management (SAM)

Prior to requesting federal funds, all recipients are required to register their entity information in the System for Award Management (SAM.gov). As the recipient, you must register and maintain current information in SAM.gov until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that the recipient review and update the information at least annually after the initial registration, and more frequently for changes in your information. There is no charge to register in SAM.gov. Your registration must be completed on-line at <https://www.sam.gov/portal/public/SAM/>. It is your entity's responsibility to have a valid DUNS number at the time of registration.

FEMA Officials

Program Officer: The Program Specialist is responsible for the technical monitoring of the stages of work and technical performance of the activities described in the approved grant application. If you have any programmatic questions regarding your grant, please call the AFG Help Desk at 866-274-0960 to be directed to a program specialist.

Grants Assistance Officer: The Assistance Officer is the Federal official responsible for negotiating, administering, and executing all grant business matters. The Officer conducts the final business review of all grant awards and permits the obligation of federal funds. If you have any questions regarding your grant please call ASK-GMD at 866-927-5646 to be directed to a Grants Management Specialist.

Grants Operations POC: The Grants Management Specialist shall be contacted to address all financial and administrative grant business matters for this grant award. If you have any questions regarding your grant please call ASK-GMD at 866-927-5646 to be directed to a specialist.

ADDITIONAL REQUIREMENTS (IF APPLICABLE) (max 4000 characters)

The Program Office has made the following reductions to your grant:

The approved cost for Wellness and Fitness is \$19,440, not \$100,000. Therefore, they have recommended the award at this level:

Total budget \$93,436

Federal share \$84,093

Applicant share \$9,343

If you have any questions about your award package, please contact your GPD Grants Management Specialist: Francisco Bernal at Francisco.Bernal@fema.dhs.gov.

Agreement Articles



FEMA

U.S. Department of Homeland Security
Washington, D.C. 20472

AGREEMENT ARTICLES

ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM - Operations and Safety

GRANTEE: City of Alamogordo Fire Department

PROGRAM: Operations and Safety

AGREEMENT NUMBER: EMW-2013-FO-07134

AMENDMENT NUMBER:

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| Article XXVIII | Vehicle Awards |

Article I - Administrative Requirements

The administrative requirements that apply to most DHS award recipients through a grant or cooperative agreement arise from two sources: - Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule"), found under FEMA regulations at Title 44, Code of Federal Regulations (CFR) Part 13, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." - OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215. The requirements for allowable costs/cost principles are contained in the A-102 Common Rule, OMB Circular A-110 (2 CFR § 215.27), DHS program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The four costs principles circulars are as follows: - OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220. - OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225. - OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230. - OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Article II - Lobbying Prohibitions

None of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal of any Federal contract, grant, loan, cooperative agreement. These lobbying prohibitions can be found at 31 U.S.C. § 1352.

Article III - Financial Reporting

Recipients will be required to submit a semi-annual Federal Financial Report (FFR), Standard Form (SF-425) through the AFG online e-grant system. The FFR is intended to provide Federal agencies and grant recipients with a standard format and consistent reporting requirements throughout the government. The FFR is due semi-annually based on the calendar year beginning with the period after the award is made. Recipients are required to submit an FFR throughout the entire period of performance of the grant. The reporting periods for the FFR are January 1 through June 30 (report due by July 31), and July 1 through December 31 (report due by January 31). At the end of the grant's period of performance, all recipients are required to produce a final report on how the grant funding was used and the benefits realized from the award. Recipients must submit a final financial report and a final performance report within 90 days after the end of the period of performance.

Article IV - GPD - Trafficking Victims Protection Act of 2000

All recipients of financial assistance will comply with the requirements of the government-wide award term which implements Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with the statutory requirement, in each agency award under which funding is provided to a private entity, Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a sub-recipient - (a) Engages in severe forms of trafficking in persons during the period of time that the award is in effect; (b) Procures a commercial sex act during the period of time that the award is in effect; or (c) Uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.

Article V - GPD - Drug-Free Workplace Regulations

All recipients of financial assistance will comply with the requirements of the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. These regulations are codified at 2 CFR3001.

Article VI - Fly America Act of 1974

All recipients of financial assistance will comply with the requirements of the Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C.- 4 -§ 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

Article VII - Activities Conducted Abroad

All recipients of financial assistance will comply with the requirements that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

Article VIII - Acknowledgement of Federal Funding from DHS

All recipients of financial assistance will comply with requirements to acknowledge Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

Article IX - Copyright

All recipients of financial assistance will comply with requirements that publications or other exercise of copyright for any work first produced under Federal financial assistance awards hereto related unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations). For any scientific, technical, or other copyright work based on or containing data first produced under this award, including those works published in academic, technical or professional journals, symposia proceedings, or similar works, the recipient grants the Government a royalty-free, nonexclusive and irrevocable license to reproduce, display, distribute copies, perform, disseminate, or prepare derivative works, and to authorize others to do so, for Government purposes in all such copyrighted works. The recipient shall affix the applicable copyright notices of 17 U.S.C. § 401 or 402 and an acknowledgement of Government sponsorship (including award number) to any work first produced under an award.

Article X - Use of DHS Seal, Logo and Flags

All recipients of financial assistance must obtain DHS's approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

Article XI - DHS Specific Acknowledgements and Assurances

All recipients of financial assistance must acknowledge and agree-and require any subrecipients, contractors, successors, transferees, and assignees acknowledge and agree to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff. 1. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS. 2. Recipients must give DHS access to and the right to examine and copy records, accounts, and other documents and sources of information related to

the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations and other applicable laws or program guidance. 3. Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports. 4. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance. 5. If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties. 6. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office. The United States has the right to seek judicial enforcement of these obligations.

Article XII - Civil Rights Act of 1964

Recipients of financial assistance will comply with the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Article XIII - Civil Right Act of 1968

All recipients of financial assistance will comply with Title VIII of the Civil Rights Act of 1968, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. § 3601 et seq.), as implemented by the Department of Housing and Urban Development at 24 CFR Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units-i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)-be designed and constructed with certain accessible features (see 24 CFR § 100.201).

Article XIV - Americans with Disabilities Act of 1990

All recipients of financial assistance will comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12101-12213).

Article XV - Age Discrimination Act of 1975

All recipients of financial assistance will comply with the requirements of the Age Discrimination Act of 1975 (42 U.S.C. § 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.

Article XVI - Title IX of the Education Amendments of 1972

All recipients of financial assistance will comply with the requirements of Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 et seq.), which provides that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. These regulations are codified at 44 CFR Part 19.

Article XVII - Rehabilitation Act of 1973

All recipients of financial assistance will comply with the requirements of Section 504 of the Rehabilitation Act of

1973, 29 U.S.C. § 794, as amended, which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.

Article XVIII - Limited English Proficiency

All recipients of financial assistance will comply with the requirements of Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, recipients must take reasonable steps to ensure that LEP persons have meaningful access to your programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding LEP obligations, go to <http://www.lep.gov>.

Article XIX - Animal Welfare Act of 1966

All recipients of financial assistance will comply with the requirements of the Animal Welfare Act, as amended (7 U.S.C. §2131 et seq.), which requires that minimum standards of care and treatment be provided for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public. Recipients must establish appropriate policies and procedures for the humane care and use of animals based on the Guide for the Care and Use of Laboratory Animals and comply with the Public Health Service Policy and Government Principles Regarding the Care and Use of Animals.

Article XX - Clean Air Act of 1970 and Clean Water Act of 1977

All recipients of financial assistance will comply with the requirements of 42 U.S.C. § 7401 et seq. and Executive Order 11738, which provides for the protection and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.

Article XXI - Protection of Human Subjects

All recipients of financial assistance will comply with the requirements of the Federal regulations at 45 CFR Part 46, which requires that recipients comply with applicable provisions/law for the protection of human subjects for purposes of research. Recipients must also comply with the requirements in DHS Management Directive 026-04, Protection of Human Subjects, prior to implementing any work with human subjects. For purposes of 45 CFR Part 46, research means a systematic investigation, including research, development, testing, and evaluation, designed to develop or contribute to general knowledge. Activities that meet this definition constitute research for purposes of this policy, whether or not they are conducted or supported under a program that is considered research for other purposes. The regulations specify additional protections for research involving human fetuses, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). The use of autopsy materials is governed by applicable State and local law and is not directly regulated by 45 CFR Part 46.

Article XXII - National Environmental Policy Act (NEPA) of 1969

All recipients of financial assistance will comply with the requirements of the National Environmental Policy Act (NEPA), as amended, 42 U.S.C. § 4331 et seq., which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for its grant-supported activities, DHS requires the environmental aspects of construction grants (and certain non-construction projects as specified by the Component and awarding office) to be reviewed and evaluated before final action on the application.

Article XXIII - National Flood Insurance Act of 1968

All recipients of financial assistance will comply with the requirements of Section 1306(c) of the National Flood Insurance Act, as amended, which provides for benefit payments under the Standard Flood Insurance Policy for demolition or relocation of a structure insured under the Act that is located along the shore of a lake or other body of water and that is certified by an appropriate State or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels. These regulations are codified at 44CFR Part 63.

Article XXIV - Flood Disaster Protection Act of 1973

All recipients of financial assistance will comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. § 4001 et seq.), which provides that no Federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within one year of the identification. The flood insurance purchase requirement applies to both public and private applicants for DHS support. Lists of flood prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.

Article XXV - Coastal Wetlands Planning, Protection, and Restoration Act of 1990

All recipients of financial assistance will comply with the requirements of Executive Order 11990, which provides that federally funded construction and improvements minimize the destruction, loss, or degradation of wetlands. The Executive Order provides that, in furtherance of Section 101(b)(3) of NEPA (42 U.S.C. § 4331(b)(3)), Federal agencies, to the extent permitted by law, must avoid undertaking or assisting with new construction located in wetlands unless the head of the agency finds that there is no practicable alternative to such construction, and that the proposed action includes all practicable measures to minimize harm to wetlands that may result from such use. In making this finding, the head of the agency may take into account economic, environmental, and other pertinent factors. The public disclosure requirement described above also pertains to early public review of any plans or proposals for new construction in wetlands. This is codified at 44 CFR Part 9.

Article XXVI - USA Patriot Act of 2001

All recipients of financial assistance will comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175-175c. Among other things, it prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose. The act also establishes restrictions on access to specified materials. "Restricted persons," as defined by the act, may not possess, ship, transport, or receive any biological agent or toxin that is listed as a select agent.

Article XXVII - Environmental Planning and Historic Preservation Screening

AFG funded activities (Modification to Facility or Equipment) that may require an EHP review, involving the installation or requiring renovations to facilities, including but not limited to air compressor/fill station/cascade system (Fixed) for filling SCBA, air improvement systems, alarm systems, antennas, gear dryer, generators (fixed), permanently mounted signs, renovations to facilities, sprinklers, vehicle exhaust systems (fixed) or washer/extractors are subject to FEMA's Environmental Planning and Historic Preservation (EHP) review process.

FEMA is required to consider the potential impacts to natural and cultural resources of all projects funded by FEMA grant funds, through its EHP Review process, as mandated by the National Environmental Policy Act; National Historic Preservation Act of 1966, as amended; National Flood Insurance Program regulations; and, any other applicable laws and Executive Orders.

To access the FEMA's Environmental and Historic Preservation (EHP) screening form and instructions go to our Department of Homeland Security/Federal Emergency Management Agency- website at: <https://www.fema.gov/library/viewRecord.do?id=6906>

In order to initiate EHP review of your project(s), you must complete all relevant sections of this form and submit it to the Grant Programs Directorate (GPD) along with all other pertinent project information. Failure to provide requisite information could result in delays in the release of grant funds.

Article XXVIII - Vehicle Awards

If awarded any AFG vehicle grant, you must obtain a vehicle purchase contract from the vendor or manufacturer and send it by e-mail to your AFG Regional Representative. A list of the AFG Regional Representatives and their contact information can be found on the AFG website at <http://www.fema.gov/fire-grant-contact-information>.

The grantee must include in their vehicle purchase contract specific performance requirements and penalties (penalty clause) for noncompliance with the requirements. The clause should specify a delivery date for the vehicle under contract and include a provision for a penalty for non-delivery on the specified date. Non-delivery by the contract's guaranteed date should require a penalty for non-performance of at least \$100 per day until the date that the vehicle is delivered.

It is recommended that any department/organization that will advance their own local funds to their vendor prior to receipt of the vehicle obtain a performance bond. The bond may be obtained through the vendor or a local bank.

It is required that any department/organization that will advance of Federal funds to their vendor prior to receipt of the vehicle obtain a prepayment bond. A prepayment bond may be obtained through your bank or the vendor. The cost for the bond may be included in the grant.

Grantees that fail to comply with these requirements--fail to provide the AFG with a copy of the vehicle purchase contract, or fail to obtain the necessary prepayment bond - will not be eligible for an extension of the grant's period of performance.

If you have questions about these procedures, please contact the AFG Help Desk at 1-866-274-0960, or send an email to firegrants@dhs.gov.

**FEDERAL EMERGENCY MANAGEMENT AGENCY
OBLIGATING DOCUMENT FOR AWARD/AMENDMENT**

1a. AGREEMENT NO. EMW-2013-FO-07134
 2. AMENDMENT NO. 0
 3. RECIPIENT NO. 85-6000099
 4. TYPE OF ACTION AWARD
 5. CONTROL NO. W518706N
 6. RECIPIENT NAME AND ADDRESS
 City of Alamogordo Fire Department
 619 Texas Alamogordo New Mexico, 88310-6759
 7. ISSUING OFFICE AND ADDRESS
 Grant Programs Directorate
 500 C Street, S.W. Washington DC, 20528-7000
 POC: Andrea Day
 8. PAYMENT OFFICE AND ADDRESS
 FEMA, Financial Services Branch
 500 C Street, S.W., Room 723 Washington DC, 20472
 9. NAME OF RECIPIENT PROJECT OFFICER
 Mikel Ward
 PHONE NO. 5754394119X21†
 10. NAME OF PROJECT COORDINATOR
 Catherine Patterson
 PHONE NO. 1-866-274-0960
 11. EFFECTIVE DATE OF THIS ACTION
 13-JUN-14
 12. METHOD OF PAYMENT
 SF-270
 13. ASSISTANCE ARRANGEMENT
 Cost Sharing
 14. PERFORMANCE PERIOD
 From:13-JUN-14 To:12-JUN-15
 Budget Period
 From:06-MAR-14 To:30-SEP-14

15. DESCRIPTION OF ACTION

a. (Indicate funding data for awards or financial changes)

| PROGRAM NAME ACRONYM | CFDA NO. | ACCOUNTING DATA (ACCS CODE) XXXX-XXX-XXXXXX-XXXX-XXXX-XXXX-X | PRIOR TOTAL AWARD | AMOUNT AWARDED THIS ACTION + OR (-) | CURRENT TOTAL AWARD | CUMMULATIVE NON-FEDERAL COMMITMENT |
|----------------------|----------|---|-------------------|-------------------------------------|---------------------|------------------------------------|
| AFG | 97.044 | 2014-M3-C111-P4310000-4101-D | \$0.00 | \$84,093.00 | \$84,093.00 | \$9,343.00 |
| TOTALS | | | \$0.00 | \$84,093.00 | \$84,093.00 | \$9,343.00 |

b. To describe changes other than funding data or financial changes, attach schedule and check here.
 N/A

16a. FOR NON-DISASTER PROGRAMS: RECIPIENT IS REQUIRED TO SIGN AND RETURN THREE (3) COPIES OF THIS DOCUMENT TO FEMA (See Block 7 for address)

Assistance to Firefighters Grant recipients are not required to sign and return copies of this document. However, recipients should print and keep a copy of this document for their records.

16b. FOR DISASTER PROGRAMS: RECIPIENT IS NOT REQUIRED TO SIGN

This assistance is subject to terms and conditions attached to this award notice or by incorporated reference in program legislation cited above.

17. RECIPIENT SIGNATORY OFFICIAL (Name and Title)
 N/A

DATE
 N/A

18. FEMA SIGNATORY OFFICIAL (Name and Title)
 Andrea Day

DATE
 12-JUN-14

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AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 26, 2014

Report No: 5

Submitted By: Stephen P. Thies

Approved For Agenda: 

Subject: Consider and act upon a memorandum of understanding between the City of Alamogordo and the Alamogordo Public Safety Officers Association

Fiscal Impact: \$100,000
Amount Budgeted: \$50,000
Fund: Fund 11 (General Fund)

Recommendation: Approve memorandum of understanding

Background: The Alamogordo Public Safety Officers Association (APSOA) represents both the City's police officers and firefighters. The existing collective bargaining agreement expired on June 30, 2013. Negotiations have been ongoing between the parties' respective negotiating teams in excess of a year. Although significant progress was made on some minor financial and other non-financial issues, no agreement could be reached on pay increases. As a result, when no agreement was reached prior to the expiration of the collective bargaining agreement on June 30, 2013, the level of compensation being paid to the officers and firefighters was frozen at the 2012/2013 fiscal year levels. Negotiations continued after that date until this past April when the parties declared an impasse.

On June 24th, the respective negotiating teams participated in mediation. Although no consensus was reached on a long-term agreement, the parties were able to reach an understanding on short-term financial issues.

A step plan was adopted as part of the parties' last collective bargaining agreement. The difference between each step equals approximately 1.5%. In other words, when an officer or firefighter is advanced a step, the individual realizes a 1.5% pay increase. Step advances occur throughout the year on the individual's anniversary date. As noted above, when no agreement was reached by June 30, 2013, the step increases for both the officers and firefighters was put on hold. As a result, even though other City employees were given a 1.5% pay increase during the just completed fiscal year, police officers and the firefighters did not receive any such increase. The understanding reached during mediation was that the individuals would receive that increase at the start of the 2014/2015 fiscal year. In addition,

Reviewed By:

City Attorney SPT City Clerk MC Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

each eligible individual would receive the \$750 appropriated by the City Commission when it adopted the FY 2014/2015 budget, which is intended to offset the increase in health insurance costs.

The parties plan on resuming negotiations some time in the fall in an effort to reach a long term agreement.

Staff recommends approval of the memorandum.

Reviewed By:

City Attorney _____ City Clerk _____ Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF ALAMOGORDO, NEW MEXICO
AND THE ALAMOGORDO PUBLIC SAFETY OFFICERS ASSOCIATION AN
AFFILIATED CHAPTER OF THE NEW MEXICO COALITION OF PUBLIC SAFETY
OFFICERS**

This Memorandum of Understanding (the "Agreement") memorializes the agreement between the City of Alamogordo ("City") and the Alamogordo Public Safety Officers Association an Affiliated Chapter of the NMCP SO ("APSOA/NMCP SO"). The purpose of this Agreement is to memorialize the agreement between the City and APSOA/NMCP SO regarding the extension of the Collective Bargaining Agreement, which expired on June 30, 2013 (the "Original CBA").

1. For the duration of this Memorandum, except as otherwise modified by this Memorandum, the terms and conditions of the Original CBA shall remain in full force and effect until a successor Agreement is ratified by both parties. During the term of this Memorandum, the parties agree to bargain in good faith with the intent of reaching a full collective bargaining agreement.

2. The parties agree that **SECTION 29. FINANCIAL PACKAGE**, is amended to read as follows:

A. Classification

1. **Police Officers.** Effective July 1, 2014, all Public Safety Officers shall be reclassified as Police Officers and will be assigned to a classification based upon their consecutive years of service with the Department. Each current Police Officer will be given one (1) year of service credit for each consecutive year of actual service with the Department. Additional service credit will be given at the rate of one (1) year of service credit for each year of actual commissioned service to a maximum of three (3) years to any current Police Officer for commissioned full-time service with any other law enforcement agency located within the State of New Mexico which requires as a condition of employment police officer certification by the State of New Mexico. Fractional service credit for any such commissioned service shall be rounded down.

| Patrol Officer | Service Credit | | Senior Patrolman | Service Credit |
|-----------------------------|-----------------------|--|-------------------------|-----------------------|
| P-1 | Less than 1 year | | P-11 | 10 to 11 years |
| P-2 | 1 to 2 years | | P-12 | 11 to 12 years |
| P-3 | 2 to 3 years | | P-13 | 12 to 13 years |
| P-4 | 3 to 4 years | | P-14 | 13 to 14 years |
| P-5 | 4 to 5 years | | P-15 | 14 to 15 years |
| | | | P-16 | 15 to 16 years |
| | | | P-17 | 16 to 17 years |
| Advanced Patrol Ofc. | Service Credit | | P-18 | 17 to 18 years |
| P-6 | 5 to 6 years | | P-19 | 18 to 19 years |
| P-7 | 6 to 7 years | | P-20 | More than 19 years |
| P-8 | 7 to 8 years | | | |
| P-9 | 8 to 9 year | | | |
| P-10 | 9 to 10 years | | | |

2. **Probationary Police Officers as of July 1, 2014 and Future Hires.** This Section shall apply to individual Police Officers who were still in probationary status as of July 1, 2014, and those hired thereafter. Upon completion of their probationary period, a Police Officer with no prior service credit shall be classified as P-1. Police Officers hired after July 1, 2014 who hold a current and valid certification as a police officer by the State of New Mexico and who were previously employed full-time as a

commissioned police officer for more than one year by a law enforcement agency located within the State of New Mexico, will be assigned a classification reflecting service equivalent to their actual years of commissioned service to a maximum of three (3) years. Fractional service credit for any such commissioned service shall be rounded down.

3. Sergeants. Effective July 1, 2014, all Police Officers holding the rank of sergeant shall be assigned to a classification as set forth below. Sergeants will be assigned to a classification based upon their consecutive years of service with the Department at the rank of sergeant. Each current sergeant will be given one (1) year of service credit for each consecutive year of actual service with the Department. Police Officers promoted to the rank of sergeant after July 1, 2014 shall be classified as S-1.

| Classification | Service Credit | | Classification | Service Credit |
|----------------|------------------|--|----------------|--------------------|
| S-1 | Less than 1 year | | S-9 | 8 to 9 year |
| S-2 | 1 to 2 years | | S-10 | 9 to 10 years |
| S-3 | 2 to 3 years | | S-11 | 10 to 11 years |
| S-4 | 3 to 4 years | | S-12 | 11 to 12 years |
| S-5 | 4 to 5 years | | S-13 | 12 to 13 years |
| S-6 | 5 to 6 years | | S-14 | 13 to 14 years |
| S-7 | 6 to 7 years | | S-15 | More than 14 years |
| S-8 | 7 to 8 years | | | |

4. Fire Fighters. Effective July 1, 2014, all Fire Equipment Operators and Fire Safety Officers shall be reclassified as Fire Fighters and assigned to a classification based upon their consecutive years of service with the Department. Said members will be given one (1) year of service credit for each consecutive year of actual service with the Department. Future hires shall be classified as F-1.

| Classification | Service Credit | | Classification | Service Credit |
|----------------|------------------|--|----------------|--------------------|
| F-1 | Less than 1 year | | F-11 | 10 to 11 years |
| F-2 | 1 to 2 years | | F-12 | 11 to 12 years |
| F-3 | 2 to 3 years | | F-13 | 12 to 13 years |
| F-4 | 3 to 4 years | | F-14 | 13 to 14 years |
| F-5 | 4 to 5 years | | F-15 | 14 to 15 years |
| F-6 | 5 to 6 years | | F-16 | 15 to 16 years |
| F-7 | 6 to 7 years | | F-17 | 16 to 17 years |
| F-8 | 7 to 8 years | | F-18 | 17 to 18 years |
| F-9 | 8 to 9 year | | F-19 | 18 to 19 years |
| F-10 | 9 to 10 years | | F-20 | More than 19 years |

5. Fire Lieutenants. Effective July 1, 2014, all Fire Fighters holding the rank of lieutenant will be assigned to a classification based upon their consecutive years of service with the Department at the rank of fire lieutenant. Each current fire lieutenant will be given one (1) year of service credit for each consecutive year of actual service as a fire lieutenant with the Department. Any Fire Fighter promoted to the rank of lieutenant after July 1, 2014 shall be classified as L-1.

| Classification | Service Credit | | Classification | Service Credit |
|----------------|------------------|--|----------------|--------------------|
| L-1 | Less than 1 year | | L-9 | 8 to 9 year |
| L-2 | 1 to 2 years | | L-10 | 9 to 10 years |
| L-3 | 2 to 3 years | | L-11 | 10 to 11 years |
| L-4 | 3 to 4 years | | L-12 | 11 to 12 years |
| L-5 | 4 to 5 years | | L-13 | 12 to 13 years |
| L-6 | 5 to 6 years | | L-14 | 13 to 14 years |
| L-7 | 6 to 7 years | | L-15 | More than 14 years |

B. Wages/Salary. Effective the first day of the first full pay period in July 2014, all non-probationary members of the Association will receive the rate of pay specified for their assigned classification as follows.

Police Officer Hourly Wage Steps

| | | | | | |
|------|-----------|-----------|-----------|-----------|-----------|
| Step | 1 | 2 | 3 | 4 | 5 |
| | 17.40 | 17.661 | 17.9259 | 18.1948 | 18.4677 |
| Step | 6 | 7 | 8 | 9 | 10 |
| | 18.7447 | 19.0259 | 19.3113 | 19.6010 | 19.8950 |
| Step | 11 | 12 | 13 | 14 | 15 |
| | 20.1934 | 20.4963 | 20.8038 | 21.4325 | 21.754 |
| Step | 16 | 17 | 18 | 19 | 20 |
| | 21.75400 | 22.0803 | 22.4116 | 22.7477 | 23.0889 |
| Step | 21 | 22 | 23 | 24 | 25 |

Sergeant Hourly Wage Steps

| | | | | | |
|------|-----------|-----------|-----------|-----------|-----------|
| Step | 1 | 2 | 3 | 4 | 5 |
| | 23.1636 | 23.5111 | 23.8637 | 24.2217 | 24.5850 |
| Step | 6 | 7 | 8 | 9 | 10 |
| | 24.9538 | 25.3281 | 25.7080 | 26.0936 | 26.4850 |
| Step | 11 | 12 | 13 | 14 | 15 |
| | 26.8823 | 27.2855 | 27.6948 | 28.1102 | 28.5319 |

Fire Fighter Wage Steps

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 1 | 2 | 3 | 4 | 5 |
| 11.0928 | 11.2592 | 11.4281 | 11.5995 | 11.7735 |
| 6 | 7 | 8 | 9 | 10 |
| 11.9501 | 12.1293 | 12.3113 | 12.4960 | 12.6834 |
| 11 | 12 | 13 | 14 | 15 |
| 12.8736 | 13.0668 | 13.2628 | 13.4617 | 13.6636 |
| 16 | 17 | 18 | 19 | 20 |
| 13.8686 | 14.0766 | 14.2878 | 14.5021 | 14.7196 |

Fire Lieutenant Wage Steps

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 1 | 2 | 3 | 4 | 5 |
| 14.9713 | 15.1959 | 15.6552 | 15.89 | 16.1283 |
| 6 | 7 | 8 | 9 | 10 |
| 16.3703 | 16.6158 | 16.8651 | 17.1180 | 17.3748 |
| 11 | 12 | 13 | 14 | 15 |
| 17.6354 | 17.90 | 18.1685 | 18.4410 | 18.7176 |
| 16 | 17 | 18 | 19 | 20 |
| 18.9984 | 19.2833 | 19.5726 | 19.8662 | 20.1642 |

C. Specialty Pay. Effective the first day of the first full pay period in July 2014, all Police Officers assigned to the specialty positions of detective, narcotics agent, traffic section officer, school resource, and field training officer (FTO) shall be advanced two steps during the period of such assignment. The pay differential shall apply only during the period of such assignment. Police Officers receiving the Specialty Pay will be returned to their regular rate of pay based on their classification when the reassignment as a specialist is ended.

D. Benefits

1. Group Health Insurance. The City has group medical insurance plans that are offered to City employees. The employee will be advised of the plans at the employee orientation. The City will pay 60% of the group medical premiums on the plans offered by the City. The employee who chooses to participate in these plans will pay the remaining 40% of the cost of the plans.

2. PERA Contribution. The City shall continue to make the increased contribution for Members of the Association covered by PERA Municipal Police Plan 5 and Municipal Fire Plan 5 as specified in Resolution No. 2000-23.

3. Other Existing Practices and/or Benefits. Existing practices and/or benefits provided by Ordinance or Resolution of the City Commission, or as provided in the City's Personnel Manual, and which are not in conflict with a specific provision of this Agreement shall continue to be provided in accordance with the terms of the Ordinance, Resolution or Personnel.

4. Recreational Facilities Benefit. All employees who are covered by this bargaining unit shall be permitted to use the City's recreational facilities and equipment, including the swimming pool, that are located at its Recreational Center at no cost to the Employee. Family members and guests will be required to pay the normal charges. Employees will be given a twenty percent (20%) discount on any recreational activity or other programs offered or sponsored by the City's Community Services Department. The discount applies only to the participation of the employee, the employee's spouse or the employee's minor dependent(s). Participation at the discounted rate will only be available in the event the program has available space. Employees shall be given the "junior golf green fee rate" at the City's golf course, the Desert Lakes Golf Course. Family members and guests will be required to pay the normal charges. Rental charges for golf carts and other charges or fees will be at the normal rate.

3. Longevity Bonus. A longevity bonus of \$750.00 will be paid to all employees who are covered by this bargaining unit who were employed by the City as either a police officer (public safety officer) or firefighter (fire equipment operator and fire safety officers) prior to July 1, 2013. The bonus will be included in either the last payroll of July 2014, or the first payroll of August 2014.

4. Each party has had a reasonable opportunity to read this entire Agreement, to discuss its contents and meaning with a representative of their choosing, and that the terms of this Agreement are understood and voluntarily accepted.

5. Provided both parties ratify this Memorandum no later than July 10, 2014, the term of this Memorandum shall become effective on the first day of the first full pay period commencing after July 1, 2014, and shall remain in full force and effect until a successor Agreement is ratified by both Parties. Provided, however, no step increases shall take place after July 1, 2015 at 11:59 p.m.

**CITY OF ALAMOGORDO
NEW MEXICO**

**ALAMOGORDO PUBLIC SAFETY
OFFICERS ASSOCIATION**

James R. Stahle, City Manager

Eliza Fernandez, APSOA

David Griffith, NMCPSO

ATTEST:

APPROVED AS TO FORM:

Reneé L. Cantin, City Clerk

Stephen P. Thies, City Attorney

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 07/8/14 **Report Date:** 06/17/14 **Report No:** 6

Submitted By: Veronica Ortega ^{VO} **Approved For Agenda:** 

Subject: Consider, and act upon, approval of an Agreement with the NCNMEDD Non-Metro Area Agency on Aging Grant for the Senior Center Programs.

Fiscal Impact:

Amount Budgeted: \$117,725
Contract Amount: \$117,725

Fund/Account Number: 071-0000-317.16-30

Fiscal Impact:

Amount Budgeted: \$220,618
Contract Amount: \$227,818

Fund/Account Number: 071-0000-317.16-32

Recommendation: Approve Vendor Agreements

Background:

The \$117,725 is an annual contract between the NM Aging & Long-Term Services Department and the Older Americans Act (OAA) for Title III Federally funded programs. This funding remained the same as last year. The Alamo Senior Center receives this federal funding for our Congregate Meals, Home Delivered Meals, and Transportation Programs.

The \$227,818 is an annual contract between the NM Aging & Long-Term Services Department and the Older Americans Act (OAA) for HB-2 State funded programs. This funding increased by \$7,200 this year due to Legislative Funding to provide additional hours for the Fitness Coordinator. This will increase the Coordinators hours from 12-24 for FY14/15. The Alamo Senior Center receives this funding for our Congregate Meals, Home Delivered Meals, Transportation, Homemaker and Physical Fitness/Exercise Programs.

Reviewed By:

City Attorney JPT City Clerk RC Community Development _____ Community Services _____
Finance VO Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager MR



COPY

P.O. Box 5115, Santa Fe, NM 87502
1-866-699-4927

May 28, 2014

To: Providers/Vendors
Re: Change – Contract Language
From: Jenny D. Martinez, AAA Director

The time has approached for contract negotiations. Enclosed you will find two copies of the Title III Contract/DPS, Nutrition Service Incentive Program (NSIP), and Senior Employment program contract. Please make sure and have both copies signed by the appropriate individual and return one copy back to our agency for full execution. Only those contracts applicable to your agency will be included with this correspondence.

It is important that you recognize there are a few changes in the Contract that require adherence to.

- 1) All contractors of NCNMEDD, Non Metro AAA will be reimbursed through Automated Clearing House (ACH) beginning July 1, 2014.

Therefore, if you are not already enrolled in this process please immediately contact Michelle Bustos at Mbustos@ncnmedd.com and request the necessary paper work. *There will be no exceptions to this.*

- 2) All contractors of NCNMEDD, Non Metro AAA will be required to have a full time director and a full time financial manager.
- 3) All contractors of NCNMEDD, Non Metro AAA will be required to attend at the "minimum" two trainings per contract year.
- 4) All contractors of NCNMEDD, Non Metro AAA will be required to furnish to NCNMEDD, Non Metro AAA, "directly" from its insurance carrier, a memorandum or certification of all insurance carried, before any reimbursement is made from NCNMEDD, Non Metro AAA.

If you have questions, please don't hesitate to contact me at 505-216-2565. Thank you!

**North Central New Mexico Economic Development District
Non-Metro Area Agency on Aging**

**DIRECT PURCHASE OF SERVICES
VENDOR AGREEMENT**

City of Alamogordo, hereinafter referred to as Vendor, and the North Central New Mexico Economic Development District (NCNMEDD) Non-Metro Area Agency on Aging (Non-Metro AAA), hereinafter referred to as Agency, enter this Agreement effective July 1, 2014, in accordance with the Older Americans Act of 1965 (OAA), as amended, as provided by the State of New Mexico Aging and Long Term Services Department, and the Agency's Direct Purchase of Services program.

The Agency's Direct Purchase of Services program is designed to promote the development of a comprehensive and coordinated service delivery system to meet the needs of older individuals (age 60 and older). This agreement provides a mechanism for the creation of an individualized network of community resources on a client-by-client basis through the Older Americans Act, as amended, the State of New Mexico Aging and Long Term Services Department and the Agency.

1. SCOPE OF SERVICES.

A. Services. The Vendor agrees to provide service(s) to eligible clients as identified in accordance with the Direct Purchase of Service vendor application or Service Delivery Plan, all required assurances, licenses, certifications and rate setting documents, as applicable.

Service:

Congregate Meals
Home Delivered Meals
Homemaker/Housekeeping
Adult Day Care
Respite
Transportation
Assisted Transportation
IIID Health Promotion Activities (Evidenced-Based)
 Health Education/Training
 Health Screening
 Health Physical Fitness/Exercise
Chore Services
Case Management
Other Health Promotion Activities (Non IIID)
IIIE Family Caregiver Support Program

Service Definitions:

Congregate Meals – A hot or other appropriate meal, served to an eligible person, which meets one-third (1/3) of the dietary reference intakes (DRI) as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences and complies with the most recent Dietary Guidelines for Americans, published by the Secretary and the Secretary of Agriculture, and which is served in a congregate setting five (5) or more days per week. There are two types of congregate meals:

- Standard meal – A regular meal from the standard menu that is served to the majority of the participants.
- Therapeutic meal or liquid supplement – A special meal or liquid supplement that has been prescribed by a physician and is planned specifically for the participant by a dietician (e.g., diabetic diet, renal diet, tube feeding).

Home Delivered Meals – Hot, cold, frozen, dried, canned or supplemental food (with a satisfactory storage life) which provides a minimum of one-third (1/3) of the dietary reference intakes (DRI) as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences and complies with the Dietary Guidelines for Americans, published by the Secretary and the Secretary of Agriculture, and is delivered to an eligible person in the place of residence. The objective is to assist the recipient to sustain independent living in a safe and healthful environment five (5) or more days per week. Home delivered meals may be served as breakfast, lunch, dinner or weekend meals.

Homemaker/Housekeeping – Assistance with meal preparation, shopping, managing money, making telephone calls, light housework, doing errands and/or providing occasional transportation.

Adult Day Care – A supervised, protective, congregate setting in which social services, recreational activities, meals, personal care, rehabilitative therapies and/or nursing care are provided to dependent adults. Facility must be licensed by the State of New Mexico.

Respite – Temporary, substitute supports or living arrangements for care recipients, which provide a brief period of relief or rest for caregivers. This may be provided in the client's home environment, a congregate or residential setting (e.g., hospital, nursing home, and adult day center) to dependent older adults who need supervision.

Transportation – Taking an older person from one location to another. This does not include any other activity. Demand/Response – transportation designed to carry older persons from specific origin to specific destination upon request.

Assisted Transportation – Providing assistance and transportation, including escort, to an older individual who has difficulties (physical or cognitive) using

regular vehicular transportation. The “trip” includes the following: assisting the older individual from preparation for the trip, to assisting the older individual from their place of residence into the vehicle providing transportation, assisting the older individual from the transporting vehicle to the destination, such as the doctor’s office staying with the older individual at the point of destination; and the reverse for a return trip.

Health Promotion Activities – This includes health fairs, physical fitness activities conducted by an exercise professional, (i.e. Aerobics’ Instructor), medication management that is inclusive of monitoring, screening and education to prevent incorrect medication usage and adverse drug reaction. Home safety/accident prevention that involves a home assessment, assistive devices, accident prevention training, assistance with modifications to prevent accidents/facilitate mobility, and/or follow-up services to determine effectiveness of modifications/assistive devices.

Health Education/Training – Formal or informal opportunities for individuals to acquire knowledge or experience, increase awareness, promote personal or community enrichment and/or increase or gain skills.

Health Screening – Pre-nursing home admission screening and/or routine health screening.

Physical Fitness/Exercise – Individual or group exercise activities (with or without equipment), such as walking, running, swimming, sports and/or Senior Olympics physical conditioning/training.

Title IIIID Health Promotion Activities (Evidence-Based) – Education and implementation activities that support healthy lifestyles and promote healthy behaviors. Evidence-based is a graduated or tiered set of criteria used to define evidence-based interventions implemented through Older Americans Act funding. While the goal is for all title IIIID activities to move toward meeting the highest level criteria, programs meeting minimal or intermediate criteria will meet FY 2012 requirements.

Minimal Criteria – 1) Demonstrated through evaluation to be effective for improving health and well-being or reducing disease, disability and/or injury among older adults; and 2) Ready for translation, implementation and/or broad dissemination by community-based organizations using appropriately credentialed practitioners.

Intermediate Criteria – 1) Meets minimal criteria; 2) Published in a peer-review journal; 3) Proven effective with the older adult population, using some form of control condition (such as pre-post study or control group); and 4) Some basis in translation for implementation by community-based organizations.

Highest-level Criteria – 1) Meets minimal and intermediate criteria; 2) Undergone experimental or quasi-experimental design; 3) Full translation has occurred in community site; and 4) Dissemination products have been developed and are available to the public.

Chore – Assistance with heavy housework, yard work or sidewalk maintenance at a person’s place of residence.

Case Management - Assistance either in the form of access or care coordination in circumstances where the older person is experiencing diminished functioning capacities, personal conditions or other characteristics which require the provision of services by formal service providers or family caregivers. Activities of case management include such practices as assessing needs, developing care plans, authorizing and coordinating services among providers, and providing follow-up and reassessment, as required. Note: This is an ongoing process including assessing needs of a client and effectively planning, arranging, coordinating and follow-up services which most appropriately meet the identified needs as mutually defined by the client, staff, and where appropriate, a family member(s) or other caregiver(s).

III E Family Caregiver Support Program - Services for family caregivers and grandparent caregivers. The following are the allowable service categories:

Information Services - Information about available services (e.g. public education, participation at health fairs, etc);

Access Assistance - Assistance to caregivers in gaining access to services which is considered one-on-one contact (e.g., information and assistance, care coordination, case management);

Counseling - Individual counseling, organization of support groups, and caregiver training to assist the caregivers in making decisions and solving problems relating to their responsibilities (e.g. advice, guidance, and instruction to caregivers on an individual or group basis);

Respite Care - Enable caregivers to be temporarily relieved from their care- giving responsibilities. See above for complete definition.

Supplemental Services – Services provided on a limited basis, to compliment the care provided by caregivers. No more than 20 percent of the federal funding can be dedicated to supplemental services. Examples of supplemental services include: home safety audits, home modification, assistive technologies, emergency alarm response systems, home delivered meals, medical transportation and incontinent and other caregiving supplies. Services must be on a temporary basis.

Unit Measurements

| | |
|----------------------|----------|
| Congregate Meal: | One Meal |
| Home Delivered Meal: | One Meal |

| | |
|------------------------------------|-----------------------------|
| Homemaker/Housekeeping | One Hour |
| Adult Day Care | One Hour |
| Respite Care (Includes III-E) | One Hour |
| Transportation | One, One-Way Trip |
| Assisted Transportation | One, One-Way Trip |
| Health Promotion (III-D/Non-III-D) | |
| Health Education/Training | One Hour |
| Health Screening | One Hour |
| Physical Fitness/Exercise | One Session per Participant |
| Chore | One Hour |
| Case Management | One Hour |
| III-E Access Assistance | One Contact |
| III-E Counseling | One Session per Participant |
| III-E Information Services | One Activity |
| III-E Supplemental Services | One Distribution Event |

Service Area: City of Alamogordo

Targeting: Services are designed to identify eligible clients, with an emphasis on high risk clients and serving older individuals with the greatest economic and social need, low income minorities and those residing in rural areas, as identified in the Older Americans Act.

B. Payment for Services. For the services determined by the Agency to be satisfactorily provided by Vendor hereunder, the Agency shall pay the vendor, during the term, an aggregate amount, including gross receipts tax, not to exceed **\$345,543**. Said aggregate amount is to be derived from the following sources, when performance levels/units are met.

1. **\$38,820** from Title III-B of the OAA;
2. **\$55,428** from Title III-C1 of the OAA;
3. **\$23,477** from Title III-C2 of the OAA;
4. **\$0** from Title III-D of the OAA;
5. **\$0** from Title III-E of the OAA; and
6. **\$227,818** from the NMGAA-State/HB-2.

C. Services and Reimbursement Methodology:

| Service | Total Unit Cost (III,State,PI,Local) | Federal Title III & State Negotiated Unit Costs | Units of Service | Persons |
|---|---|--|---------------------|---------|
| Congregate Meals | \$6.63450 | \$3.11949 | 41300 | 1400 |
| Home Delivered Meals | \$8.44823 | \$2.87700 | 38650 | 218 |
| Transportation | \$12.94767 | \$4.51747 | 15000 | 220 |
| Assisted Transportation | \$ | \$ | | |
| Case Management | \$ | \$ | | |
| Adult Day Care | \$ | \$ | | |
| Respite | \$ | \$ | | |
| Chore Services | \$ | \$ | | |
| Homemaker/Housekeeping | \$46.70661 | \$17.93774 | 1285 | 40 |
| Health Education/Training | \$ | \$ | | |
| Physical Fitness/Exercise | \$1.44118 | \$1.44118 | 10200 | 160 |
| Health Screening | \$ | \$ | | |
| Home Safety | \$ | \$ | | |
| Medication Management | \$ | \$ | | |
| NFCSP – Family Caregivers: Elderly | | | | |
| CG - Counseling | \$ | \$ | | |
| CG – Respite Care | \$ | \$ | | |
| CG - Supplemental | \$ | \$ | | |
| CG - Assistance | \$ | \$ | | |
| CG - Information | \$ | \$ | | |
| NFCSP – Family Caregivers: Grandchildren | | | | |
| CG - Supplemental | \$ | \$ | | |
| CG – Respite Care | \$ | \$ | | |
| CG - Assistance | \$ | \$ | | |

D. Payment for services shall be consistent with all applicable federal and state laws and regulations.

E. Payments to the Vendor will be made subsequent to receipt of funds by the Agency. Any expenditure made prior to the receipt of funds or pending the Agency's approval shall be made at the Vendor's own risk, and the Agency shall not be liable for such expenditures.

F. Payments to the Vendor may be withheld or denied by the Agency for expenditures which are not authorized by, or are in excess of, the regulations, terms and conditions contained in this Agreement or for expenditures which are not properly documented or substantiated by the Vendor. The Vendor agrees to hold the Agency harmless against all audit exceptions arising from the Vendor's violation and shall make restitution to the Agency of such amounts of money due to the Vendor's non-compliance.

G. The total payments for services rendered by the Agency under the terms and conditions of this Agreement shall not exceed those listed in this Agreement.

H. Payments to the vendor will be made electronically through the Automated Clearing House (ACH) Network.

2. TERMS OF AGREEMENT.

In addition to the other provisions contained in this Agreement, the parties agree to the following:

A. The Vendor agrees to:

1. Provide services in accordance with current or revised Agency and State of New Mexico Aging and Long Term Services Department policies and the OAA.
2. Target services to older individuals with greatest economic and social need, including low-income minorities and older individuals residing in rural areas, as applicable.
3. Submit timely and accurate consumer/client tracking service documentation (rosters and transmittals) as required by the AAA by the close of business on the second (2nd) day of each month following the last day of the month in which services were provided. If the second (2nd) day falls on a weekend or AAA holiday, the information shall be delivered by the close of business on the next business day.
4. Submit timely and accurate consumer/client assessment and reassessment documentation (including transmittals) on the day conducted.
5. Encourage client contributions (program income) on a voluntary and confidential basis. Such contributions will be properly safeguarded and accurately accounted for as receipts and expenditures on its financial reports, if they are not required to be forwarded to the AAA. Client contributions (program income) will be reported fully, as required, to the AAA. Vendor agrees to

- expend all program income to expand or enhance the program/service under which it is earned.
6. Provide letters from local City or County governments to the NCNMEDD Non-Metro AAA committing local funds to senior programs. Any changes in local funds (increases or decreases) will be provided in writing to the NCNMEDD Non-Metro AAA. An automatic charge of 1/12 of budgeted local income will be applied monthly. The Letter of Commitment of local funds shall be submitted with the signed contract.
 7. Maintain communication and correspondence concerning clients' status with the Agency.
 8. At a minimum, attend two (2) training events per year (may include attendance at Non-Metro AAA Advisory Council meetings).
 9. Submit timely and accurate information necessary for reimbursement.
 - a. All SAMS data should be verified and reconciled by the Vendor prior to submitting the SAMS Verification Statement and the Agency Summary Report (ASR) to the Non-Metro AAA Santa Fe office by the 7th working day. The signed Agency Summary Report (ASR) is the official document used to initiate reimbursement of services provided by the Vendor.
 - b. Quarterly financial reports with year-to-date to include approved budget, year-to-date expenses and year-to-date revenue, to be submitted by the 15th working day of the month following the end of the quarter.
 10. This agreement does not guarantee a total level of reimbursement other than for individual units/services authorized, contingent upon availability of Federal and State funds.
 11. Employees shall not solicit nor accept gifts or favors of monetary value by or on behalf of clients as a gift, reward or payment.
 12. Encourage the purchase and use of locally sourced farm fresh food products that meet the nutritional standards of the Agency. Vendors must ensure that the farm food products meet the state EID requirements.

B. Through Direct Purchase of Service, the Agency agrees to:

1. Review client intake and assessment forms completed by the Vendor, as applicable, to determine client eligibility. Client intake and assessment forms will be housed at the NCNMEDD Non-Metro Area Agency on Aging (as applicable).
2. Maintain communication and correspondence concerning clients' status.

3. Provide timely consultation and technical assistance to the Vendor as requested and as available.
4. Conduct quality-assurance procedures, which may include on-site visits, to ensure quality services are being provided.
5. Provide written policy, procedures and standard documents concerning client authorization to release information (both a general and medical/health related release), ability to contribute to the cost of services provided, complaints/grievances and appeals to all clients.
6. Provide start-up funds if applicable.
7. Allow re-negotiation of cost of services based on special circumstances.
8. Employ a full-time manager and financial individual to oversee funds contracted through Non-Metro AAA.

3. ASSURANCES.

- A. *Americans with Disabilities Act of 1990 –*
The Vendor shall comply with the requirements, established under the Americans with Disabilities Act, in meeting statutory deadlines under the Act as they pertain to operation for employment, public accommodations, transportation, state and local government operations and telecommunications.
- B. *Section 504 of the Rehabilitation Act of 1973 –*
The Vendor shall provide that each program activity, when viewed in its entirety, is readily accessible to and usable by persons with disabilities in keeping with 45 CFR, Part 84.11, etc. Seq., and as provided for in Section 504 of the Rehabilitation Act of 1974, as amended. When structural changes are required, these changes shall be in keeping with 45 CFR, Part 74. The Vendor shall ensure that benefits and services, available under the agreement, are provided in a non-discriminatory manner as required by the Title VI of the Civil Rights Act of 1964, as amended.
- C. *Age Discrimination in Employment Act of 1967 –*
The Vendor shall comply with Age Discrimination in Employment Act of 1967 (29 USC 621, etc. Seq.).
- D. *Drug Free Workplace*
The Vendor shall comply with the Drug-Free Workplace Act of 1988.
- E. *Certification Regarding Debarment*
The Vendor shall certify annually that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any Federal department or agency.

F. *Independent Audit*

The Vendor will provide a financial and compliance audit report to the Agency covering the period of July 1, 2014 through June 30, 2015. The audit report provided to the Agency must include a copy of the Auditor's management letter. This audit shall be conducted in accordance with generally accepted auditing standards and shall encompass the following provisions:

1. The Vendor, expending \$500,000 or more in combined federal funds, shall have an audit conducted in accordance with Revised Circular A-133, which incorporates the 1996 Single Audit Act amendments. A fair allocation of the audit costs may be charged to both federal and state funds under this Agreement. A copy of the complete report package as required to be submitted by A-133 to the designated clearinghouse shall also be provided to the Agency. The audit report shall include a schedule of administrative and program expenses for each separate federal title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, etc.), which facilitates a reconciliation of audited costs to the final report. The Agency further requires the inclusion of the final units of services provided and final number of persons served. This information may be included within the supplementary section of the audit report.
2. Governmental-type vendors expending less than \$500,000 in combined federal awards shall continue to follow the guidance of the New Mexico State Auditor. Since a full scope audit will continue to be required by the State Auditor, only a fair allocation of state funds within this Agreement may be expended for such audit costs. The audit report shall include a schedule of administrative and program expenses for each separate federal title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, etc.) which facilitates a reconciliation of these audited costs to the final report. The Agency further requires the inclusion of the final units of services provided and final number of persons served by this Agreement. This information may be included within the supplementary section of the audit report.
3. Non-governmental vendors expending between \$25,000 in federal and state funds combined and less than \$500,000 in federal funds, shall have an audit conducted in accordance with the GAO Government Auditing Standards. A fair allocation of the audit costs may be charged to the state funds awarded under the Agreement. Federal funds shall not be charged for audit costs under this section. The audit report shall include a schedule of administrative and program expenses for each separate title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, etc.), which facilitates a reconciliation of these audited costs to the

final report. The Agency further requires the inclusion of the final units of services provided and final number of persons served by this agreement. This information may be included within the supplementary section of the audit report.

4. For those vendors that expend less than \$15,000 in federal and state dollars, no audit is required. The close out of this grant will be based on information required by the Agency, such as financial reports (trial balances, general ledgers, etc.), monitoring efforts and final numbers of services provided and final number of individuals served.
5. Submittal of the audit report for government entities shall be within ten (10) working days after release by the New Mexico State Auditor's Office. For non-governmental entities, the audit report is due four (4) months after the end of the entity's fiscal year.
6. The vendor's independent auditor shall be made aware of Office of Management and Budget Circular (OMB) A-87, Cost Principles for State, Local and Indian Tribal Governments, and OMB Circular A-122, Cost Principles of Nonprofit Organizations in determining the allowability of costs.

G. *Equal Opportunity Compliance.*

The Vendor agrees to abide by all federal and state laws, rules, regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Vendor agrees to assure that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Vendor is found not to be in compliance with these requirements during the life of this Agreement, Vendor agrees to take appropriate steps to correct these deficiencies.

H. *Compliance with Aging and Long-Term Services Department Functions.*

The Vendor shall perform in accordance with the OAA and directives of the U.S. Administration on Aging: rules, regulations, policies and procedures established by the Aging and Long-Term Services Department, for the provision of services, and administration of programs funded under the OAA and the New Mexico State Legislature, the approved Area Plan, the approved Service Plan, and the terms and conditions of this Agreement.

I. *Non-Discrimination Service Delivery.*

The Vendor, in determining (a) the services or other benefits provided under this Agreement, (b) the class of individuals to whom, or situation in which such services or other benefits will be provided under this program, or (c) the class of individuals to be afforded an opportunity to participate in the program, will not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, religion, color, national origin, ancestry, sex, sexual preference, age or handicap, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program in respect to individuals of a particular race, religion, color, national origin, ancestry, sex, sexual preferences, age or handicap.

4. TERM.

This Agreement shall begin on July 1, 2014 and terminate on June 30, 2015, unless terminated pursuant to Paragraph 5, below. In accordance with NMSA 1978, § 13-1-150, no contract term, including extensions and renewals, shall exceed four (4) years, except as set forth in NMSA 1978, § 13-1-150.

5. TERMINATION.

A. This Agreement may be terminated by the Agency without cause upon written notice delivered to the Vendor at least thirty (30) days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. This Agreement may be terminated immediately, upon written notice to the Vendor, if the Vendor becomes unable to perform the services contracted for, as determined by the Agency, or if, during the term of this Agreement, the Vendor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of state funds or due to the Appropriations paragraph herein, or if the Vendor fails to comply with any of the terms contained herein or is in breach of this Agreement as set forth in Paragraph 6, below. This provision is not exclusive and does not waive the Agency's other legal rights and remedies caused by the Vendor's default or breach of this Agreement. This Agreement may also be terminated by the Vendor upon thirty (30) days written notice to the Agency.

B. Termination Management. Immediately upon receipt of notice of termination of this Agreement by either the Agency or the Vendor, the Vendor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and client records generated under this Agreement and any non-expendable personal property or equipment purchased by the Vendor with contract funds shall become property of the Agency upon termination. On the date the notice of termination is received, the Vendor shall furnish to the Agency a complete, detailed inventory of non-expendable personal property purchased with funds provided under the existing and previous Agency

agreements with the Vendor; the property listed in the inventory report including client records and a final closing of the financial records and books of accounts which were required to be kept by the Vendor under the paragraph of this Agreement regarding financial records.

6. BREACH OF AGREEMENT BY VENDOR.

A. In addition to the breach of any term, provision, covenant, agreement, or obligation of Vendor contained in this Agreement, the following constitute a breach of Vendor's obligations and duties hereunder:

1. The Vendor's failure to provide proof of insurance coverage sufficient to meet the requirements of this Agreement or any applicable federal, state or local laws, rules or regulations.
2. The Vendor's failure to adequately safeguard its assets in such a manner that would adversely impact the interests of the intended recipients of the services to be performed, hereunder, and jeopardize their receipt of such services.
3. Unless otherwise duly authorized in writing by the Agency, the Vendor's failure to meet line-item budgetary ceilings set forth in its approved budget for delivering the services contemplated hereunder.

B. Upon a determination by the Agency that the Vendor shall be in breach of this Agreement, the Agency shall provide written notice to the Vendor specifying the facts and circumstances constituting the breach(es) and advising the Vendor that such breach(es) must be cured to the Agency's satisfaction within thirty (30) days from the date of such written notice. If such cure is not timely made, then the Agency may elect to implement one or more of the following intermediate sanctions:

1. The Agency may install a program monitor for a specified time period to closely observe the Vendor's efforts to comply with obligations remaining under this Agreement. Unless otherwise deemed confidential under applicable law, such monitor shall have authority to review any or all of the Vendor's records, policies, procedures, and financial records germane to the Vendor's delivery of the services contemplated by this Agreement. Such monitor may also serve as a consultant to the Vendor to advise in the correction of the determined deficiencies. All costs associated with the Agency's selection and installation of such monitor shall be paid from the state and federal funds paid to the Vendor hereunder.
2. The Agency may appoint a temporary manager who shall have primary responsibility to oversee the operation of the Vendor's services contemplated by this Agreement. All costs associated with the Agency's selection and installation of such a temporary manager shall be paid from the compensation paid to Vendor.

3. The Agency may deem the Vendor ineligible for the receipt of any additional funds to be paid to Vendor hereunder.
4. The Agency may cancel, terminate, or suspend this Agreement in whole or in part.
5. In addition to other remedies available to the Agency hereunder, the Agency may, in its discretion, establish a period of probation with specific objectives to be accomplished by the Vendor hereunder, or to be in compliance with applicable policies, procedures, laws, and regulations.
6. The Agency may pursue any other remedy as may be provided under applicable law.

7. APPROPRIATIONS.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico and utilized by the Agency for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Agency to the Vendor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Vendor and shall be final. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding, the Vendor shall have the option to terminate the Agreement or agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

8. STATUS OF VENDOR.

The Vendor, its agents, and employees are independent contractors performing professional services for the Agency and are not employees of the Agency. The Vendor, its agents and employees shall not accrue leave, retirement, insurance, bonding, use of Agency vehicles, or any other benefits afforded to employees of the Agency as a result of this Agreement. The Vendor acknowledges that all sums received hereunder are reportable for income tax purposes.

9. ASSIGNMENT.

The Vendor shall not assign or transfer any interest in this Agreement, assign any claims for money due, or to become due under this Agreement, without the prior written approval of the Agency.

10. SUBCONTRACTING.

The Vendor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency.

11. RELEASE.

The Vendor acceptance of final payment of the amount due under this Agreement shall operate as a release of the Agency, its officers and employees from all liabilities, claims

and obligations, whatsoever, arising from or under this Agreement. The Vendor agrees not to purport to bind the Agency unless the Vendor has express written authority to do so, and then only within the strict limits of that authority.

12. CONFIDENTIALITY.

Any information provided to or developed by the Vendor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization, by the Vendor without the prior written approval of the Agency. Disclosure of confidential information shall only be made in accordance with the Inspection of Public Records Act or the applicable state or federal laws or regulations. Vendor shall establish a method to guarantee the confidentiality of all information relating to clients in accordance with applicable federal, state and local laws, rules and regulations, as well as the terms of this Agreement. However, this provision shall not be construed as limiting the rights of the Agency or any other federal or state authorized representative to access client case records or other information relating to clients served under this Agreement.

13. PRODUCT OF SERVICE – COPYRIGHT.

All materials developed or acquired, by the Vendor, under this Agreement, shall become the property of the Agency and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing produced, in whole or in part, by the Vendor, under this Agreement, shall be the subject of an application for copyright or other claim of ownership, by or on behalf, of the Vendor.

14. CONFLICT OF INTEREST.

The Vendor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree, with the performance or services required under the Agreement. The Vendor certifies that the requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, regarding contracting with a public officer or state employee or former state employee have been followed.

15. AMENDMENT.

This Agreement shall not be altered, changed or amended, except by instrument in writing, executed by the parties hereto.

16. MERGER.

This Agreement incorporates all the agreements, covenants and understandings between the parties hereto, concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

17. PENALTIES.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

18. APPLICABLE LAW.

The laws of the State of New Mexico shall govern this Agreement.

19. WORKERS COMPENSATION.

The Vendor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Vendor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

20. RECORDS AND FINANCIAL AUDIT.

The Vendor shall maintain detailed time and expenditure records, including, but not limited to, client records, books, supporting documents pertaining to services provided, that indicate the date, time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Agency, the Department of Finance and Administration and the State Auditor. The Agency shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments. If, pursuant to this Agreement, the Vendor receives federal funds subject to the Single Audit Act, the Vendor shall submit to the Agency an audit conducted by a certified public accountant in compliance with the Single Audit Act.

21. INDEMNIFICATION.

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitation of the New Mexico Tort Claims Act.

22. INTERNAL DISPUTE MEDIATION.

The Vendor shall attempt to resolve all disputes with participants by negotiation in good faith and with such mediators as may be acceptable to the parties involved. The Vendor shall implement an internal grievance policy with procedures in place to effectively and fairly negotiate and resolve disputes with participants. The Vendor must provide all participants with notice, at the commencement of the contract year, that disputes may be resolved in this manner. If negotiation and mediation through the grievance procedure fail, any party may submit the dispute to the ALTSD in accordance with the following provisions:

1. In any dispute submitted, the Agency and the Vendor hereby agree and consent to the ALTSD mediation of the dispute.
2. Mediation may only be instituted by written request, which request shall include a statement of the matter in controversy.
3. Initial contacts and negotiation shall be conducted by the appropriate Agency

staff.

4. Any resolution of the matter shall be binding and final on the Vendor and the Vendor hereby agrees to be bound by said resolution.
5. Failure of the Vendor to resolve any dispute pursuant to the procedures set forth herein or to comply with a resolution ordered by the ALTSD shall amount to a material breach of Agreement.
6. Internal Dispute Mediation does not supersede the appeal hearing policies and procedures.

23. PARTICIPANT GRIEVANCE.

The Vendor will establish a system through which applicants for, and recipients of services, may present grievances about the operation of the service program. The Vendor will advise applicants and recipients of their right to appeal denial of service and their right to a fair hearing of these respects. The Vendor shall notify the Agency of termination of services, to a client, as part of a monthly service report, on any services funded by this Agreement. The Agency reserves the right to perform follow-up investigations with the client to determine adequate performance and adherence to due process.

24. KEY PERSONNEL.

The Agency shall be notified of changes in, and must concur with the selection process for, Key Personnel. The Agency considers the following positions as Key Personnel:

1. Program Director
2. Financial Manager

The Vendor will maintain full-time Key Personnel throughout the term of this agreement.

25. INVALID TERM OR CONDITION.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

26. ENFORCEMENT OF AGREEMENT.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless expressed in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

27. NOTICES.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

AGENCY:
NCNMEDD
Attn: Jenny Martinez

VENDOR:
City of Alamogordo
Attn: Veronica Ortega
2201 Puerto Rico Avenue
Alamogordo, NM 88310

PO Box 5115
Santa Fe, NM 87502

28. INSURANCE.

The Vendor shall secure and maintain, during the term of this Agreement, at its own expense, comprehensive and general public liability insurance and/or other types of insurance as the Agency may require. The Vendor shall secure and maintain, during the term of this Agreement, at its own expense, workers' compensation insurance in the amounts required by the applicable laws of the State of New Mexico covering the Vendor's employees. All policies of liability insurance that Vendor is obligated to maintain, according to this Agreement, except for any policy of workers' compensation insurance, shall name Agency as an additional insured. The Vendor shall furnish to the Agency, directly from its insurance carrier, a memorandum or certification of all insurance carried, before the payment of any monies as consideration for the services rendered hereunder shall be made. Upon such certificates and/or memoranda being furnished to the Agency, the same shall be annexed to this Agreement and by reference made a part hereof.

29. AUTHORITY.

The individual(s) signing this Agreement on behalf of Vendor represents and warrants that he or she has the power and authority to bind Vendor, and that no further action, resolution, or approval from Vendor is necessary to enter into a binding contract.

30. SIGNATURES.

For the faithful performance of the terms of this agreement, the parties affix their signatures and bind themselves effective July 1, 2014.

City of Alamogordo

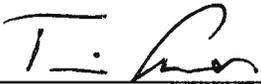
Legal Name of Vendor

Signature

Printed/Typed Name of Signatory

Date

NCNMEDD
Non-Metro Area Agency on Aging
Name of Area Agency on Aging



Signature

Tim Armer, Executive Director

Printed/Typed Name of Signatory

JUN 10 2014

Date

**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
NON-METRO AREA AGENCY ON AGING
NOTIFICATION OF GRANT AWARD (NGA)**

| GRANTEE: City of Alamogordo ADDRESS: PHONE: | | APPROVED BUDGET PERIOD | | | | Grant/Action | | NGA |
|---|------------------------|---------------------------------|---|-------------------|-----------------------------|-------------------|-------------------|------|
| | | FROM: 7/1/2014 TO: 6/30/2015 | | | | New/Cont: | X | DATE |
| DESCRIPTION | | FEDERAL | STATE | LOCAL | Fundraising- Foundations | PROJ. INC. | 6.23.2014 | |
| Title IIIB | Access | \$ 38,820 | \$ 28,942 | \$ 84,203 | \$ 5,000 | \$ 37,250 | \$ 194,215 | |
| | In-Home | \$ - | \$ 23,050 | \$ 28,868 | \$ - | \$ 8,100 | \$ 60,018 | |
| | Community All Other | \$ - | \$ 14,700 | \$ - | \$ - | \$ - | \$ 14,700 | |
| | Subtotal | \$ 38,820 | \$ 66,692 | \$ 113,071 | \$ 5,000 | \$ 45,350 | \$ 268,933 | |
| Title IIIC1 | Meal Costs | \$ 55,428 | \$ 73,407 | \$ 72,170 | | \$ 73,000 | \$ 274,005 | |
| | Subtotal | \$ 55,428 | \$ 73,407 | \$ 72,170 | \$ - | \$ 73,000 | \$ 274,005 | |
| Title IIIC2 | Meal Costs | \$ 23,477 | \$ 87,719 | \$ 172,328 | \$ 6,000 | \$ 37,000 | \$ 326,524 | |
| | SubTotal | \$ 23,477 | \$ 87,719 | \$ 172,328 | \$ 6,000 | \$ 37,000 | \$ 326,524 | |
| Title IIID | Health Promotion | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Sub Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Title IIIE | Care Giver Support | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Sub Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| DEMONSTRATON GRANT | | | | | | | | |
| ALZHEIMER | Respite Care | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Sub Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| ALL STATE OTHER | | | | | | | | |
| | Sub Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| SUB TOTALS | | | | | | | | |
| | Title IIIB | \$ 38,820 | \$ 66,692 | \$ 113,071 | \$ 5,000 | \$ 45,350 | \$ 268,933 | |
| | Title IIIC1 | \$ 55,428 | \$ 73,407 | \$ 72,170 | \$ - | \$ 73,000 | \$ 274,005 | |
| | Title IIIC2 | \$ 23,477 | \$ 87,719 | \$ 172,328 | \$ 6,000 | \$ 37,000 | \$ 326,524 | |
| | Title IIID | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Title IIIE | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Alzheimer Respite Care | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | All State Other | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | GRAND TOTAL | \$ 117,725 | \$ 227,818 | \$ 357,569 | \$ 11,000 | \$ 155,350 | \$ 869,462 | |
| COMPUTATION OF GRANT | | | | | | | | |
| 1. Estimated Total Cost..... | \$ | 869,462 | 8. Federal/State Shares will be comprised of: | | | | | |
| 2. LESS Anticipated Proj. Inc. | \$ | 155,350 | a. Federal/State | | | | | |
| 3. Estimated Net Cost..... | \$ | 714,112 | grant unearned | | | | | |
| | | | in previous project year(s) | | | | | |
| 4. Non-federal and Non-state | | | b. Carry Over | | | | | |
| Share of Net Cost..... | | | FY 20 ____ | | | | | |
| 5. Proj. Inc. (Used as Match)..... | \$ | 155,350 | Federal | | | | | |
| 6. Federal Share of Net Cost..... | \$ | 117,725 | State | | | | | |
| 7. State Share of Net Cost.... | \$ | 227,818 | c. New Obligational | | | | | |
| | | | Authority Herein Awarded | | | | | |
| | | | FY- Federal | | | | | |
| | | | State \$ 117,725 | | | | | |
| | | | \$ 227,818 | | | | | |

NOTIFICATION OF GRANT AWARD

REMARKS: In addition to the conditions contained in the agreement on the application form, the conditions below apply to this grant:

- X 1. Unless revised, the amount of lines 6 and 7 (Computation of Grant) will constitute a ceiling for federal and/or state participation in the approved cost.
- X 2. The federal and/or state share of the project cost is earned only when the cost is accrued and the non-federal and/or non-state share of the cost has been contributed. Receipt of federal and/or state funds (either through advance or reimbursement) does not constitute earning of these funds.
- X 3. If the actual net cost is less than the amount on line 3 (Computation of Grant) the non-federal and/or non-state share, the federal share, and the state share will meet the percentages indicated on Page 1 of the NGA.
- X 4. As shown in the Computation of Grant (assuming satisfactory progress, adequate justification and the availability of funds), the federal and state shares shall meet the amounts shown on lines 6 and 7 of the estimated net project cost shown on line 3.
- X 5. Funds herein awarded will remain available during the length of the project period, however, state and/or federal funds are dependent upon availability.
- X 6. Other: Percentages indicated on this notification of Grant Award are adjustable at year end based on the amount of program income earned and expended. All program income must be expended within the program period indicated on page 1.
- X 7. Programs must meet the units of services projected to be reimbursed or submit an amended plan detailing reasons why approve units are not being met which must be approved by the NCNMEDD Area Agency on Aging.

THE GRANTEE ORGANIZATION IS RESPONSIBLE FOR RETAINING RECORDS OF ALL FEDERAL AND/OR STATE ACCOUNTS AS FOLLOWS:

All accounting records are to be kept in accordance with federal and state policy and readily available for examination by Area Agency on Aging personnel or other federal and/or state officials authorized to examine any or all financial and programmatic records. Such records shall be retained in accordance with the following:

- 1. Keep adequate and complete financial records, and to report promptly and fully to the Area Agency.
- 2. If a federal and/or state audit has not been made within three (3) years after project termination, project records may then be destroyed, on approval of the Area Agency.
- 3. In all cases, an over-riding requirement exists to retain records until resolution of any audit questions relating to individual grants.
- 4. Non-federal resources must be contributed equally to the percentage of the non-federal share of actual net costs for a project year. If a Grantee reports federal and/or state cash received but unearned on the final project report for a project year, the Grantee then owes the State Agency this amount. This amount may constitute a cash advance on any funds awarded to the Grantee by the Area Agency for the following project year.
- 5. The disposition of unearned portions of federal and/or state funds at the end of the project year shall be made in accordance with current state policies.
- 6. Unearned federal and/or state cash at the time the project is terminated shall be returned in full to the State Agency.
- 7. All obligations will be liquidated within 30 days after the end of the project year and before final program and financial reports are submitted.
- 8. Inventory of project equipment will be maintained and submitted as requested.

Project records will be preserved and kept available to federal and state auditors at the following address:

| | |
|---|---|
| NCNMEDD, Non - Metro Area Agency on Aging | We, the undersigned officers of the Grantee organization, certify that we are in agreement with the terms and conditions of this award. |
|  | Signature: _____ Date: _____ |
| Signature: _____ Date: _____ Tim Armer, Executive Director | Signature: _____ Date: _____ |

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: 07/8/14 **Report Date:** 06/17/14 **Report No:** 7

Submitted By: Veronica Ortega *VO* **Approved For Agenda:** *[Signature]*

Subject: Consider, and act upon, approval of an Agreement with the NM Economic Development District, Non-Metro Area Agency on Aging (NMAAA) for the Nutrition Service Incentive Program (NSIP).

Fiscal Impact:

| | | |
|------------------|-----------|-------------------------|
| Amount Budgeted: | \$ 51,625 | 071-0000-317-16.34 |
| Contract Amount: | \$ 51,625 | 071-8023-445-32.65/ 50% |
| | | 071-8024-445-32.65/50% |

Recommendation: Approve the Agreement

Background:

This funding is provided to us by the Federal Government for the Nutrition Service Incentive Program (NSIP). This funding is utilized for our nutrition programs, congregate and home delivered meals.

This funding is based on the number of eligible meals that we serve to seniors. This will be a one-time funding amount for the fiscal year. These federal dollars can only be spent on food grown in America.

Reviewed By:

| | | | |
|----------------------------|-------------------------|---|--------------------------|
| City Attorney <i>SPT</i> | City Clerk <i>RC</i> | Community Development _____ | Community Services _____ |
| Finance <i>[Signature]</i> | Housing Authority _____ | Planning _____ | Personnel _____ |
| Public Works _____ | Purchasing _____ | Assistant City Manager <i>[Signature]</i> | Public Safety _____ |

**North Central New Mexico Economic Development District
Non-Metro Area Agency on Aging**

**NUTRITION SERVICE INCENTIVE PROGRAM (NSIP)
AGREEMENT**

This Agreement is made and entered into this 1st day of July 2014, by and between the North Central New Mexico Economic Development District(NCNMEDD) Non-Metro Area Agency on Aging (Non-Metro AAA), hereinafter referred to as the "Agency" and City of Alamogordo, hereinafter referred to as the "Contractor."

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work

The Contractor will:

- A. Establish procedures to insure that such cash payments are used solely for the purchase of United States agricultural commodities and other foods produced in the United States for use in their feeding operations. No imported foods may be purchased with these funds, e.g. coffee, tea, cocoa, and bananas.
- B. Ensure that meals furnished under contractual arrangement with food service management companies, caterers, restaurants, or institutions, contain United States produced commodities or foods at least equal in value to the per meal cash payment.
- C. Encourage the purchase and use of locally sourced farm fresh food products that meet the nutritional standards of the Agency. Contractors must ensure that the farm food products meet the state EID requirements.
- D. Ensure that meals meet Title III-C standards for nutritional adequacy and sanitation.
- E. Maintain accounting records for NSIP separate and apart from other accounting records maintained for other nutrition funding sources (i.e., Title III-C1 and C2 and other cash used for raw food).
- F. Report on a monthly basis to the Agency on forms provided by the Agency and submit such other reports as deemed necessary by the Agency.
- G. Maintain and retain for three years from close of the federal year to which they pertain, complete and accurate records of all amounts received and disbursed under this Agreement.
- H. Allow the Agency to monitor periodically the Contractor's fiscal accountability of NSIP.
- I. Abide by and comply with the conditions and requirements set forth in Title 45, Part 74 dated August 2, 1978 (Grant Administration); Implementation of OMB Circular No. A110; Uniform Policies). Moreover, the Contractor will abide by Volume 38, No. 181 dated September 19, 1973 (Part II-Administration of Grants) as well as other applicable federal regulations that are currently in effect or will come into effect during the term of this contract.

J. Ensure eligible participants are assessed and registered in SAMS.

K. Ensure meals served meet the following:

Congregate Meals – A hot or other appropriate meal served to an eligible person which meets one-third (1/3) of the dietary reference intakes (DRI) as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences and complies with the most recent Dietary Guidelines for Americans, published by the Secretary and the Secretary of Agriculture, and which is served in a congregate setting 5 or more days per week. There are two types of congregate meals:

- Standard meal – A regular meal from the standard menu that is served to the majority of the participants.
- Therapeutic meal or liquid supplement – A special meal or liquid supplement that has been prescribed by a physician and is planned specifically for the participant by a dietician (e.g., diabetic diet, renal diet, tube feeding).

Home Delivered Meals – Hot, cold, frozen, dried, canned or supplemental food (with a satisfactory storage life) which provides a minimum of one-third (1/3) of the dietary reference intakes (DRI) as established by the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences and complies with the Dietary Guidelines for Americans, published by the Secretary and the Secretary of Agriculture, and is delivered to an eligible person in the place of residence. The objective is to assist the recipient sustain independent living in a safe and healthful environment 5 or more days per week. Home delivered meals may be served as breakfast, lunch, dinner or weekend meals.

2. **Compensation**

- A. The total amount payable to the Contractor under this Agreement shall not exceed **\$51,625** for eligible meals served during the period July 1, 2014 through June 30, 2015 regardless of funding sources, to eligible participants and their spouses.
- B. All subsequent payments will be disbursed upon receipt of actual service delivery data from the Contractor.

3. **Gross Receipts Tax**

Not applicable. Tax exempt.

4. **Term**

No terms of this Agreement shall become effective until approved by the Department of Finance and Administration and shall terminate on June 30, 2015, unless terminated pursuant to paragraph 5, infra.

5. **Termination**

A. This Agreement may be terminated by the Agency without cause upon written notice delivered to the Contractor at least thirty (30) days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. This Agreement may be terminated immediately upon written notice to the Contractor if the Contractor becomes unable to perform the services contracted for, as determined by the Agency, or if, during the term of this Agreement, the Contractor or any of its officers, employees or agents, is indicted for fraud, embezzlement or other crime due to misuse of state funds or due to the Appropriations paragraph herein, or if the Contractor fails to comply with any of the terms contained herein or is in breach of this Agreement. This provision is not exclusive and does not waive the Agency's other legal rights and remedies caused by the Contractor's default or breach of this Agreement. This Agreement also may be terminated by the Contractor upon thirty (30) days written notice to the Agency.

B. **Termination Management.** Immediately upon receipt by either the Agency or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and client records generated under this Agreement and any non-expendable personal property or equipment purchased by the Contractor with contract funds shall become property of the Agency upon termination. On the date the notice of termination is received, the Contractor shall furnish to the Agency a complete, detailed inventory of non-expendable personal property purchased with funds provided under the existing and previous Agency agreements with the Contractor; the property listed in the inventory report including client records and a final closing of the financial records and books of accounts which were required to be kept by the Contractor under the paragraph of this Agreement regarding financial records.

6. **Status of Contractor**

The Contractor, his agents and employees, are independent contractors performing services for the Agency and are not employees of the Agency. The Contractor, his agents and employees, shall not accrue leave, retirement, insurance, bonding, or any other benefit afforded to employees of the Agency as a result of this Agreement.

7. **Assignment**

The Contractor shall not assign any portion of the services to be performed under this Agreement without the prior written approval of the Agency.

8. **Subcontracting**

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency.

9. Records and Audit

A. The Contractor shall maintain detailed records which indicate the date, time, and nature of services rendered. These records shall be subject to inspection by the Agency, Aging & Long Term Services Department (ALTSD), the Department of Finance and Administration, the State Auditor, the U.S. Department of Agriculture, and the U.S. General Accounting Office. The Agency shall have the right to audit billings both before and after payment; payment under this Agreement shall not foreclose the right of the Agency to recover excessive, improper, or illegal payments.

B. The Contractor will provide a financial and compliance audit report to the Agency covering the period July 1, 2014 to June 30, 2015. The audit reports provided to the Agency must include a copy of the Auditor's management letter. This audit shall be conducted in accordance with generally accepted auditing standards and shall encompass the following provisions.

1. The Contractor, expending \$500,000 or more in combined federal funds, shall have an audit conducted in accordance with Revised Circular A-133, which incorporates the 1996 Single Audit Act amendments. A fair allocation of the audit costs may be charged to both federal and state funds under this Agreement. A copy of the complete report package as required to be submitted by A-133 to the designated clearinghouse shall also be provided to the Agency. The audit report shall include a schedule of administrative and program expenses for each separate federal title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, NSIP, etc.), which facilitates a reconciliation of audited costs to the final report. The NCNMEDD Non-Metro AAA further requires the inclusion of the final units of services provided and final number of persons served. This information may be included within the supplementary section of the audit report.
2. Governmental type vendors/contractors expending less than \$500,000 in combined federal awards shall continue to follow the guidance of the New Mexico State Auditor. Since a full scope audit will continue to be required by the State Auditor, only a fair allocation of state funds within this Agreement may be expended for such audit costs. The audit report shall include a schedule of administrative and program expenses for each separate federal title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, NSIP, etc.) which facilitates a reconciliation of these audited costs to the final report. The NCNMEDD Non-Metro AAA further requires the inclusion of the final units of services provided and final number of persons served by this Agreement. This information may be included within the supplementary section of the audit report.
3. Non-governmental vendors/contractors expending between \$25,000 in federal and state funds combined less than \$500,000 in federal funds, shall have an audit conducted in accordance with the GAO Government Auditing Standards. A fair allocation of the audit costs may be charged to the state funds awarded under the Agreement. Federal funds shall not be charged for

audit costs under this section. The audit report shall include a schedule of administrative and program expenses for each separate title or program (Title IIIB, Title IIIC-I, Title IIIC-II, Title IIID, Title IIIE, NSIP, etc.), which facilitates a reconciliation of these audited costs to the final report. The NCNMEDD Non-Metro AAA further requires the inclusion of the final units of services provided and final number of persons served by this agreement. This information may be included within the supplementary section of the audit report.

4. For those contractors/vendors that expend less than \$15,000 in federal and state dollars, no audit is required. The close out of this grant will be based on information required by the Non-Metro AAA such as financial reports (trial balances, general ledgers, etc.), monitoring efforts and final numbers of services provided and final number of individuals served.
5. Submittal of the audit report for government entities shall be within ten (10) working days after releases by the New Mexico State Auditor's Office. For non-governmental entities, the audit report is due four (4) months after the end of the entity's fiscal year.
6. The contractor's/vendor's independent auditor shall be made aware of Office of Management and Budget Circular (OMB) A-87, Cost Principles for State, Local and Indian Tribal Governments, and OMB Circular A-122, Cost Principles of Nonprofit Organizations in determining the allowability of costs.

10. Appropriations

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the U.S. Congress for the performance of this Agreement. If sufficient appropriations and authorizations are not made, the Agreement shall terminate upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

11. Release

The Contractor, upon final payment of the amount due under this Agreement, releases The Agency, its officers and employees, the ALTSD and the State of New Mexico from all liabilities, claims, and obligations arising from or under this Agreement. The Contractor agrees not to purport to bind the State of New Mexico to any obligation not assumed herein unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. Product of Service; Copyright

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing produced, in whole or in part, by the Contractor under this Agreement shall be subject to an application for copyright by or on behalf of the Contractor.

13. Conflict of Interest

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of service required under this Agreement.

14. Equal Opportunity Compliance

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor agrees to assure that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

15. Non-Discriminating Service Delivery

The Contractor will not, on the ground of race, religion, color, ancestry, sex, sexual preference, national origin, age or handicap:

1. Deny any individual receiving services under this Agreement any service or other benefits provided under the program;
2. Provide any services or other benefits to an individual which is different, than those funded under this Agreement;
3. Subject any individual to segregation or separate treatment in any manner related to his receipt of any services or other benefits provided under the funding for this program;
4. Restrict an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any services or other benefits provided under this program;
5. Treat an individual differently from others in determining whether he satisfies any eligibility or other requirements or condition which individuals must meet in order to receive any aid, care, services, or other benefits provided under the funding for this program;
6. Deny any individual an opportunity to participate in the program through the provision of services or otherwise afford him/her an opportunity to do so which is different from that afforded others under the program.
7. The Contractor, in determining (1) the types of services or other benefits to be provided under the program, (2) the class of individuals to whom, or the situation in which such services or other benefits will be provided under this program, or (3) the class of individuals to be afforded an opportunity to

participate in the program, will not utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, sex, sexual preference, national origin, or handicap, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program in respect to individuals of a particular race, color, sex, sexual preference, national origin, or handicap.

16. **Confidentiality**

The use or disclosure of any information concerning a recipient of assistance or service for any purpose not connected with the administration of the Agency's or the Contractor's responsibilities with respect to services hereunder, is prohibited, except on written consent of recipient, his attorney, or his responsible parent or guardian.

17. **Amendment**

This Agreement shall not be altered, changed, or amended except by instrument in writing executed by the parties hereto.

18. **Penalties for Violation of Law**

The Procurement Code, Sections 13-1-28 through 13-1-199, N.M.S.A. 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

19. **Scope of Agreement**

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings, have been merged into this written Agreement. No prior agreement or understanding, verbal or otherwise, of the parties, or their agents shall be valid or enforceable unless embodied in this Agreement.

20. **Applicable Laws**

This Agreement shall be governed by the laws and regulations of the (a) State of New Mexico, (b) the Older Americans Act of 1965, as amended, (c) the Agricultural Act of 1949, as amended; and (d) any other applicable laws and regulations of the federal government.

21. **Internal Dispute Mediation**

The Contractor shall attempt to resolve all disputes with participants by negotiation in good faith and with such mediators as may be acceptable to the parties involved. The Contractor shall implement an internal grievance policy with procedures in place to effectively and fairly negotiate and resolve disputes with participants. The Contractor must provide all participants with notice, at the commencement of the contract year, that disputes may be resolved in this manner. If negotiation and mediation through the grievance procedure fail, any party may submit the dispute to the ALTSD in accordance with the following provisions:

1. In any dispute submitted, the Agency and the Contractor hereby agree to and

- consent to the ALTSD mediation of the dispute.
2. Mediation may only be instituted by written request, which request shall include a statement of the matter in controversy.
 3. Initial contacts and negotiation shall be conducted by the appropriate Agency staff.
 4. Any resolution of the matter shall be binding and final on the Contractor and the Contractor hereby agrees to be bound by said resolution.
 5. Failure of the Contractor to resolve any dispute pursuant to the procedures set forth herein or to comply with a resolution ordered by the ALTSD shall amount to a material breach of Agreement.
 6. Internal Dispute Mediation does not supersede the appeal hearing policies and procedures.

22. Invalid Term or Condition

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Notices

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

Agency:

NCNMEDD
 Attn: Jenny Martinez
 P.O. Box 5115
 Santa Fe, NM 87502

Contractor:

City of Alamogordo
 Attn: Veronica Ortega
 2201 Puerto Rico Avenue
 Alamogordo, NM 88310

25. Other Provisions

Compliance with Grant conditions. The Contractor shall abide by all grant conditions set out in the Notification of Grant Award (NGA) attached hereto and hereby incorporated by reference.

26. Indemnification

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitation of the New Mexico Tort

Claims Act.

27. **Authority**

The individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

28. **Signatures**

For the faithful performance of the terms of this agreement, the parties affix their signatures and bind themselves effective July 1, 2014.

City of Alamogordo
Legal Name of Vendor/Contractor

Signature

Printed/Typed Name of Signatory

Date

NCNMEDD
Non-Metro Area Agency on Aging
Name of Area Agency on Aging



Signature

Tim Armer, Executive Director
Printed/Typed Name of Signatory

JUN 10 2014

Date

NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
NON-METRO AREA AGENCY ON AGING
NOTIFICATION OF GRANT AWARD (NGA)
SPECIAL PROJECTS - NUTRITION SERVICE INCENTIVE PROGRAM (NSIP)

| | | | | | | | |
|--|--|---|--------|---|------------------------------------|-------------------|--------------------------|
| GRANTEE: Alamogordo, City of ADDRESS: | | APPROVED BUDGET FOR THE PERIOD FROM: 07/01/2014 TO: 06/30/2015 | | | Type of Grant or Action | | NGA DATE 5.28.2014 |
| | | | | | New/Cont: X Revision: Other: | | |
| PHONE: | | Fund: 210 Title of Project: NSIP | | | CFDA # 93.053 | | |
| Indirect Cost % of \$ | | | | | | | |
| DESCRIPTION | | FEDERAL | STATE | LOCAL CASH | LOCAL IN-KIND | PROJECT INCOME | TOTAL |
| Personnel Services | | \$0.00 | \$0.00 | | | | \$0.00 |
| Fringe Benefits | | 0.00 | 0.00 | | | | 0.00 |
| Travel | | 0.00 | 0.00 | | | | 0.00 |
| Maintenance & Repair | | 0.00 | 0.00 | | | | 0.00 |
| Supplies (Raw Food) | | 51,625.00 | 0.00 | | | | 51,625.00 |
| Contractual Services | | 0.00 | 0.00 | | | | 0.00 |
| Other Operating Costs | | 0.00 | 0.00 | | | | 0.00 |
| Capital Outlay | | 0.00 | 0.00 | | | | 0.00 |
| Subtotal | | \$51,625.00 | \$0.00 | | | | \$51,625.00 |
| PERCENT OF TOTAL COST | | 100% | 0% | 0% | 0% | 0% | 100% |
| COMPUTATION OF GRANT | | | | 8. Federal/State Shares will be Composed of: | | | |
| 1. Estimated Total Cost | | \$51,625.00 | | a. Federal/State grant | | | |
| 2. LESS Anticipated Project Income | | \$0.00 | | uneamed in previous | | FY Federal: | 0.00 |
| 3. Estimated Net Cost | | \$51,625.00 | | project year(s) | | FY State: | 0.00 |
| 4. Non-federal and Non-state Share of Net Cost | | \$0.00 | | b. Carry Over | | 0.00 | |
| 5. Project Income (Used as Match) | | \$0.00 | | c. New Obligational | | | |
| 6. Federal Share of Net Cost | | \$51,625.00 | | Authority Herein | | FY Federal: | \$51,625.00 |
| 7. State Share of Net Cost | | \$0.00 | | Awarded | | | |
| <p><input checked="" type="checkbox"/> Unless revised, the amount of lines 6 and 7 (Computation of Grant) will constitute a ceiling for federal and/or state participation in the approved cost.</p> <p><input checked="" type="checkbox"/> The federal and/or state share of the project cost is earned only when the cost is accrued and the non-federal and/or non-state share of the cost has been contributed. Receipt of federal and/or state funds (either through advance or reimbursement) does not constitute earning of these funds.</p> <p><input checked="" type="checkbox"/> If the actual net cost is less than the amount on line 3 (Computation of Grant) the non-federal and/or non-state share, the federal share, and the state share will meet the percentages indicated on Page 1 of the NGA.</p> <p><input checked="" type="checkbox"/> As shown in the Computation of Grant (assuming satisfactory progress, adequate justification and the availability of funds), the federal and state shares shall meet the amounts shown on lines 6 and 7 of the estimated net project cost shown on line 3.</p> <p><input checked="" type="checkbox"/> Funds herein awarded will remain available during the length of the project period, however, state and/or federal funds are dependent upon availability.</p> <p><input checked="" type="checkbox"/> In accepting the grant awarded for support of the expanded portion of an existing program, the grantee agrees to maintain expenditures for the existing program in the amount of Line 6 during the approved project period.</p> | | | | | | | |
| <p>All accounting records are to be kept in accordance with federal and state policy and readily available for examination by Area Agency personnel or other federal and/or state officials authorized to examine any or all financial and programmatic records. Such records shall be retained in accordance with the following:</p> <ol style="list-style-type: none"> 1. Keep adequate and complete financial records, and to report promptly and fully to the Area Agency. 2. If a federal and/or state audit has not been made within three (3) years after project termination, project records may then be destroyed, on approval of the Agency. 3. In all cases, an over-riding requirement exists to retain records until resolution of any audit questions relating to individual grants. 4. Non-federal resources must be contributed equally to the percentage of the non-federal share of actual net costs for a project year. If a Grantee reports federal and/or state cash received but uneamed on the final project report for a project year, the Grantee then owes the Area Agency this amount. This amount may constitute a cash advance on any funds awarded to the Grantee by the Area Agency for the following project year. 5. The disposition of uneamed portions of federal and/or state funds at the end of the project year shall be made in accordance with current state policies. 6. Uneamed federal and/or state cash at the time the project is terminated shall be returned in full to the Area Agency. 7. All obligations will be liquidated within 30 days after the end of the project year and before final program and financial reports are submitted. 8. Inventory of project equipment will be maintained and submitted as requested. 9. Project records will preserved and kept available to federal and state auditors at the primary offices of the Grantee. | | | | | | | |
| Signature of Area Agency on Aging Authorizing Official: Tim Armer, Executive Director | | | | We, the undersigned officers of the Grantee organization, certify that we are in agreement with the terms and conditions of this award. | | | |
|  Date: JUN 10 2014 | | | | Date: | | | |
| | | | | Date: | | | |
| Signature: | | | | Date: | | | |

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 25, 2014 **Report No:** 8

Submitted By: Matt McNeile
Assistant City Manager

Approved For Agenda: _____



Subject: Consider, and act upon, a Memorandum of Agreement between the New Mexico Department of Transportation and the City of Alamogordo for federal assistance under the Federal Highway Administration - Recreational Trails Program in the amount of \$57,618.38 for the Washington Avenue Trail Project.

Fiscal Impact: \$9,818.87 (14.56% Local Match)

Amount Budgeted: \$67,437.25

Fund: 20 Project (CS1501) Line item: 020-0006-454.65-50

Recommendation: Approve the Memorandum of Agreement.
[Roll call vote required]

Background: Staff pursued funding under the Federal Highway Administration - Recreational Trails Program with the New Mexico Department of Transportation (NMDOT). In January 2014, NMDOT informed the City of a grant award in the amount of \$57,618.38 for the Washington Avenue Trail Project. The grant award requires that the City provide matching funds or in-kind services equal to 14.56% (\$9,818.87) of the total grant project amount.

Staff requests that the City Commission approve the Memorandum of Agreement with NMDOT in order to receive the grant amount and successfully complete the project.

Reviewed By:

City Attorney SPT City Clerk DC Community Development _____ Community Services _____
Finance hu Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager MM

Contract No. _____
Vendor No. _____

MEMORANDUM OF AGREEMENT

This **Memorandum of Agreement** is between the **New Mexico Department of Transportation** (“Department”) and the **City of Alamogordo** (“City”). This Agreement is effective as of the date of the last party to sign it on the signature page below.

RECITALS

Whereas, 23 U.S.C. Section 206 and 23 USC Sections 213(b)(2), 213(f) and 213(g) provide federal assistance and guidance for the development of a Recreational Trails Program (“RTP”) to develop and maintain trails for motorized and non-motorized recreation; and,

Whereas, the State of New Mexico participates in the RTP, which is funded by the Federal Highway Administration (“FHWA”); and,

Whereas, the RTP was previously administered by the New Mexico Energy, Minerals and Natural Resources Department (“EMNRD”); and,

Whereas, the Governor of the State of New Mexico has re-designated administration of the RTP to the Department effective January 1, 2014; and,

Whereas, The City was a RTP grant recipient, approved by the FHWA, under the administration of EMNRD; and,

Whereas, the Department and the City want to continue the prior, FHWA approved RTP program.

Now, Therefore, the parties agree as follows:

1. Introduction.

The RTP, made possible through the FHWA, provides federal funding and guidance to develop and maintain trails for motorized and non-motorized recreation. Trail uses include hiking, bicycling, in-line skating, equestrian use and cross-country skiing. Eligible applicants for RTP funding include public entities, state and federal agencies, Native American tribes and pueblos, and non-profit organizations in partnership with eligible agencies.

The RTP provides 85.44% of project funds to develop, improve and maintain trails and trail-related facilities for motorized and non-motorized recreational trail uses. These federal funds

make it possible to enhance, improve and increase recreational opportunities in New Mexico through the development and maintenance of recreational trails and trail-related facilities.

The City will use the RTP funds for construction of the Washington Avenue Trail , as specified in Attachment 1, "Project Description and Budget" ("Project").

2. Funding.

The Department shall provide up to a maximum of \$57,618.38 in federal funds to the City for the Project identified in Attachment 1. The City shall provide matching funds or in-kind services at a rate of 14.56% per billing period. The City is responsible for all costs that exceed the agreed upon maximum. State funds will not be earmarked or disbursed to fund this Agreement.

3. Payment – Reimbursement.

The City shall submit progress reports and reimbursement requests to the Department on a quarterly basis. The matching funds and/or in-kind services shall be documented on the each reimbursement request. The documentation must include approved purchase order or equivalent document and invoice evidencing the eligibility of each cost item. Amounts charged for personal services will be based on payrolls maintained by the City and supported by time and attendance sheets.

The Department will reimburse the City for all eligible costs incurred under this Agreement for materials and labor up to a maximum of \$57,618.38 in federal funds. Eligible costs include New Mexico Governmental Gross Receipts Taxes, if applicable, and travel expenses at the rates established in the New Mexico Per Diem and Mileage Act, NMSA 1978 Section 10-8-1, et. seq. and Department travel policy.

If there is no expenditure of federal funds for two contiguous quarters, the City shall provide the Department with written justification for the lack of activity within 15 days of the end of the second contiguous quarter. The Department shall review the justification with FHWA. If the Department or FHWA finds the justification insufficient, it may de-obligate the funds, which will terminate this Agreement. This action will be taken pursuant to 23 CFR 630.106(a)(5).

The Project must be completed by June 30, 2015, with the final billing submitted by July 31, 2015. A final reimbursement request after July 31, 2015 may not be paid.

4. City Shall:

- a. Assign a project manager who will be the main contact for all communication with Department and who will oversee the completion of the Project.
- b. Assure that no person will be denied access to use of lands, facilities or buildings developed or acquired with RTP funding.
- c. Install and maintain at least one sign acknowledging that the work under this Agreement was completed with financial support from FHWA, under the provisions of the RTP.
- d. Provide written notification to the Department at least two weeks in advance of any events, such as dedication, associated with project completion.

5. The Department Shall:

Assign a project manager who will be the main contact with the City for the duration of the Project.

6. Project Property, Continued RTP USE.

The City may not convert the trails or facilities constructed with RTP funding to non-recreational uses without prior approval from the Department and the FHWA. The City must notify the Department in writing with supporting facts and documentation. Upon consultation with the City, the Department will provide such information to the FHWA for its review and approval. If the City should act to convert or destroy the trails or facilities prior to approval, the City will be required to reimburse the full amount of the federal award.

Pursuant to 23 CFR Part 200 and 200.439, the City shall inventory and maintain for the life of the property, all improvements made under the terms of this Agreement.

7. Term.

This Agreement becomes effective upon signature of all parties. The effective date is the date when the last party signed the Agreement on the signature page below. The agreement shall expire on July 31, 2015, or when funding is expended, whichever occurs first. Federal funds not expended by the expiration date shall revert to the Department.

8. Termination.

The Department has the option to terminate this Agreement if the City fails to comply with any provision. A written notice of termination shall be given at least thirty (30) days prior to the intended date of termination and shall identify all of the City breaches on which the termination is based.

The Department may provide the City a reasonable opportunity to correct the breach. If within ten (10) days after receipt of a written notice of termination, the City has not corrected the breach or, in the case of a breach which cannot be corrected in ten (10) days, the City has not begun and proceeded in good faith to correct the breach, the Department may declare the City in default and terminate the Agreement. The Department shall retain any and all other remedies available to it under the law.

The Department may also terminate this Agreement pursuant to Section 2 above and Section 11 below.

9. Third Party Beneficiaries.

It is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit(s) for wrongful death(s), bodily and/or personal injury(ies) to person(s), damage(s) to property(ies), and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

10. New Mexico Tort Claims Act.

Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, *et seq.* This

paragraph is intended only to define the liabilities between the parties and it is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

11. Appropriations and Authorizations.

The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the Legislature of New Mexico, or the Congress of the United States if federal funds are involved, for performance of the Agreement. If sufficient appropriations and authorizations are not made by the Legislature or the Congress of the United States if federal funds are involved, this Agreement shall terminate upon written notice being given by the Department to the Public Entity. The Department is expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered, and approved for expenditure by the Department. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final.

12. Records and Audit.

The parties agree to maintain all books documents, papers, accounting records, and other evidence pertaining to costs incurred, for a period of five (5) years after completion of the project. The and to make such materials available at their respective offices at all reasonable times during the term of this Agreement.

The City shall furnish the Department, State Auditor, or appropriate federal auditors, upon demand, any and all records relevant to this Agreement for auditing purposes. If an audit determines that a specific expense was inappropriate or not related to the Project, City shall reimburse that portion to the Department within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expense identified shall be reimbursed to the Department within thirty (30) days of written notification.

13. Equal Opportunity Compliance.

The City agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the City agrees to assure that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, sexual preference, age or handicap, be excluded from employment with or participation in, be denied the benefits, or be otherwise subjected to discrimination under, any program or activity performed under this Agreement. If the City is found to not be in compliance with these requirements during the term of this Agreement, the City agrees to take appropriate steps to correct these deficiencies.

14. Civil Rights Laws and Regulations Compliance.

The Department and the City shall comply with all federal, state and local laws and ordinances. The Department and City further agree to operate under and be controlled by Title VI and Title VII of the Civil Rights Act of 1964, the Age Discrimination Employment Act, the Americans with Disabilities Act of 1990, Executive Order 12898, the Civil Rights Restoration Act of 1987,

the New Mexico Human Rights Act, and Executive Order No. 11246 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented by the Department of Labor regulations (41 CFR 60). Accordingly, 49 CFR 21 is applicable to this Agreement.

15. Disadvantaged Business Enterprise (DBE) Program.

- a. Recipient/Contractor Assurances: Each contract the City enters into with a construction contractor, design contractor, other contractor or recipient on a USDOT-assisted project shall ensure that such contract and subcontracts shall include the following assurances:
 - 1. Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR 26. The Department shall take all necessary and reasonable steps under 49 CFR 26 to ensure nondiscrimination in the award and the administration of USDOT-assisted contracts. The Department's DBE Program, as required by 49 CFR 26 and as approved by DOT, is incorporated herein by reference and made part of this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the recipient of its failure to carry out its approved program, the DOT may impose sanctions as provided for under 49 CFR 26 and may, in appropriate cases, refer the matter for enforcement under 18 USC 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 USC 3801 et seq.).
 - 2. The recipient shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract. The recipient shall carry out applicable requirements of 49 CFR 26 in the award and administration of USDOT-assisted contracts. Failure by the recipient to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy, as the Department deems appropriate.

- b. DBE Program Obligations: This Agreement does not have a specific DBE goal assigned to it. However, the Department encourages the Contractor to facilitate small business and DBE participation on this Agreement and to take all reasonable steps to eliminate obstacles that may preclude their participation.

- c. Provision of DBE Program Information: The City shall provide any DBE related information or data requested by the Department's DBE Program to the Department's project manager or to the Department's Office of Equal Opportunity Programs.

16. Program Fraud and False or Fraudulent Statements or Related Acts.

- a. The City acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. Section 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this program. The City certifies or affirms the truthfulness and accuracy of any statement it makes pertaining to the resultant contract or the FTA assisted program for which this work is being performed. The City further acknowledges that if it makes, or causes to be made, a false, fictitious or fraudulent claim, statement, submission or certification, the federal

government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the City to the extent the federal government deems appropriate.

- b. The City also acknowledges that if it makes, or causes to be made, a false, fictitious or fraudulent claim, statement, submission or certification to the federal government under a contract connected with a program that is financed in whole or in part with federal assistance originally awarded by FTA under the authority of 49 U.S.C. §5307, the federal government reserves the right to impose the penalties of 18 U.S.C. §1001 and 49 U.S.C. §5307(n)(1) on the City, to the extent the federal government deems appropriate.
- c. The City certifies to abide by these clauses and include the clauses in each subcontract financed in whole or in part with Federal Transit Administration funds. City further agrees that these clauses shall not be modified, except to identify the subcontractor subject to its provisions.
- d. All claims for compensation reimbursement and payment of any amounts due pursuant to this Agreement are governed by the Fraud Against Taxpayers Act, Sections 44-9-1 through 44-9-14 NMSA 1978.

17. Lobbying.

A Subgrantee receiving \$100,000 or more of 49 U.S.C. §5311 funds shall file the Lobbying Certification required by 49 C.F.R. Part 20, "New Restrictions on Lobbying." The Lobbying Certification is attached as Certification 2. The City must certify that it has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. §1352.

If the City hires a contractor, the contractor must provide the Lobbying Certification to the City. Each tier below the contractor shall also provide a Lobbying Certification. Such disclosures are forwarded from tier to tier up to the City..

18. Officials Not to Benefit.

Neither any member of the New Mexico Legislature nor any member of or delegate to Congress shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom. The provisions of this clause shall be extended to all public employees, officers, or tribal council members.

19. Environmental Protection.

- a. Energy Conservation: The City agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
- b. Clean Air:
 - 1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, 42 U.S.C. §§ 7401 et seq. The Contractor

agrees to report each violation to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to the FHWA and the appropriate US Environmental Protection Agency (EPA) Regional Office.

2. The Contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with federal assistance provided by FHWA.

c. Clean Water:

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to the Department and understands and agrees that the Department will, in turn, report each violation as required to assure notification to FHWA and the appropriate EPA Regional Office.
2. The Contractor agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with FHWA funds.

20. Debarment and Suspension.

Executive Order 12549, as implemented by 49 C.F.R. Part 29, prohibits FHWA Subgrantees from contracting for goods and services from organizations that have been suspended or debarred from receiving federally-assisted contracts. The City shall include the certification and instruction language contained at 29 C.F.R. Part 29, Appendix B, in all Invitations for Bids and Requests for Proposals (for inclusion by contractors in their bids or proposals) for all contracts expected to equal or exceed \$25,000.00, regardless of the type of contract to be awarded.

The City is required to verify that none of the City's principals, as defined at 49 C.F.R. Part 29.995, or affiliates, as defined at 49 C.F.R. Part 29.905, are excluded or disqualified as defined at 49 C.F.R. Parts 29.940 and 29.945. By signing and submitting this Agreement, the City certifies as follows:

The certification in this clause is a material representation of fact relied upon by the Department. If it is later determined that the bidder/City or proposer knowingly rendered an erroneous certification, in addition to remedies available to the Department, the federal government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 C.F.R. Part 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

21. Central Contractor Registration Requirements.

Prior to payment of invoices and receipt of vehicles and equipment, the City must register and maintain current registration in the System for Award Management website, <http://www.sam.gov>. Registration requires having a Dun and Bradstreet Data Universal Number (DUNS), see <http://www.dnb.com>. The Department will not provide vehicles, or make payments, until the City demonstrates that it is registered with the CCR website.

22. Federal Grant Reporting Requirements.

Under the Federal Funding Accountability and Transparency Act, the Department is required to report on projects or activities, which are awarded federal grants of \$25,000 or more. This information will be made available to the public on www.USASpending.gov . For this reporting, Subgrantee is the “the City.”

The type of information the Department is required to report includes:

- a. Name of subgrantee receiving the award;
- b. Amount of award;
- c. Funding Agency;
- d. NAICS code for contracts or the Catalog of Federal Domestic Assistance program number for grants;
- e. Program source;
- f. Award title descriptive of the purpose of the funding action;
- g. Location of the subgrantee, which includes the Congressional District;
- h. Place of performance of the program or activity, which includes the Congressional District;
- i. Unique identifier – DUNS -- of the subgrantee and its parent organization, if one exists; and,
- j. Total compensation and names of the top five executives of the subgrantee. This information is required, if the subgrantee in the preceding year received eighty (80) percent or more of its annual gross revenues in federal awards, which exceeds \$25 million annually, and the public has no access to this information under the Securities Exchange Act or the Internal Revenue Code.

The Department will extract as much information as possible from the Public Entity’s grant application and standard reports. As specified in Section 4, Paragraph r, the Public Entity will be required to provide the total compensation and names of the Public Entity top five executives, if applicable, and shall register with [www. sam.gov](http://www.sam.gov) and DUNS and provide that information to the Department.

More information on the Transparency Act may be located via the following links: <http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf>; and, <http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf>.

23. Severability.

In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

24. Scope of Agreement.

This Agreement incorporates all the agreements, covenants, and understandings between the parties concerning the subject matter. All such covenants, agreements, and understandings have been merged into this written Agreement. No prior Agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

25. Terms of this Agreement.

The terms of this Agreement are intended to be lawful; performance of all duties and obligations are intended to conform with and not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

26. Applicable Law.

This agreement is governed by the laws of the State of New Mexico. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1 (G) NMSA 1978. By execution of this Agreement, the City acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

27. Principal Contacts and Notices.

The principal contacts for this Agreement are listed below. Except as otherwise specified, all notices shall be in writing (including notice by facsimile or E-mail) and shall be given to the principal contacts listed below.

Anne McLaughlin
Project Manager
New Mexico Department of Transportation
PO Box 1149
Santa Fe, NM 87504-1149
Office: 505-827-5508
E-mail: anne.mclaughlin@state.nm.us

Erik Marion
Project Manager
City of Alamogordo
1376 E. Ninth Street
Alamogordo, NM 88310
Office: (575) 439-4139
Fax: (575) 439-4103
E-mail: emarion@ci.alamogordo.nm.us

28. Amendment.

This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties.

In witness whereof, each party is signing this Agreement on the date stated opposite that party's signature.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Tom Church, Cabinet Secretary-Designate

Approved as to form and legal sufficiency by the New Mexico Department of Transportation's Office of General Counsel

By: _____ Date: _____
Assistant General Counsel

CITY OF ALAMOGORDO

By: _____ Date: _____
City Manager

Approved as to authority and format by the City of Almogordo

By: _____ Date: _____
Grants Administrator

Approved as to form and legal sufficiency by the City of Alamogordo

By: _____ Date: _____
[Name, Title]

ATTACHMENT 1. PROJECT DESCRIPTION AND BUDGET

PROJECT DESCRIPTION:

The City of Alamogordo, an incorporated municipality in Otero County, is requesting funds to assist with the completion of the Washington Avenue Trail, a motorized, diversified –use trail. Alamogordo has over 472 acres of park and open space area. These facilities are managed by the Community Services Department, with a staff of 17 full time employees and 6 seasonal employees dedicated to park and trail maintenance alone. Alamogordo has an extensive trail system, linking many community services. 89.91 miles of trails are planned; 15 miles of trails are completed.

The project entails site prep and construction of a non-motorized, diversified trail which will link to our existing trail system. This will be the final phase to Washington Avenue Trail, an ADA accessible, 10-foot wide trail system. When completed, it will run 1.7 miles along the Oregon green space. The remaining portion needed is 3,7000-linear feet. The base course will be 4 inches thick, asphalt will be 2 inches thick; the surface of the path will be flush with the existing terrain to allow appropriate drainage. This section of trail runs north-south along a man-made ditch bank, adjacent to Washington Avenue, between 14th Street and Indian Wells Blvd. There is no fee for use of the trail or for access to the area. The trail is open and available for use all day, year round. RTP funds will be use for cultural surveying, environmental review if needed, prep work and construction as contracted services, plus the installation of project signs, benches, trash receptacles, and landscaping. There are no benches directly sited along the existing portion of Washington Avenue Trail.

BUDGET:

| DESCRIPTION OF COSTS | ORIGINAL APPROVED PROJECT FUNDING | | |
|--|-----------------------------------|---------------|---------------|
| | TOTAL COST | FEDERAL FUNDS | SPONSOR MATCH |
| LABOR | | | |
| <i>Site prep, bid documents, advertising costs</i> | \$5,000.00 | | \$5,000.00 |
| Permanent project sign (in house labor) | \$400.00 | | \$400.00 |
| RTP sign (in house labor) | \$100.00 | | \$100.00 |
| Benches | \$600.00 | | \$600.00 |
| Landscaping and trash receptacles | \$1,118.87 | | \$1,118.87 |
| | \$0.00 | | |
| | \$0.00 | | |
| CONTRACTUAL SERVICES | | | |
| <i>Cultural and environmental surveys</i> | \$1,718.38 | \$1,718.38 | |
| | \$0.00 | | |
| | \$0.00 | | |

| | | | |
|---|--------------------|--------------------|-------------------|
| | \$0.00 | | |
| | \$0.00 | | |
| MATERIALS AND SUPPLIES | | | |
| <i>Benches</i> | \$1,600.00 | \$1,600.00 | |
| Landscaping and trash receptacles | \$1,600.00 | \$1,600.00 | |
| <i>10' wide, 2" thick asphalt trail construction, 3,700 linear feet</i> | \$40,400.00 | \$39,000.00 | \$1,400.00 |
| <i>4" base-course, 3,700 linear feet</i> | \$13,200.00 | \$12,000.00 | \$1,200.00 |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| EQUIPMENT USE/RENTAL | | | |
| <i>(List items from Cost Estimate)</i> | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| | \$0.00 | | |
| OTHER (e.g. travel) | | | |
| <i>Permanent project sign</i> | \$1,200.00 | \$1,200.00 | |
| RTP Sign | \$500.00 | \$500.00 | |
| | \$0.00 | | |
| TOTALS | \$67,437.25 | \$57,618.38 | \$9,818.87 |
| Federal/Match Percentage Ratios | 100.00% | 85.44% | 14.56% |

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Report Date: June 26, 2014

Report No: 9

Submitted By: Renee Cantin
City Clerk

Approved For Agenda: 

Subject: Consider, and act upon, a waiver for El Zarape Restaurant related to their distance from a church for an application to obtain a Beer & Wine Restaurant License.

Fiscal Impact: \$
Amount Available: \$
Fund:

Recommendation: Approve the waiver.

Background: The agenda request form is attached. El Zarape is planning to apply for a Beer & Wine Restaurant License from Alcohol & Gaming. One of the regulations in 60-6B-10 of the State Statutes is as follows:

60-6B-10. Locations near church or school; restrictions on licensing.

No license shall be issued by the director for the sale of alcoholic beverages at a licensed premises where alcoholic beverages were not sold prior to July 1, 1981 that is within three hundred feet of any church or school. A license may be granted for a proposed licensed premises if the owner or lessee has, prior to establishment of a church or school located within three hundred feet of the proposed licensed premises, applied for, been granted and maintained a valid building permit for the construction or renovation of the proposed licensed premises and has filed on a form prescribed by the director a notice of intention to apply for transfer of a license to the proposed licensed premises. A license may be granted for a proposed licensed premises if a person has obtained a waiver from a local option district governing body for the proposed licensed premises. For the purposes of this section, all measurements taken in order to determine the location of licensed premises in relation to churches or schools shall be the straight line distance from the property line of the licensed premises to the property line of the church or school. This provision shall not apply to any church that has been designated as an historical site by the cultural properties review committee and which does not have a regular congregation.

History: Laws 1981, ch. 39, § 45; 1986, ch. 29, § 1; 1997, ch. 223, § 1.

Reviewed By:

City Attorney _____ City Clerk  Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

The City of Alamogordo is the local option district and in order for this business to get a Beer & Wine license the local option district must give a waiver for the proposed licensed premises.

Attached is a copy of the 300' radius for your information. As you can see there is a church located with the 300' of the restaurant. Staff is recommending approval of this waiver so the business can proceed with the application.



RECEIVED
JUN 18 2014
CITY CLERK

City of Alamogordo City Commission Meeting

AGENDA REQUEST FORM

Date: 6/18/2014

Date of Meeting: _____

Name: Juan Ramirez / El Zarape Restaurant

Address: ~~1200~~ 1504 10th St

Alamogordo ZIP 88310

Phone Number: (575) 446-6069

E-Mail Address: _____

| | | |
|---|---|--|
| Item requested will be for: (Please check one) | | |
| <input type="checkbox"/> Information only | <input checked="" type="checkbox"/> Action Item | <input type="checkbox"/> Discussion/Action |
| <input type="checkbox"/> Public Hearing | <input type="checkbox"/> Report | <input type="checkbox"/> Other: _____ |

Brief description of topic to be discussed:

Please attach one original of any documents pertaining to the topic -

We do not allow handouts at the meeting

Request a waiver for beer + wine license
application because our business is less than
300 ft from a church.

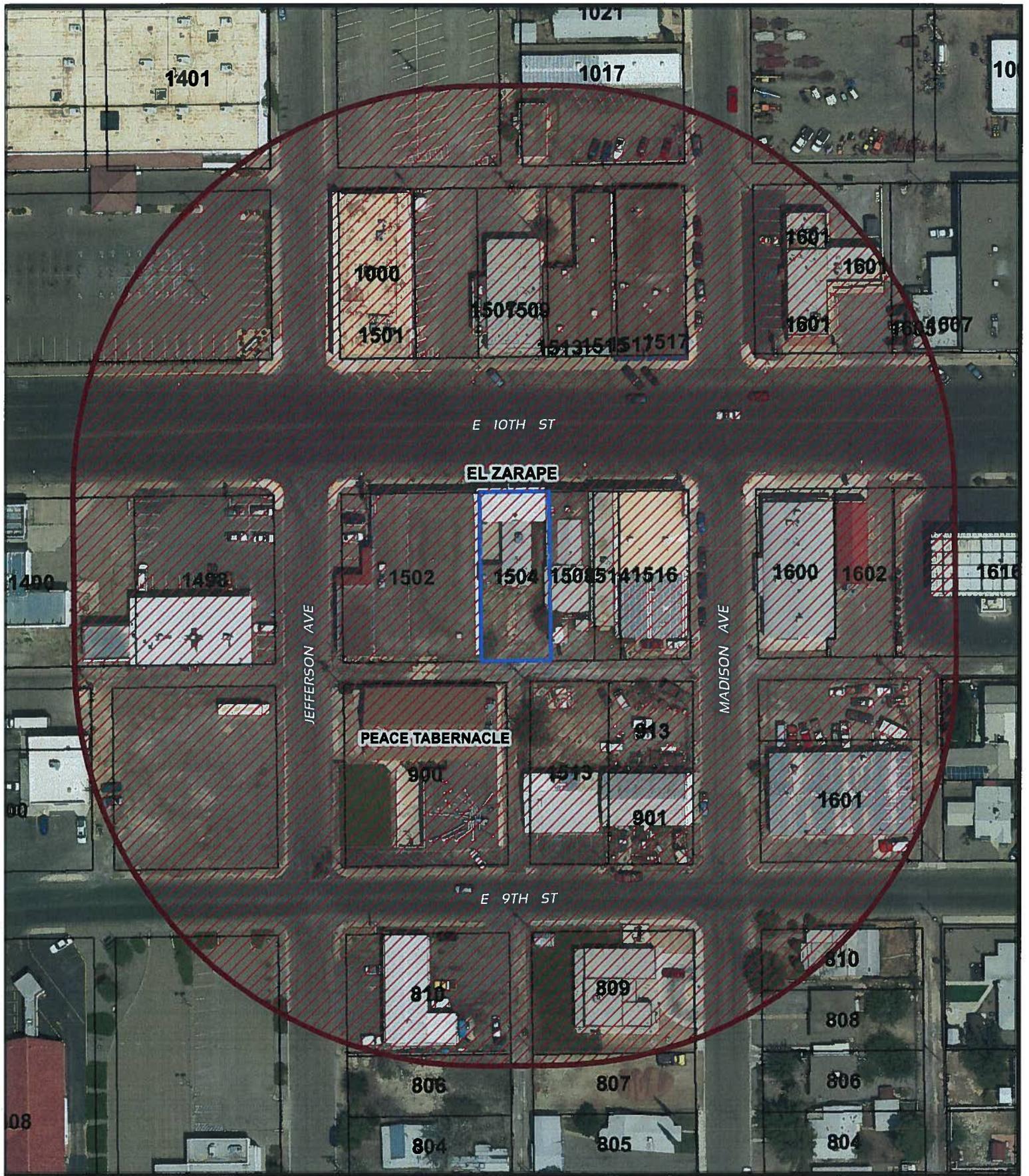
Signature: Juan D. Ramirez

Please return to: Renee Cantin, CMC, City Clerk
City of Alamogordo
1376 E. 9th Street
Alamogordo, NM 88310

Phone: (575) 439-4205

Fax: (575) 439-4396

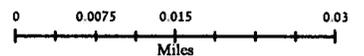
E-mail: rcantin@ci.alamogordo.nm.us



EL ZARAPE / PEACE TABERNACLE



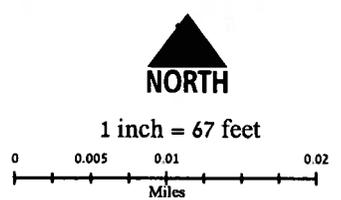
1 inch = 94 feet



The City of Alamogordo makes no representation as to the validity of accuracy of the information given herein and the user is responsible for making such further investigation and inquires as necessary in order to properly consider such permanent and temporary opportunities.



EL ZARAPE / PEACE TABERNACLE



The City of Alamogordo makes no representation as to the validity of accuracy of the information given herein and the user is responsible for making such further investigation and inquiries as necessary in order to properly consider such permanent and temporary opportunities.

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014

Date: May 16, 2014

Report No: 10

Submitted By: Stephen P. Thies

Approved For Agenda: 

Subject: Consider and act upon a request for authority to commence foreclosure proceeding on unpaid liens.

Fiscal Impact: \$10,399.88
Amount Budgeted: NA
Fund: NA

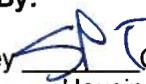
Recommendation: Authorize legal to commence foreclosure proceedings on liens.

Background: State statute authorizes a municipality to file a lien against real property for a number of different reasons. The City of Alamogordo normally files a lien in two instances: (1) whenever the City finds it necessary to cut down weeds or remove garbage, trash, junk, etc., from the property; or (2) when a utility bill goes unpaid for a specified period of time. Several years ago, the New Mexico Court of Appeals held that the four-year statute of limitations apply to municipal liens. For our purposes, application of the statute of limitations means that the City loses its ability to foreclose on its liens four years after it was filed. In other words, the City cannot force payment of the lien and if requested must release the lien.

The legal department is requesting authority to begin foreclosure proceedings on the attached list of liens. In the event Commission elects not to authorize foreclosure proceedings, staff would then request authorization to file a release of the liens. Please note that several of the properties have multiple liens.

This is the fourth time that the Commission has been requested to authorize foreclosure proceedings. To date, none of the foreclosure actions have resulted in the city acquiring the property. Instead, the liens have been paid in full or other payment arrangements have been made.

Reviewed By:

City Attorney  City Clerk  Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

FORECLOSURE

| Name | Address | Lien # | Type | Filed | Amount |
|----------------------------|------------------|--------|-------|------------|-----------|
| Bustos, Michael | 1705 Dewey Ln | 1040 | weed | 8/27/2010 | \$ 450.32 |
| Bustos, Michael | 1705 Dewey Ln | 1113 | weed | 11/30/2011 | \$ 576.03 |
| | | | | | |
| Gibson, Timothy & Eglenna | 2310 Union Ave | 1052 | water | 9/22/2010 | \$ 603.53 |
| Gibson, Timothy & Eglenna | 2310 Union Ave | 1098 | weed | 6/4/2011 | \$ 522.31 |
| | | | | | |
| Henry, Frederick & Dorothy | 815 2nd St | 1056 | water | 9/22/2010 | \$ 672.36 |
| | | | | | |
| Martin, Steven | 508 Maryland Ave | 1059 | weed | 9/22/2010 | \$ 475.00 |
| Martin, Steven | 508 Maryland Ave | 1129 | weed | 2/17/2012 | \$ 361.16 |
| Martin, Steven | 508 Maryland Ave | 1234 | weed | 5/16/2013 | \$ 446.46 |
| | | | | | |
| Matthews, Gloria | 1504 Utah Ave | 1048 | weed | 8/27/2010 | \$ 500.00 |
| Matthews, Gloria | 1504 Utah Ave | 1148 | weed | 5/11/2012 | \$ 382.75 |
| Matthews, Gloria | 1504 Utah Ave | 1232 | weed | 5/16/2013 | \$ 424.94 |
| | | | | | |
| Oglesbee, Virginia | 2201 10th St | 1055 | water | 9/22/2010 | \$ 475.31 |
| | | | | | |
| Salcido, Guadalupe | 1119 Cuba Ave | 1053 | water | 9/22/2010 | \$ 441.73 |
| | | | | | |
| Thorton, Patricia | 1300 Mobile Ln | 1064 | weed | 10/5/2010 | \$ 550.00 |
| | | | | | |
| Wheeler, Gregory | 993 Dora St | 1044 | weed | 8/27/2010 | \$ 550.00 |
| Wheeler, Gregory | 993 Dora St | 1090 | weed | 2/1/2011 | \$ 349.74 |
| Wheeler, Gregory | 993 Dora St | 1162 | weed | 7/6/2012 | \$ 363.40 |
| Wheeler, Gregory | 993 Dora St | 1231 | weed | 1/22/2013 | \$ 471.22 |
| | | | | | |
| White, Michael D. | 1303 Maple Dr | 1050 | water | 9/22/2010 | \$ 882.07 |
| White, Michael D. | 1303 Maple Dr | 1169 | weed | 7/16/2012 | \$ 451.55 |
| | | | | | |
| Wooldridge, Vernon | 119 Virginia | n/a | weed | 10/8/2010 | \$ 450.00 |

TOTAL \$ 10,399.88

AGENDA REPORT
CITY OF ALAMOGORDO
CITY COMMISSION

Meeting Date: July 8, 2014 **Report Date:** June 25, 2014 **Report No:** 12 11

Submitted By: Rachel Hughs **Approved For Agenda:** 
Admin. Asst/City Clerk's Office

Subject: Appointments to Boards and Committees.

Background:

Airport Advisory Board. Two (2) vacancies. Staff Liaison - Jan Wafful
(Opening due to the resignations of John Battle & Christina Wampler)

The following individual is interested in being appointed:

Enrich Wuersching – if appointed this will be his first term. (lives in the County)

Airport Zoning Board. Two (2) vacancies. Staff Liaison - Jan Wafful
(Opening due to the resignation of Fran Nelson, Paul Vigneault and Randel Wilson)
No nominations received.

Alamogordo Disability Council. Three (3) vacancies. Staff Liaison - Edward Balderrama
(Openings due to the resignation of Bradley Mauger and the passing of Ed Grabman.)
No nominations received.

Community Development Advisory Committee. Two (2) vacancies. Staff Liaison - Ruben Segura
(Opening due to the expiring term of Melanie Hall and the resignation of Arthur Alterson.)
No nominations received.

Housing Authority Advisory Board One (1) vacancy. Staff Liaison - Maggie Paluch
(This is a new board and anyone appointed will be new to this board)
One of the members appointed on December 3rd has not returned his acceptance letter, therefore another person needs to be appointed.
No nominations received.

Mayor's Committee on Aging. Two (2) vacancies. Staff Liaison – Britney Coutier
(Opening due to the expiring terms of Mary Hammon, and Rodger Carmichael)
No nominations received.

Senior Volunteer Program, Three (3) vacancies Staff Liaison – Karen Groves
(Opening due to the expiring term of Iris Lester, Blaza Madrid, and the resignation of Thomas Rich V.)
No nominations received.

Reviewed By:

City Attorney _____ City Clerk  _____ Community Development _____ Community Services _____
Finance _____ Housing Authority _____ Planning _____ Personnel _____ Public Safety _____
Public Works _____ Purchasing _____ Assistant City Manager _____

RECEIVED

JUN 25 2014

CITY CLERK

City of Alamogordo
APPLICATION TO SERVE ON A
CITY BOARD/COMMITTEE

Name: Erich Wuerschling

Home Phone: 575 682 5820 Work Phone: 817 832 7071

(primary) Cell Phone: 817 832 7071 Fax No: 575 682 1102

e-mail address: Erich@sugarpinesrvpark.com

Physical Address: 600 Chautauqua

Is the above address within City limits? Yes No

Mailing Address: P.O. Box 927, Cludcroft, 88317

Present Employer: SELF Job Title: _____

Board/Committee you wish to serve on:

First choice: Airport Advisory Board

Second choice: _____

Are you related to anyone who is presently employed by the City of Alamogordo:

Yes No If so, what is their relation to you? _____

Are you related to any Elected Official of the City of Alamogordo?

Yes No If so, what is their relation to you? _____

Experience and education relating to the Board/Committee: Fire Chief and
Emergency Manager For Cludcroft. Business
owner which will benefit from
Airport use

Please indicate your interest in serving on a City Board/ Committee: As Fire
Chief in Cludcroft, I have a unique understanding
for keeping the U.S.F.S. retardant tanker
Fleet/base @ Alamo Airport. I also understand
and am an advocate for regional jets.

Please return completed application to:

City Clerk's Office
1376 E. Ninth Street
Alamogordo, NM 88310
PHONE: (575)439-4205
FAX: (575)439-4396

Village Of Cloudcroft

RECEIVED
MAY 30 2014
CITY CLERK

P.O BOX 317 • 201 BURRO AVE. • CLOUDCROFT, NEW MEXICO 88317 • (575) 682-2411 • (575) 682-2042 FAX

May 29, 2014

Honorable Susie Galea
Mayor
Alamogordo, New Mexico

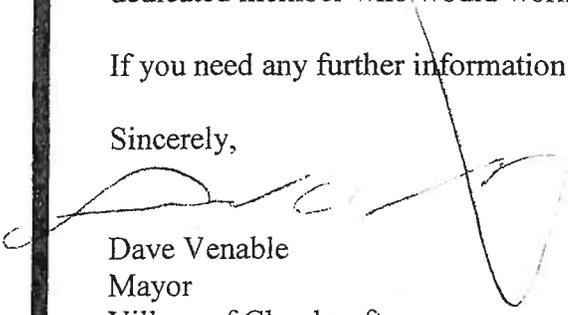
RE: Alamogordo Airport Advisory Board member

Dear Mayor Galea,

I strongly recommend that Cloudcroft Volunteer Department Fire Chief Erich Wuersching be appointed to serve on the Alamogordo Airport Advisory Board. He would bring a wide variety of talents and experiences to the Board and would be a dedicated member who would work diligently to further the goals of the Advisory Board.

If you need any further information please contact my office at 575-682-2411.

Sincerely,


Dave Venable
Mayor
Village of Cloudcroft

Playground In The Clouds