

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
7:00 P.M., COMMISSION CHAMBERS
MAY 13, 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 STAHL, 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 given by Pastor James Forney and the Pledge of Allegiance was led by Commissioner Straface.

APPROVAL OF AGENDA

Commissioner Baldwin moved to approve the agenda. Commissioner Straface seconded the motion. Motion carried with a vote of 7-0-0.

PRESENTATIONS

- 1. Presentation by the Freshman Academy who were winners of the Young Entrepreneurs Award. (Nadia Sikes, Commissioner)**

Commissioner Sikes welcomed parents who came to see the presentation and she expressed that everyone was in for a treat. About two months ago she began working with the Freshman Academy at Alamogordo High School (AHS) who were doing a project called Authentic Learning. These students worked for two months putting this together and last night at the Community Night for AHS, 127 students broken up into 27 groups were judged on their outstanding work. She reminded everyone we had passed a bond issue at the last election to build a Family Fun Center. In the course of doing this student project, they came up with ideas for this Family Fun Center. Commissioner Sikes then introduced the students who presented: AnnaLee Rahovec, Robert Ragan, Steven Guilez and Mariana Woosley. The teachers involved were Trude Trudell, William Hays, Aliza Kazmi, Jennifer Wisecup, Chris Senior, Ricardo Rendon, Clara Clark and Ben Lukowksi.

AHS teacher Aliza Kazmi explained the project saying it was a cross-curricular project with the challenge of, 'There is Nothing to Do in Alamogordo'. In response to that challenge, the students had to put together a survey they designed on their own, conducted that survey within the high school, analyzed their data and put together a proposal similar to a policy memo where they had to draft out the problems being identified along with their ideas for a solution. Based on all the data, they all agreed on one idea which was that they needed a Teen Center for all teenagers to attend in order to engage in physical as well as other healthy and safe activities that are affordable. They presented the proposal in class and then they had to do three other core subjects which were Math, Science and English. In about three weeks they had to design a facility, draft the architectural plan and list how they would make sure the facility would be environmentally sustainable. They then conducted a cost benefit plan that would justify the plan surviving more than a couple of months, work out what product would be sold, decide how much money needed to be made and each student came up with a marketing product and advertising. The purpose of this is to give the students a real world experience, problem solving experience and working collaboratively in groups. Ms. Kazmi remarked when she was in 9th grade she was not expected to do anything at this level, and she was very pleased with the progress made by the students. This is the first time they had done this at AHS and the students worked very hard. She asked the students to come forward to present their project.

Mariana Woosley said she had the Social Studies and Health portion. For the Health component they created a survey and sent it to the high school students. The results showed the main problems for teens were alcohol and drugs, so to solve the problem they decided to create a place that would have activities such as lazar tag and drive-in movies.

Robert Ragan said he had the Math portion of the project. He told the Commission they had to figure out what to sell and how to make a profit. The decision was to create a snack bar with multiple kinds of foods and they expected a profit would be made in about 14 years.

Steven Guilez had the Science portion. They explored ways to make the facility environmentally sustainable. It was decided to use gray water to plant the Green Roof that would be very insulative, as well as using cork from trees because it is renewable and had insulating properties. He said there would be solar panels because of their potential here in New Mexico.

AnnaLee Rohovec had the English portion, and she told the Commission this portion was all about marketing. Without marketing there isn't any way for people to know what you are doing so we created a Prezi presentation and a website. Basically, they wanted a place for teenagers to have fun, be safe and responsible and provide an opportunity for teenage jobs. We have a drive-in that would charge \$5.00 per person, lazar tag in a basement setting, an area for dancing and simply sitting in order to listen to music and enjoy the food. It would all be eco-friendly.

Commissioner Straface commented that we talk about a concept of how you become more relevant in schools. What they had learned is subjects taken independently do not always have meaning for the students because it doesn't tie in to real life so we are moving to Project Based Learning (PBL). The concept is to integrate all subjects into one project in order for the students to see the relevance and rigor. He attended the presentation last night and thought it was exciting; he congratulated the students for winning the competition. He said PBL is the way this school district is moving.

Commissioner Sikes commented the community had become very involved in this project along the way. City Engineer Thomas spoke to the group and she noted they all drew floor plans based on the information they received from him. It was very well done including landscaping and parking, and she felt they had gleaned a lot from this. She thanked everyone who participated. The Chamber of Commerce and OCEDC provided prizes for the students and felt the community really cared about what is going on at the schools. She thanked the students who presented tonight remarking that this presentation was one of the prizes of the competition. (Applause from all in attendance) Commissioner Straface said it's also important to recognize Commissioner Sikes for her support on this. (Applause)

Mayor Galea thanked them all for the fine presentation.

PUBLIC COMMENT

A. Janella Cruz commented on the following:

1) Ms. Cruz explained to the Commission her concerns about the shoulder at the corner of White Sands Blvd. turning right onto Indian Wells. She said many people use that shoulder as a turn lane despite the sign. They are crossing a white solid line and turning right onto Indian Wells when you are supposed to use the right lane to turn onto Indian Wells. She had been with her 83 year old mother who was driving and using the right lane to turn. Ms. Cruz told her that was not right. The other problem is when people turn they are not staying in their lane and her mother went into the far left lane while the people across from them had a green light and were turning left into the same lane. She had to tell her mother to stay in the right lane in order not to get hit by the truck turning into the left lane. Ms. Cruz found out the NMDOT was responsible for White Sands Blvd. and the City was responsible for Indian Wells, so she spoke to Kevin Norman in Transportation who sent an email to a man named Matt. Mr. Norman told her there is not a lane, it is a shoulder and the solid white line should not be crossed. She had seen a police officer in that right lane who went straight through even though the sign says you must turn right so everyone is using that lane incorrectly. When she spoke

to Matt he was looking at an aerial view and said it is a shoulder and didn't look wide enough to be used as a lane. He said they would look at it to see if anything could be done. Her suggestion to him was to either turn it into a lane.... Mayor Galea interrupted to tell Ms. Cruz this was a perfect conversation for the Transportation Committee and invited her to attend that meeting which is open to the public. Members of our City Staff along with NMDOT representatives attend along with the Chamber of Commerce. It is held at the Sunset Run restaurant the last Friday of the month at 11:30 a.m. Ms. Cruz said she would do so. Mayor Galea noted it would be listed on the Chamber of Commerce website, also.

Mayor Pro-Tem Rentschler said the right lane there was a real problem in Alamogordo, and his father used to say if he was a police officer he could give tickets out all day for this. If Ms. Cruz's mother had turned into that far left lane and been in an accident, she would have received the ticket. He thought we needed to look into this.

Commissioner Hernandez would agree, but disagree; right where the sign says Right Turn Only, there is a break in the white line. Ms. Cruz disagreed saying the break in the white line was to go into the Blind School. Commissioner Hernandez said intention isn't necessarily perception. The sign is there and there is a break in the white line right before it; maybe this is the problem. Ms. Cruz disagreed.

Mayor Galea again referred her to the Transportation meeting and Ms. Cruz said she would attend.

CONSENT AGENDA (Roll Call Vote Required for items No. 7, 9 & 10)

2. **Approve Minutes of the April 22, 2014 Regular Meeting of the Alamogordo City Commission.** (*Renee Cantin, City Clerk*)
3. **Approve statement related to the Executive Session of April 22, 2014.** (*Renee Cantin, City Clerk*)
4. **Approve the Lodger's Tax Expenditures for Tourism & Travel as presented on April 22, 2014.** (*Jan Wafful, Community Services Admin. Assistant*)
5. **Accept the Investment Report for the quarter ending March 31, 2014, in accordance with the City of Alamogordo Investment Ordinance.** (*Helen Viscarra-Reno, Assistant Finance Director*)
6. **Approve the DFA Quarterly Report for the period ending March 31, 2014.** (*Helen Viscarra-Reno, Assistant Finance Director*)
7. **Approve Resolution No. 2014-21 authorizing the submission of a New Mexico Community Development Block Grant Program Application and designating the Mayor to act as signatory authority in all matters pertaining to the municipality's participation in the Community Development Block Grant Program for the City of Alamogordo Domestic Violence Improvement Project. [Roll call vote required]** (*Ruben Segura, Grant Coordinator*)
8. **Approve a Memorandum of Understanding (MOU) between the Center of Protective Environment (COPE) and the City of Alamogordo, New Mexico.** (*Ruben Segura, Grants Coordinator*)
9. **Approve Resolution No. 2014-22 authorizing execution of a Gross Receipts Investment Program (GRIP) Agreement between the City of Alamogordo and MDCC Investments, LLC (Carl's Jr. Restaurant). [Roll call vote required]** (*Stephen Thies, City Attorney*)

10. **Approve Resolution No. 2014-23 authorizing execution of a Gross Receipts Investment Program (GRIP) Agreement between the City of Alamogordo and MDDC Investments, LLC (Buffalo Wild Wings). [Roll call vote required] (Stephen Thies, City Attorney)**
11. **Approve the award of IFB No. 2014-02 SCBA (Self-Contained Breathing Apparatus) Spare Cylinders to NASCO, LLC. in an amount not to exceed \$20,069.40. (Mikel Ward, Fire Chief)**
12. **Approve the award of IFB No. 2014-03 to Southwest Carpet & Floors, Inc. related to the Replace Carpet - Alamogordo Public Library project, in an amount not to exceed \$36,490.26, including tax. (Brian Cesar, Public Works Director and Matt McNeile, Assistant City Manager)**

Items # 13 & 14 were removed from the consent calendar by Mayor Pro-Tem Rentschler. Commissioner Hernandez would like to switch items #7 & #8 because he felt the MOU should come before the Resolution.

Commissioner Hernandez moved to approve items # 2, 3, 4, 5, 6, 8, 7, 9, 10, 11, 12, of the consent calendar. Commissioner Baldwin seconded the motion. Roll call was taken for items #7, 9, & 10. Motion carried with a vote of 7-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

13. **Approve the award of Public Works Bid No. 2014-007 to Mesa Verde Enterprises, Inc. related to 2014 Street Paving Improvements in an amount not to exceed \$924,612.25, including NMGR. (Jason Thomas, City Engineer)**

Mayor Pro-Tem Rentschler moved to approve the award of Public Works Bid No. 2014-007 to Mesa Verde Enterprises, Inc. related to 2014 Street Paving Improvements in an amount not to exceed \$924,612.25, including NMGR. Commissioner Baldwin seconded the motion. Motion carried with a vote of 7-0-0.

14. **Approve Change Order No. 3, Public Works Bid No. 2013-005 to Mesa Verde Enterprises, Inc., related to Street Paving Improvements – Phase I N. Florida Avenue – 10th Street – 16th Street in an amount not to exceed \$16,234.93, including NMGR. (Jason Thomas, City Engineer)**

Mayor Pro-Tem Rentschler remarked to City Engineer Thomas this is the third change order for this particular project and he asked what they added up to.

City Engineer Thomas said it was the \$41,900 plus the \$16,200. Mayor Pro-Tem Rentschler asked if that included the two previous ones and City Engineer Thomas said that was correct. Mayor Pro-Tem Rentschler asked what this one was for and City Engineer Thomas told him it was for the final sub-grade excavation on the last area they just paved out. Mayor Pro-Tem Rentschler said we did that three times and City Engineer Thomas said there were three different areas. The pavement was replaced in four phases: 1) a soft spot in front of one of the schools, 2) another soft spot, 3) nothing was found in this phase, and 4) a final soft spot was found. He said when we negotiated the first change order we came up with some really good unit pricing from Mesa Verde and we were able to carry it through all the change orders. As we have got into a bad area, we could calculate how much it would be and whether we were in trouble or not with the project. Fortunately, we only found soft spots in three of four areas.

Mayor Pro-Tem Rentschler asked if this amounted to 5% or 10% of the total project. City Engineer Thomas said he wasn't sure but thought it was below 10%. Mayor Pro-Tem Rentschler wanted us to

be sure we understood what was going on and learn from it so that next time we would include some of this in part of the scope. He realized some is unforeseeable and asked City Engineer Thomas to try and get it on the first shot and limit the change orders. City Engineer Thomas said he understood.

Mayor Galea said as she understands it, the soft costs are estimated in the construction cost and it is unknown what that soil is until ground is broken to do the major reconstruction. City Engineer Thomas said we knew the soils were bad and we had this conversation last September. He went on to say we did not know how they would perform under the heavy equipment. Once you see that, you can get a sense of what you can live with leaving and what you can't live with leaving. When you are back to sub-grade and you've re-scarified that eight inches and start to compact it, you find those areas you just can't live with. Those are the areas we needed to cut out in order not to have any alligator cracking within five years or so.

Mayor Pro-Tem Rentschler moved to approve Change Order No. 3, Public Works Bid No. 2013-005 to Mesa Verde Enterprises, Inc., related to Street Paving Improvements – Phase I N. Florida Avenue – 10th Street – 16th Street in an amount not to exceed \$16,234.93, including NMGRT. Commissioner Straface seconded the motion.

Commissioner Hernandez commented it has been three weeks since our last meeting and this was probably done shortly after the last meeting. The contractor is taking a big chance in trusting us so we need to figure out some way to give them the OK to do it and get paid. If this Commission says they don't want to pay it, they don't have to. We need to have something in place for instances like this so the contractor is guaranteed payment; maybe put a contingency in the original contract.

Mayor Galea felt that was a good idea. When City Staff has estimated soft costs in the past and it has been over the cost of the project, she didn't want the Staff to be penalized when the cost comes in far under what is estimated. She thought it a good idea to have a portion set aside so there is a guarantee to the contractors when the soil is softer than what was estimated by Staff. Perhaps this is a policy we can bring before the Commission at the next meeting.

Motion carried with a vote of 7-0-0.

UNFINISHED BUSINESS

15. **Consider, and act upon, the recommendation of the Street and Facility Naming Committee to name the Alamogordo Balloon Park the Ed Brabson Balloon Park. (Matt McNeile, Assistant City Manager)**

Assistant City Manager McNeile said pursuant to the policy itself, the committee got together to look at the request and unanimously decided to name the Balloon Park the Ed Brabson Balloon Park.

Commissioner Straface moved to approve the recommendation of the Street and Facility Naming Committee to name the Alamogordo Balloon Park the Ed Brabson Balloon Park. Commissioner Hernandez seconded the motion.

Mayor Galea said in the past this Commission has denied naming a portion of a city building after someone who had worked hard in our State Legislative body, stating we not name anything after an individual who is living. At the next meeting she would bring city facilities and properties that could be renamed because it would be beneficial to the community for those who have contributed so much. We are naming this park after a living person when we said we would not.

Mayor Pro-Tem Rentschler asked if the policy was particularly designed to not name things after living people and Assistant City Manager McNeile said the policy recommends you do not do that unless there are extraordinary circumstances, or the individual nominated is worthy of the contributions. In

this particular case, the committee felt that Mr. Brabson's commitment and work with the Balloon Festival over the years was deserving of renaming the park after him.

Mayor Pro-Tem Rentschler said he knew Mr. Brabson well and agreed with this, but he was concerned this change would cause a floodgate of this kind of thing and we would be renaming all kinds of stuff. Mayor Galea said that was ok. For the reason he had stated above, Mayor Pro-Tem Rentschler said he would oppose it.

Commissioner Hernandez said if you remember the last time this came in front of the Commission there was strong opposition to the naming of the room. He didn't think anyone opposed this, but that was the case. Mayor Pro-Tem Rentschler said that was the case and he felt we were starting to play favorites at that point.

Commissioner Straface asked if there was a Street and Facility Naming Committee which reviews those requests and makes a recommendation to the Commission, and Mayor Galea told him yes. Commissioner Straface said it would be their job to decide the uniqueness of the request, so most of those would be controlled at the Committee level. If they found something unique or exceptional they would bring it forward and he felt that was appropriate.

Mayor Galea said the one discussion item she remembers having was we were not ready to name a room in a city facility after a woman. There was nothing in the City named after a woman who had contributed much so she would bring to the next Commission meeting an item to look at all City facilities to see if there would be any benefit to the whole community to rename anything after any people in honor of what they had contributed to the community.

Commissioner Straface said he would be reluctant to bypass the Committee. Mayor Galea said we would not bypass the Committee.

Motion carried with a vote of 6-1-0. Mayor Pro-Tem Rentschler voted nay.

16. Discussion, and possible action, on the requested update related to the Bonito Lake/Westlake Campground. (Matt McNeile, Assistant City Manager)

Assistant City Manager McNeile noted that Commissioner Hernandez had tasked City Staff to bring information/background on the Bonito Lake Campground to the Commission with best estimates of cost and the potential revenue from the campgrounds. He showed a picture of the Lake and campgrounds area. Assistant City Manager McNeile noted that he had, along with the City Manager Stahle, Public Works Director Cesar and the previous Bonito Lake Campground Manager assessed the campground and felt there were several areas ready to be opened – the Main West Lake Campground Area with three restrooms, potable water, a dump station and some other water available to campers with possibly 89 campsites; Blue Hole/Apple Orchard Campground with about 50-60 campsites that may be ready. The Staff has estimated it might take up to 30 days to do all the cosmetics needed to get it ready. The big issue, unknown at this point, is what the condition is of the water system which is part of the West Lake Campground; it hasn't been utilized for about two years since the fire. That water system feeds the West Lake Campground and restrooms.

City Manager Stahle said part of the concern we have in opening these campgrounds is limited access in and out. When there is a significant rain event on the watershed above the campgrounds, particularly in the south area of the lake that hasn't had a significant rain event since the fire, there could be some serious flood and mud-slide issues and concerns. We need to be very cautious about when people can camp there and we need to study this more. He didn't think we were ready this summer to do this. He hoped we would have lots of rain up there to flush some of the debris off the mountain which would go into our lake. Eventually he hoped to open this because it is an important asset to the region and he would like to take his kids and grandkids there. City Manager Stahle said he had a new grandchild as of today – Madison Lynn Stahle. The campground is wonderful and was

not affected by the fire. The trees in the campground area itself have not been burned. The two facilities next to the lake are ideal places to camp, but we need to be cautious.

Mayor Galea appreciates the words of caution, but said there were Lincoln National Forest hydrologists that could estimate how much rain would create any catastrophic flooding. She also mentioned the Emergency Management Teams in Lincoln County with which we could cooperate in case of an evacuation. City Manager Stahle said the problem is how to evacuate campers in time, so he suggested we try to have it open next summer instead of this summer.

Mayor Galea asked about day use only and City Manager Stahle said the campgrounds were designed for overnight camping. He remarked there were other places down stream possible for day use only and the Forest Service had facilities in the area. We will coordinate with them and Lincoln County because they would be the first responders. Concerning the dollar issues, you have to keep a campground clean, orderly and safe, so we need to budget for some expenses. It is most important to make sure everyone is safe.

Assistant City Manager McNeile pointed out the item in the agenda package that stated how much it would cost to get up and running, as well as how much revenue we could potentially realize.

Mayor Galea asked if the \$90,000 was in this year's budget. Assistant City Manager McNeile said it was not included in this year's budget; we wanted to itemize it so we created a preliminary plan.

City Manager Stahle said another issue we need to be aware of was the dredging we will eventually perform to regain capacity. It will depend where the equipment is arranged and where the stockpiles will be put. We need to understand when that will occur and how it will be configured. It will be land-based equipment.

Mayor Pro-Tem Rentschler asked if the \$89,760 included revenue and how much revenue was estimated. Assistant City Manager McNeile said revenue was estimated from three years of historical data. Mayor Pro-Tem Rentschler asked if that was when it was a fishing lake and Assistant City Manager McNeile said yes. Assistant City Manager McNeile said there are not any fish in the lake now but that doesn't mean there won't be in the future. Mayor Pro-Tem Rentschler guessed if we are going to be doing any dredging, there won't be any fish in the near future. Bonito Lake equaled fishing in his estimation, and he felt most went up there for that reason; it is the major draw. Assistant City Manager McNeile said we couldn't designate between campers and campers that fish.

City Manager Stahle noted they had spoken to the New Mexico Department of Game and Fish (NMDGF) and they are reluctant to restock before any dredging is done. He said there were lots of hiking opportunities up there.

Commissioner Hernandez asked if we know when the dredging would take place, and City Manager Stahle said we are waiting on the Feds to find out. Commissioner Hernandez said this is an important project not just for the lake and campground, but also to get our water source back.

City Manager Stahle remarked it was very important to the Ruidoso and Lincoln County economies as well, and he noted we would like to get it on line as soon as we can.

Mayor Galea said there would not be any direction given to Staff tonight.

NEW BUSINESS

- 17. Consider, and act upon, the first publication of Ordinance No. 1467 Amending Sections 28-02-100 and 28-03-080 of the Code concerning Water and Sewer Rates. (Armando Ortega, Customer Service Manager)**

Customer Service Manager Ortega gave a presentation of the water & sewer rates. He said he had previously presented the 2015-2016 water and sewer rates at the Budget Hearings. He asked the Mayor if she thought he should give this presentation again and she affirmed. Customer Service Manager Ortega told the Commission that this year's rate review was done in conjunction with the City's Annual Budget Review. The Staff felt this would enhance our ability to budget and project rates more accurately. Annually, the City Manager is required to review the rate structure for the Water and Sewer Operations and report to the Commission as well as make recommendations for any rate changes. This report represents the annual review for fiscal year 2015-2016 for rate adjustments through June 2016. Staff must consider rate increases this year to cover current and future operational expenses. In addition, the rate structure should maintain 2-times the debt service coverage between operating revenue and expenditures. Per existing bond ordinance the debt service coverage must equal at least 1.3 times the debt service coverage. The City has worked diligently over the past 10 years to maintain the 2-times spread and set the rate structure efficiently to cover the cost of water and sewer operations, while maintaining an amount for pay-as-you-go capital outside of bond and/or loan funded projects. Commission should keep in mind that the debt service coverage over the required amount enhances the City's ability to maintain or improve future bond ratings. The rate structure proposed keeps the debt service coverage as close to 2-times debt service coverage as possible. In addition to the rate increases, it is important that we recognize the current and future capital needs of the City of Alamogordo. Two examples are the Alamo Canyon Filter Plant and the La Luz Water Filter Plant that will have to be upgraded at some point. Staff knows it is in the City's best interests to start looking at possible funding sources for future purchases. One recommendation is to place a capital replacement surcharge on every utility bill; we recommend \$1.00 for this year. That will enhance our ability to have funds available for pay-as-you-go capital. Staff is looking for input and direction from the Commission on this matter.

Customer Service Manager Ortega showed a Power Point presentation. He said he would cover the financial forecast, the two year utility billing rate proposals asking for a rate increase on the water base and commodity, the estimated annual income from the rate increases, monthly impact on water bills and then the capital surcharge. He told the Commissioners he had the packets with the financial forecast in case anyone needed one, or he could simply explain it to them. Next he said we have to consider future operational costs for our RO operations and maintenance. It is important to let you know that when we were considering these increases we looked at different options on how to obtain revenues. One option was doing a three tiered billing system recommended by one of our Commissioners. We also looked at implementing it bi-yearly or over three years. We recommend doing it over two years in order to lessen the burden on the rate payer. He pointed out the financial forecast in the Commissioners' packets saying that in 2016 with the rate increase, we are going to make an additional \$150,000 and that will keep our debt service up to the required amount. Also, in 2016, we will recommend another rate increase to make an additional \$150,000. At that point, we will maintain the required debt service and operational needs. Customer Service Manager Ortega showed the operating revenues, operational expenses and debt service. All of this is considered when figuring rate increases. We still want to pay for the pay-as-you-go capital and there are some ICIP projects, also. He felt it was important they see the \$800,000 available for capital which is used for the utilities for water and street projects.

Next, Customer Service Manager Ortega showed the water base portion of the increase; the current rate for February 1, 2013. He noted they try not to use the base charges too much because they are used for the bond and loan payments. The DFA requires us to have guaranteed funds and this is the base charge for everyone whether they use water or not. We will increase the 3/4 inch meters that the majority of our customers have, from \$13.30 to \$13.60. On July 1, 2015 it will go up another 30 cents. He pointed out the increases and asked for questions.

He explained water commodity, a charge for the water you actually use, and that it is based on five tiers. They would like a rate increase in tiers 1-3 that would be very minimal. The tiers are based on usage and the majority of our customers are in tier 1. We've done a good job in maintaining our debt service and planning the financial forecast to slowly phase in the increases needed to maintain our system. He explained the summary of the estimated annual income from rate proposals saying the

estimated water based revenue effective July 1, 2014, is \$51,509, with the estimated water commodity revenue of \$100,000; that will get us the \$150,000 needed for FY15. July 1, 2015 has water base revenue of \$52,000 with an estimated water commodity revenue of \$103,000; that will get us the \$150,000 we need for that. These are all based off the assumption we will be using the normal amount of water we have used historically. There can be a drought. We have been able to maintain our projections through our actuals pretty consistently so we are banking on that.

Commissioner Baldwin told Customer Service Manager Ortega that he had mentioned several times in the Budget Hearings the debt services are in place because of past projects, money we've borrowed. What are some of the water projects you have been referring to?

Customer Service Manager Ortega said as far as capitol projects, the La Luz Water Filter Plant that will need some upgrades in the next seven years and the Alamo Canyon Water Filter Plant. The \$150,000 increase refers to our new RO system coming on line. All these are essential.

Customer Service Manager Ortega showed the affects on the residential accounts with and without the surcharge. With the surcharge, the monthly impact if you stay within tier 1 will be \$1.10; if you use more water and are in the top of tier 2 you will see a monthly impact of \$2.47 with an approximate annual impact of \$21.42. We have a system that works to maintain these minimal rate increases.

Commissioner Baldwin said this is the commodity change, not a combination of the commodity and the surcharge. Customer Service Manager Ortega said that was correct, it is the water base and water commodity. He will show the effects of adding one dollar capitol surcharge.

Mayor Pro-Tem Rentschler asked how we differentiate between commercial and residential. Customer Service Manager Ortega told him the commercial accounts were based off of meter size. When they structured the tiered billing system, they took commercial accounts into consideration. Commercials pay a larger base charge but are allowed more water. Mayor Pro-Tem Rentschler said he understood that, but urged him to look at going to a three tiered system for the ¾ inch meters. In the future, this might get people to use more water to make yards green.

Customer Service Manager Ortega remarked that in order to improve our ratings and to plan for future capital needs, we are suggesting a capital surcharge fee which will allow us to have better ratings and have cash on hand or pay-as-you-go capital, and allow us to plan and strategize how to go after these capital projects. With our current 12,500 customers we are recommending \$1.00 per customer per month this year on any utility users, whether water or sewer. That will help us maintain the ability to pay for the pay-as-you-go capitol. It will be \$1.00 per customer whether you pay for only water, only sewer or for both; it will be \$1.00 per account.

Commissioner Straface asked if this will be a new charge, and Customer Service Manager Ortega told him yes. The direction the Customer Service Manager had received was this would go into a dedicated account and anything they spend would be brought back to the Commission for consideration.

Commissioner Hernandez said about 25 years ago one was allowed to have two meters – one for irrigation and one for the house with a separate charge for each; the irrigation meter would be charged less. He asked if a person with two meters would be charged the surcharge for each and Customer Service Manager Ortega said yes.

Customer Service Manager Ortega pointed out the effects of a monthly bill. Tier 1 with the inclusion of the surcharge would be \$2.10 per month – an impact annually of \$24.00 for the average homeowner.

Mayor Galea said the Commission would need to consider whether to approve the ordinance and whether they would want to add a surcharge to the ordinance.

Commissioner Hernandez asked how long the surcharge would be and Customer Service Manager Ortega said it would be every year until they got different direction from the Commission. Our capital needs would always be there so this would enhance their ability to have the pay-as-you-go capital and have the cash on hand for bond ratings.

Mayor Galea thought that important for financing and increasing our debt ceiling, as well as funding for capital water projects.

Commissioner Straface moved to approve the first publication of Ordinance No. 1467 Amending Sections 28-02-100 and 28-03-080 of the Code concerning Water and Sewer Rates and include the \$1.00 surcharge. Commissioner Baldwin seconded the motion. Roll call vote was taken by the Clerk. Motion carried with a vote of 7-0-0.

18. Hold Public Hearing, consider, and act upon, the adoption of Resolution No. 2014-24 adopting the Fiscal Year 2015 Preliminary Budget. [Roll call vote required] (LeeAnn Nichols, Contract Finance Operations Consultant)

LeeAnn Nichols, Contract Finance Operations Consultant told the Commission this Public Hearing was to consider Resolution 2014-24 for the adoption of the 2015 Preliminary Budget. After five days of Budget workshop hearings, the FY15 Budget before the Commission includes all the adjustments approved by the Commission at the Budget hearings and the total budget for FY15 of \$54,580,847.00. Once approved, Staff will submit to DFA by June 1st, 2014.

Mr. Joe Villarreal addressed the Commission saying City of Alamogordo members of the American Federation of State, County and Municipal Employees union (AFSCME) had attended the Budget Hearing sessions. He knew the City was facing hard times and that GRT's were down, but they were asking the Commission, as a moral issue, to look at this budget not just as numbers. Every one of these people represents a family here in Alamogordo and spends their money here. That money goes towards your economy and this is the biggest place to get bang for the buck – helping people. A lot of what we heard was not to find ways to help that group, but rather to find ways to balance the budget at the cost of our employees. He felt it important to note that a number of AFSCME employees are not people who come out of General Funds, but instead work out of Enterprise Funds and they need to be taken into consideration. He felt the City had many options and they were thinking about doing without health care and be in violation of Federal law in order to save money. He thought that was unfortunate and when you are looking at a budget it should reflect the expectations of your employees. What does that say to an employer coming in to see that their own city flaunts the law by not caring about health care for their employees and letting them take care of it themselves. The average person in our bargaining unit makes anywhere from \$8.50 to \$10.00 per hour and are having to pay for health care insurance out of their own pockets. The bottom dollar they take home isn't very much and we are asking you to take that into consideration. They are your employees and your responsibility, and we are asking for the City to look out for their employees like we look out for the City. Every day someone turns on the water or uses a road or calls for help from the police or fire departments, that is where we come in. You need to have enough respect to look at that when considering this; these people are more than just numbers.

Mr. JJ Lyons, acting President of AFSCME addressed the Commission. He said his 13 year old son asked him what the union was all about. He explained to him what the union does and then his son asked wasn't the City supposed to be a great place to work. Mr. Lyons said it was very disheartening to tell him all he had to go through as a union president in dealing with the City he works for and lives in. There 149 members in their bargaining unit and he is talking to guys making \$8.61 per hour and trying to figure out how to buy diapers while holding down two jobs in order to make ends meet. It is very disheartening and concerning. He said he and his wife are both City employees and their children qualify for Medicaid; it is almost embarrassing. He felt it was irresponsible that the Commission would consider taking the fines on our insurance - to not cover our insurance. As a resident and employee he found that irresponsible. He didn't want his tax dollars going to penalties

just because we don't want to cover our employees' insurance. He does understand putting money away for hard times, but not when your employees are near poverty.

City Manager Stahle corrected the record by making the point crystal clear that the City already pays 60% where we as staff pick up 40% of the health insurance. The Commission did not direct that we violate any law. We did have conversation about the Affordable Care Act and whether or not the City, not the employees, would bear any additional cost toward that. We did have conversation about placing a dollar amount in the budget to cover any fines the Federal government might apply should they find employees not able to secure health insurance at the rate required by that new law. He didn't want anyone thinking the City is irresponsible and not meeting its obligation. We have been paying 60% of the medical bills for both single employees and employees with a family.

Jonathan Sparks told the Commissioners he was not a City employee and was speaking on behalf of his wife who could not attend because she was working to insure the resources people need to keep safe in their homes and businesses get to where they need to be. She is a police dispatcher. She received a raise of only half the amount promised in her contract last year and for several years before that. He thought it was reprehensible that a commission would decide to spend their money on other things besides paying their employees what they are worth. When commissioners make statements like, 'They should be glad they have a job'. Mr. Sparks said the Commissioners should be glad they have a job. These are the men and women who make this city function and it can't be done without them. We need to pay them so they won't find jobs anywhere else. He reminded the Commissioners they should be glad they are sitting where they are; the citizens voted you in and the citizens can vote you out.

Anthony Backy thanked the Commissioner's for spending time on all of the numbers of the budget. He agreed with what had been said and told them it was unfortunate the Commission is offering \$100,000 finders fee to a business who may or may not come to this town and may or may not make it money, and not give raises this year. You are saying you want to spend \$135,000 on a Zipper machine to tear up concrete and have one of our employees operate it, but you can't give them a raise this year. We know the money is there and that these are hard times which we are all going through, but you need to look inside yourselves when making these decisions. Ultimately, the money is there and you need to decide to put it where it should be. He felt having two Employee Picnics a year was a great idea, but he knew his fellow members and employees would rather see a raise on their paychecks. A \$750 one time merit to cover the 10% increase in insurance was nice, but considering the amount of money the majority of them make, that \$750 is going to be gone almost instantaneously. He knew insurance goes up and that's out of the City's control; you have to consider the fact you can't tell us we cannot have a raise because you are raising our insurance. He felt the Commission was almost obligated to raise our pay; that was only fair. Mr. Sparks asked them to please think about the families this is affecting.

Mayor Galea, for the record, wanted to correct that the finders fee for Economic Development has nothing to do with wages. It comes from a fund of dedicated gross receipts taxes of 1/8% specifically for Economic Development. It is supposed to create more opportunities for jobs and employers in the community in order to have more gross receipts tax revenue to pay more salaries and wages in the future.

Eliza Fernandez, Secretary of APSOA said she had attended budget hearings for the last couple of days. She pointed out that in order keep the streets safe, buildings maintained and all other things they do as city employees, the Police and Fire Services are essential parts of the community. She thought it was disheartening many of these services are very limited and that there have been concerns of possible lay-offs if there are any raises in pay. She thought it was a non-issue given the turn-over rate in the city, not simply in Police and Fire. We are very limited in what we can offer a well-seasoned officer in comparison to other cities. Should something major happen she was concerned as to whether there would be enough personnel necessary to properly and faithfully protect the citizens of the community. She heard about GRT's, Economic Development and that there was \$4 million in the Economic Development Fund. She understood the \$100,000 set aside in reserve,

but believed APOSA and AFSCME members deserve a lot more than they are receiving. She felt Commissioner Hernandez made a good point when he noted having brand new cars and shiny fire trucks only goes so far when you don't have the personnel to operate them. Our fire services guys work 24 hour shifts and are not compensated for that full 24 hour period. Other cities throughout the United States recognize this. She has received compliments from citizens that their crime rate has gone down when a police unit is parked in the neighborhood. If the citizens of Alamogordo knew of the available manpower at any given time they would be astonished. It is a risk to officers and firemen to go to a scene and not have backup because there isn't funding available. When you have \$864,000 out there that is unallocated, it is a concern. She said any members here would like the 1% better than the \$750 one time pay because it affects their retirement long term and it benefits their family over the long haul. She asked the Commissioners to look at the budget again in order to find a way to better care for our city employees.

Ms. Sharis Lyons said she wanted to enforce that the insurance and a raise for employees would be greatly appreciated due to the fact we aren't making much money. She and her husband both work for the City, are making almost minimum wage and are in the lower class. They would like to be appreciated a little more than they are now. We have children to support and can only afford low rent housing; we cannot afford to do activities with our children because of the basic supplies we need to buy. Please consider these things as you look at the budget. We want to live here and work here.

Mike Christopher of the Alamogordo Parks Department said all he had been hearing was gross receipts taxes were down. He heard one gentleman say if a 1/8th tax was applied it would take care of that. He hadn't heard that tonight. Another thing he heard was that the Commission was presenting a very conservative budget – key word 'conservative'. He felt the truth lies in between those numbers and we are only asking for our fair share. He didn't think that was unreasonable. You approved a water rate increase. He didn't understand and hoped the Commission would find it in their heart to realize what the employees were going through.

Alejandro Chacon told the Commission he has worked at the Water Treatment Plant since 2007, and said he has dedicated a lot of time to the City. There have been a lot of opportunities for him to advance himself and he has taken advantage of those. He wondered what would induce an employee to stay with the City since you don't get paid very well. Yet, we continue to strive to serve the people of Alamogordo because we love this community. We want to stay here and give back to the community, but even if we get further certification, what is going to keep us here. If I get a CDL, what will keep me here for \$10.00 per hour? One can make twice as much elsewhere. We would like a little bit of incentive for the job we do.

Curtis Wayne of the Water Department said you might hear that city workers don't do much except stand around leaning on their shovels, but they don't see us at 2:00 in the morning when we get called out for a water break or have to work on 200 feet of a sewer line break. It is a lot of work and we do a lot. He questioned sometimes whether he makes enough to do some of those things.

Mayor Galea asked for discussion amongst the Commission. She remarked that she was hearing dissatisfaction with the \$750 one time merit and employees would prefer a 1% raise that we don't have the reoccurring revenue source for. She also heard comment of the 1/8% GRT increase to cover the cost as well as look at a pay scale adjustment. She has looked at a pay scale adjustment for communities the size of Alamogordo and it is the same. Our pay scale for police and fire is better than Clovis which has a greater population. She wasn't sure if the Commission would like to discuss any alternatives.

Commissioner Baldwin said he wanted to thank everyone from the union for coming and speaking tonight; he appreciated all their hard work. He reminded the Commission this was not the negotiation room. Mayor Galea said this is a Public Hearing to decide whether or not to approve the Preliminary Budget as it is, and this is not a negotiation with the union.

Mayor Pro-Tem Rentschler said those of you who were not at the budget meetings, I will repeat what I said. He has been blue collar his entire life and has done just what they have done; got up in the night

while working at the National Solar Observatory for 25 years, answered water and sewer breaks, turned power back on, and to this day he still runs equipment and digs ditches with a shovel. He said you need to understand I am concerned about all city employees. If we were to give you all a 5% raise then in six months we would have to lay off five out of every one hundred. We are here and have been elected to be responsible. The citizens of Alamogordo elect to tax themselves this amount for one reason – Economic Development. If we gave that money to you we would be in violation of the NM Constitution and could potentially face criminal charges. There are certain rules we have to live by and we would like to give you everything you want, but it simply is not possible right now. GRT's were down almost a million dollars in February and have come back a little bit, but we are at the bottom of the bathtub. He was hopeful we would see the next two years come back up with the F-16's coming into HAFB. It is simply the wrong time now and we can't count on what has not yet happened. The GRT's we take in are a major part of what this city is able to do and you know we aren't just responsible to you guys. There are 36,000 other citizens out there we are responsible to. Most of us have been elected onto this Commission because we are conservative and have pledged to spend tax money wisely. That means we will not get ourselves into a hole. We have not been in a hole to the point people had to be laid off in a long time. Some of you remember that. We will do all we can, but you have to understand we are doing what we can with the resources we have and the information we have been given. We all do not see eye to eye, but as commissioners we have to look out for the ones calling about fixing roads and other issues. He noted some streets that are in bad shape and those citizens deserve better, but we do the best we can. He also understood you all do the best you can for your union and for your families and expressed his appreciation for them and their presence in Alamogordo. Mayor Pro-Tem Rentschler said he loves this place and will never leave, but he said there is only so much that goes only so far. The 8% is what Hold Harmless will do to us at the beginning of next year and this must be put into perspective. The money we are allowed to tax, according to the Legislature, without going to a referendum is 3/8% and that is a lot of money. It is meant to replace what we are going to start losing beginning July 1, 2015 and it isn't meant to do this kind of stuff. He felt what the County had done was wrong when they implemented it. What will they do when they lose it? They were one of the entities in the win-win situation and Alamogordo was one of the entities in a lose-lose. Even if we implement the 3/8%, at the end of the period we won't be made whole and will still be down. There is an awful lot that goes into one of these budgets and you guys are the biggest part of the budgets and the biggest consideration. We do all we can and he understood their position while asking them to understand the Commission's position.

Commissioner Hernandez appreciated all that the employees do from the bottom to the top. One thing that makes it tough for him is that he pretty much lives on the edge most of the time. He puts some money in the bank, but he doesn't have kids to leave anything to so he can spend everything he makes today and not worry about tomorrow if he chooses. As an elected official, he is tasked with something different; to watch what we have today in order to think about tomorrow since we don't know what will happen. He said we have one employee who is the City Manager, and his evaluation is coming up soon. We probably won't be able to give him a raise and that makes it tough. Commissioner Hernandez said he has tasked the City Manager and his staff to find out how we can do this in the future. He told the union people that the one time amount of \$750 is not a reoccurring thing because we don't know if we can afford it. If you figure out what you would make with a 1% - 1.5% raise you would probably find the \$750 would exceed that amount. Even though it is a one time thing and will be gone very quickly, it will probably exceed a 1% raise and is a good deal. We had to fight for that like we did last year when Commissioner Sikes and he barely snuck in the 1.5% raise. We do everything we can with what we have, but we are responsible to the taxpayers and we have to meet certain quotas and certifications for what we have on hand all the time. He again thanked them for all they do and said he would write them a check if he could. He will support this budget and would like to see more work done next year on doing something better for our employees.

Commissioner Straface asked City Manager Stahle to correct him if he's wrong. Today when we were looking at the budget, we had an option to leave \$125,000 in the budget in lieu of the possibility of being fined if we did not meet the Affordable Care Act. His understanding was that we are uncertain of what that will look like in the long run and secondly, we would have time to adjust if we knew new rules would come. The purpose of the \$750 was to provide dollars to employees who

would not suffer the increase of the Health Insurance that was coming. In fact, it was an increase over what the premium would be for families, which benefited single employees or people with double, and it certainly did help the families so the premium going up would not be tracked from them. We still had an opportunity as we looked through the year and learned more about the Affordable Care Act, to step in to insure our employees wouldn't be harmed by it.

City Manager Stahle told Commissioner Straface he was correct. The Affordable Care Act has all kinds of challenging considerations, and he reminded everyone that amount of money, whether it is the \$125,000 or the \$33,000 that was directed, would not be going to staff; it would be expenses the City incurs for staff.

Commissioner Straface said we choose to allocate that to our employees. We also lengthened the debt from four to seven years to find the dollars to fund that \$750; combining those things allowed us to do that, to benefit our employees. City Manager Stahle said that was correct.

Mayor Galea told the employees she needed them and the City of Alamogordo needs them, so we certainly did not tread lightly when discussing salaries and wages. It wasn't the bottom of the barrel we were scraping when talking about the lack of GRT. We did look at Health Insurance and how it would affect families, and we know the annual impact of the employee portion of 10% will cost an additional \$207 to employees this year. Family health premiums will increase by \$609 annually. We looked at what it would be if you just received the 1% increase to your salary. Someone making \$10.00 per hour will only be benefited monthly by an increase of \$17.00 and someone making \$20.00 per hour will have a monthly increase of only \$34.00. Multiplied by 12 that amount doesn't come close to \$750, and while the City Commission did not designate a \$750 annual merit, they did designate the \$294,630 which would be equivalent to the \$750 one time merit. She was sorry there wasn't more they could do this year but noted the Commission is committed and focused to work with the Chamber of Commerce and Economic Development and all citizens of Alamogordo to enhance our opportunities to survive and realize reoccurring GRT's in order to provide pay increases. You do deserve a fair living wage as you work hard for the citizens. This Commission has been dedicated to working for you, the citizens of Alamogordo and our employees, so we have spent hours working in Budget Hearings with our City Staff.

Commissioner Hernandez reiterated what Commissioner Baldwin said. We are not in negotiations now and you guys have the option to negotiate. This is what we've done today and put in our budget; we haven't ever budgeted raises for you guys, it has been negotiated. Put your negotiation shoes on and come to the table.

Commissioner Sikes was going to say what Commissioner Hernandez said, that this meeting wasn't designed to negotiate hourly wages for people. She thought we should take note of what some of the union representatives said, and she appreciated their heart-felt comments. She had been elected to provide services for the City and to represent her constituents. She thought the people she represented liked the idea of professional, well paid employees who do a good job. She remarked that she lives and works here and liked the idea the police and firefighters were happy and worked hard, the people getting up at 2:00 in the morning are doing what needs to be done and she likes to think they are happy about doing that. If they are not, she was glad they had told the Commission. To think we have dual income families who are making so little money is kind of embarrassing to her, and is like the stories she has heard of military families who have to use food stamps. She was interested in knowing how many city employees are filing for food stamps. As Commissioner Hernandez said, this is not the place to negotiate. As Mayor Pro-Tem Rentschler said, this is a serious problem for us. As you are well aware, we talked about having a little extra money in the budget. As a Commissioner she knew all this is not carved in stone and knew when we get to the point where you will be negotiating with the right people, we will probably be able to do something. She hoped they would not leave here disheartened and reminded them that their comments had an effect on the Commissioners. She thanked them for being here and saying what they did.

Mayor Pro-Tem Rentschler moved to approve the adoption of Resolution No. 2014-24 adopting the Fiscal Year 2015 Preliminary Budget. Commissioner Baldwin seconded the motion. Roll call vote was taken by the Clerk. Motion carried with a vote of 7-0-0.

Mayor Galea asked for a recess at 8:56 p.m. and reconvened at 9:06 p.m.

- 19. Consider, and act upon, redefining the lease footprints of the north hanger section to ensure taxiway safety requirements and lease equity. (Stephen Thies, City Attorney and Matt McNeile, Assistant City Manager)**

Assistant City Manager McNeile told the Commission the City owns the land and then people lease the land and build hangers for their airplanes and space for others to park their airplanes. We have 15 hangers on the north end of the airport where, and we are not sure why, the City defined 'lease areas' that is beyond the actual physical location of the building. These 15 hangers were actually leasing additional space which poses a problem for the City because we have to maintain these taxiways between the buildings. If these people are leasing this space, the City cannot pursue Federal grants to maintain and improve these taxiways. It is also a safety issue. The lessees on the southern end of the airport are drip line to drip line, so they are not being treated the same as the lessees on the north end. Because we have Federal grants, we have to be sure to treat everyone equally, and more importantly we want to be able to maintain these taxiways. The Airport Advisory Board is making a recommendation to the Commission that we redefine these leases to drip line to drip line and let the people know the lease space is being reduced. There is a corresponding reduction in revenue we collect of about \$12,500. One way we are looking at combating that is, at the last meeting you passed a two cent increase on fuel flowage fees, and that should offset some of these costs. The recommendation is to reduce the lease line.

Mayor Pro-Tem Rentschler said he understood we aren't treating all the hanger lessees evenly. This is all part of 139 so we can actually get this all put together for the grants and what have you. He recommended approval.

Mayor Pro-Tem Rentschler moved to approve redefining the lease footprints of the north hanger section to ensure taxiway safety requirements and lease equity. Commissioner Baldwin seconded the motion.

Commissioner Baldwin asked if there is any opposition to this change from the lessees. Assistant City Manager McNeile said there was none.

Commissioner Straface asked if there was a negative consequence and Assistant City Manager McNeile said there was not. The negative consequence of a reduction in lease revenue would be offset with the fuel flowage fee.

Motion carried with a vote of 7-0-0.

- 20. Consider, and act upon, using Lodger's Tax money to sponsor the White Sands Pupfish team in the amount of \$2,500. (Susie Galea, Mayor)**

Mayor Galea felt the White Sands Pupfish team would have a representative here tonight, but they did not. She had talked to Wally Anderson, Vice President of Operations and he said there was a retail entity in the City who was going to sponsor the team, but they had backed out. Thus, the team is short by \$2,500 in sponsorship. It is a common practice in other cities to utilize the Lodger's Tax to sponsor their local ball team. Both the Roswell Invaders and Las Vegas Train Robbers baseball teams are an example of this. Sponsorship is based on the fact the teams bring tourists to the municipality. A 5% occupancy tax on an \$80 motel room would be \$4.00 per night, and with a 35 home game schedule it would generate \$2,800 in Lodger's Tax. If the City Commission were to

sponsor the team with \$2,500, there would still be a surplus in revenue and Lodger's Tax from the activity of the White Sands Pupfish.

Assistant City Manager McNeile said those are the guaranteed rooms for the visiting teams and does not include the families and friends who travel with the teams. Of course, they would also go out for entertainment and purchase goods and services in our city. The other communities have done this by advertising on the uniform which is seen at the nine other locations throughout Colorado, New Mexico, Arizona and Texas where they play. We would have our City of Alamogordo logo on the uniforms.

Mayor Pro-Tem Rentschler thought the Pupfish team was a good thing for Alamogordo. He asked Assistant City Manager McNeile if they all stayed in motel rooms and how many nights it would take to generate this money. Assistant City Manager McNeile said the visiting teams would have 20 rooms. Our local team has host families, and they stay at a local hotel and pay the Lodger's Tax when they travel out of town.

Commissioner Straface moved to approve using Lodger's Tax money to sponsor the White Sands Pupfish team in the amount of \$2,500. Commissioner Sikes seconded the motion.

Commissioner Baldwin asked for discussion. He wanted to make sure this is a one time sponsorship and would not be reoccurring. If they need a sponsor next year it could be brought back to the Commission for consideration. Assistant City Manager McNeile affirmed.

Motion carried with a vote of 7-0-0.

Assistant City Manager McNeile remarked there was one other Pupfish related item. Tomorrow, Wednesday, May 14th, is the ribbon-cutting with the Chamber of Commerce at the game and Thursday, May 15th is City of Alamogordo Appreciation Night at the game and he invited all Commissioners to come and to throw out the first pitch. If all seven come they will have seven balls and seven catchers. Also, on Thursday during the day it will be Alamogordo Public School Day at 10:00 a.m. and then in the evening at 6:00 p.m. it will be COA Appreciation Night.

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

Mayor Galea appointed Theda Harshey to the Parks & Recreation Board. Mayor Galea said Ms. Harshey is an active member of our community. There were no other nominations for any Boards or Committees. She welcomed anyone in the community to volunteer for a Board.

PUBLIC COMMENT

B. Eliza Fernandez commented on the following:

1) Ms. Fernandez noted that earlier she failed to mention her concern during the Budget Hearings of the lack of funding for the Sexual Assault Nurse Examiners program (S.A.N.E) for Lincoln and Otero Counties. Prior to going into law enforcement, she had volunteered at the District Attorney's office as an advocate who worked hands-on with victims. In law enforcement as an officer and detective she has worked hand-in-hand with these sexual assault nurses who are few but very dedicated. She asked the Commission to reconsider providing funding for this program. Ms. Fernandez thought it was good we could sponsor the Pupfish team because it was good for our community, but felt we should help sponsor S.A.N.E. who cared for the citizens we don't see. Many victims do not go to the hospital after an attack because this is a small community and everyone knows each other. The hospital will send victims to the S.A.N.E. nurses many times. These nurses will come after their shifts at work with a minimum amount of sleep in order to insure the well-being of these victims. She asked for reconsideration in order to maintain the relationship with S.A.N.E.

Mayor Galea asked City Manager Stahle if there was still opportunity for discussion on the Final Budget and how it would be presented. City Manager Stahle told her they would not be agenda items

on the City Commission Agenda, but would be included in any discussions on the Final Budget.

C. J. J. Lyons commented on the following:

1) Mr. Lyons brought up the Hold Harmless Tax which he had heard about since he became AFSCME president. What he got from Steve's presentation was that enacting 1/8% of the 3/8% tax would level out our GRT. He asked for clarification.

City Manager Stahle said he was mistaken on that. As Mayor Pro-Tem Rentschler mentioned earlier, when you look at the entire Legislative direction, they are basically taking away our Hold Harmless over a 15 year time period. Even if we enact all of the 3/8% tax the Legislature allowed local jurisdictions to enact, we still would not make up the loss.

Mr. Lyons said what he got from Steve's presentation was.....City Manager Stahle interrupted to say if we did it right now there would be a little bit of a bump for us, but over the next 15 years it doesn't make it up, in fact, we lose.

Mayor Galea added to the conversation that the 1/8% generates on average about \$750,000, but as the Hold Harmless is repealed over the 15 year period even if we enact 3/8%, we will still be short about \$600,000. If our expenses continue to increase and we do not have an increase in revenue we will be deficit spending.

Mayor Pro-Tem Rentschler said there are other things that have happened you need to be aware of and that is that the Hold Harmless Tax we are allowed by the State Legislature to enact could probably be done now. The citizens of Alamogordo have approved an ordinance, even though the Attorney General does not think that ordinance can be enforced, and you would be hard pressed to get this Commission to just enact it. We would have to go out for a referendum and then have the citizens of Alamogordo approve it, so there is a lot more to it.

Mr. Lyons said as a taxpayer he understood that, but thought it might be a solution. Mayor Pro-Tem Rentschler said it would be a temporary one.

Commissioner Straface said he would like to understand that better and asked to schedule a time with City Manager Stahle or have a workshop if need be. City Manager Stahle said he could do this. Commissioner Straface said he wanted to be clearer on how this works.

D. Joel Villarreal commented on the following:

1) He said there was perhaps a discrepancy between what the Finance Director and what the City Manager felt was going to be the outcome of that, but he was pretty clear as far as dealing with the Hold Harmless and felt it would become a non-issue. Mr. Villarreal said it was clearly stated that these budgets have been over budgeted by about 15% for the last few years. We find ourselves where the revenues have hit so hard, but time and time again it has been happening consistently. He found it hard to believe that over the next four to five years we are going to end up being \$100,000 short in GRT's every single year. People have to understand there is going to be a washing effect, and JJ Lyons' bigger point is there isn't cause for doom and gloom. We are in a hard time this particular moment, but for people to use this as an excuse to bring the whole sky falling down overstates the problem. He remarked the Commissioners are in a serious position and he understood that, but it is not as bad as it is being made out to be. He found it hard to believe you will be growing at the rate estimated. The reserves are not there for anyone to use, but he wanted people to realize they are there; you are above and beyond the 8% you are supposed to have for the emergency fund. You are there and are planning to double that so these concepts of turmoil are being extremely overstated. He felt it had more to do with the fact, as Mayor Pro-Tem Rentschler was talking about, of whether there is an actual bill to do it or not, and that's what it will take. He thanked the Commissioners for thinking of the citizens of Alamogordo and reminded them the employees are citizens of Alamogordo, as well. They are in a closer relationship with you than anyone else since they work for you.

Commissioner Straface recalled there was \$800,000+ in undesignated reserves and City Manager Stahle agreed. Commissioner Straface said that represents approximately 1% of the Operating Budget. He noted the School District maintains a 5% reserve for the very same reasons. If we are at 1.5%, from his viewpoint that is dangerous. In the School District we maintain 5% in reserve because we don't know what is going to hit us and it has hit us during his tenure here. He said the snow storm about four years ago forced him to close schools and they lost pipes in every school costing the district about \$340,000 for three days. He felt it was wise to keep a savings account because it is one time money; if spent it wipes out your savings and you have no way to deal with an emergency.

Joel Villarreal replied that he did not intend to say the City should not have a fund, but the 1% savings was not true. You are required by law to have 8% and he knew it was there. The auditors were looking at \$9.5 million in the reserves and he thought it was now at \$4 million. Mayor Galea said the \$9 million was an accrual; actual cash on hand was \$7 million dollars and we deficit spent last year, so there was only \$5 million in that fund. This year, after we have spent over \$3 million dollars in deficit spending, there is less than \$2 million in that fund. If we are going to set aside any small reserve amount there will be only \$800,000 in that fund.

CITY MANAGER'S REPORT

1) None.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Commissioner Hernandez commented on the following:

1) He said that in hearing a lot of the comments tonight, he recommended putting together a quick spreadsheet on the funds and what they are used for. He commented on giving money to the Pupfish, Economic Development and salaries and the various types of funds and how they may be used. He would like to see an understandable spreadsheet everyone could understand and perhaps put it on the City website. City Manager Stahle said he had already written himself a note to do just that. Commissioner Hernandez said he had heard this too many times tonight and the City Manager agreed. He knew we had gotten in trouble in the past for moving money from one fund to another.

Mayor Pro-Tem Rentschler commented on the following:

1) He stated we still have two vacancies on the Airport Advisory Board. He asked City Clerk Cantin to put an item on the next agenda for us to go through and look at the requirements in particular for the Airport Advisory Board to expand the membership to County residents, with preference to City residents.

City Manager Stahle said the Advisory Board also tried to get on that topic, and Mayor Pro-Tem Rentschler said he expected it to be on tonight's agenda. City Manager Stahle it wasn't ready to be prepped as an ordinance, and it had to come before the Commission in that form so once it was adopted it would be policy. Mayor Pro-Tem Rentschler asked if it could be at the next Commission meeting, and City Manager Stahle said he would try. It may be after the packet is distributed, but we'll get it.

Commissioner Straface commented on the following:

1) He certainly was sensitive to where our employees are and said we have no reason not to compensate people as much as we can. We also have responsibilities not to put the City in a place where we either have to lay-off employees or cut programs deeply; we are responsible to the public. It isn't a we/they thing, it is how we can use our resources as wisely as we can. That is critical.

2) He addressed the other Commissioners concerning research about working on teams in a collaborative way. He saw three evidences today of that research in our work: 1) People working together and listening to each other with respect, 2) Commissioners trying to balance their inquiry and advocacy for certain positions; i.e. – why is this important and what do you stand for. That balance is needed so we can all hear it, and 3) Putting ideas on the table. He thanked the Commissioners.

Mayor Galea commented on the following:

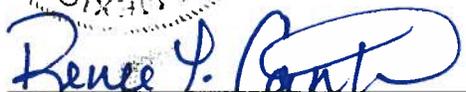
- 1) She said there are still opportunities for strategic planning as a group and she hoped everyone would be open to an idea of a workshop in June. Strategic planning is very important for the well-being of the City we all serve.
- 2) Mayor Galea was glad to be a part of meetings this month. The Committee of 50 visited Washington, D.C. and their report was that all is well.
- 3) She also worked with the ARMS Committee – a regional group which will be presenting a workshop in August that should be beneficial to Alamogordo in preparation for the BRAC in 2017-2019.
- 4) She expressed her gratitude for all of the city staff and what they do for our community. She wished there was more tax revenue and economic development so our community would thrive. That is why the Commission is committed to working with OCEDC and the Chamber of Commerce.
- 5) This weekend is the Gus Macker Tournament and they need volunteers.
- 6) It will also be National Square Dance Days in Alamogordo with the Annual State Square Dance Festival being held at the Civic Center. She encouraged the citizens of Alamogordo to do-si-do and turn your partner round and round.

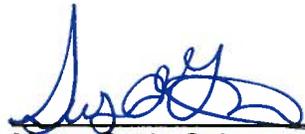
ADJOURNMENT

Commissioner Hernandez moved to adjourn at 9:45 p.m. Commissioner Straface seconded the motion. Motion carried with a vote of 7-0-0.



ATTEST:


City Clerk Renee L. Cantin


Mayor Susie Galea

*(Prepared by Nancy Jacobs, Deputy Clerk)
Approved at the Regular Meeting held on May 27, 2014.*