

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
7:30 P.M., COMMISSION CHAMBERS
FEBRUARY 14, 2006**

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

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

Call Meeting to Order and Roll Call.

The meeting was called to order at 7:30 p.m., and all of the members of the Commission were present. The Invocation was given by Reverend Dotti West, and the Pledge of Allegiance was led by City Commissioner John Robertson.

PRESENTATIONS:

1. Presentation of the U.S. Conference of Mayors Innovative Water Conservation Award.

Mayor Carroll said that he was privileged to represent the City at the U.S. Conference of Mayors winter meeting where Alamogordo was recognized as one of two cities nationwide for the water conservation program. As part of that recognition, Mayor Carroll presented a plaque to the City Manager. It reads, "The United States Conference of Mayors and the Urban Water Council hereby recognize the City of Alamogordo for outstanding achievements in water conservation in 2005." He asked that City Manager Pat McCourt find a place to display the plaque in City Hall. In addition to the plaque, the City received a check in the amount of \$5,000, which is being put into the Water/Sewer Fund in a conservation line item. It will be used to continue public outreach and education in water conservation methods. Mayor Carroll accepted the award on behalf of the City and on behalf of the citizens of Alamogordo because the citizens are the ones that bear the burden of conservation and signed on to the water conservation program, which made the award possible. The conservation efforts have paid off largely because the citizens have bought into the program, and they recognize the need to conserve water in the Southwest and in Alamogordo. The bad news is that in spite of the conservation efforts of the citizens, Alamogordo has had little rain and practically no snow pack this year. It will be a tight summer as far as water is concerned. The citizens may be asked to conserve more than they have in the past. Mayor Carroll did congratulate and thank the citizens for the conservations efforts that have been made up to this point.

2. Presentation to Mr. Dick Garrett for years of service on the Airport Advisory Board.

Mayor Carroll thanked Mr. Dick Garrett for his years of service on the Airport Advisory Board and presented him with a plaque.

3. Presentation by Mr. Ed Carr, Otero County Economic Development Council Executive Director, regarding Project BELL, and consideration of Ordinance No. 1263 approving a project in accordance with the Alamogordo Economic Development Strategic Plan, Project BELL.

Recommendation: Approve the Ordinance for first publication.

Mr. Ed Carr made a presentation concerning Project BELL and PreCheck. He introduced Mr. Glenn Woolsey, the co-founder of PreCheck. Mr. Woolsey said he is very much looking forward to coming to Alamogordo, and Mayor Carroll welcomed them.

Mr. Carr went on to say that a prospective recruitment opportunity was issued on November 8, 2005. The states they initially looked at were Tennessee, Oklahoma, Texas and New Mexico, and they then narrowed their selection down to three communities, two in New Mexico and one in Texas. PreCheck came back to Alamogordo on January 4th for a final tour. They met with OCEDC and the members of the community that support them and their effort to come to Alamogordo. On January 5th the company selected Alamogordo. As some saw in the press conference the other day, OCEDC really made this deal come to Alamogordo. The company was highly encouraged to pick Alamogordo, and PreCheck would probably not be in Alamogordo if it wasn't for the Governor's pledge of \$1.5 million.

PreCheck was looking for a location of 10,000 to 20,000 square feet with redundant communication including broadband, copper and fiber. They're looking for a good workforce. They're going to hire 205 people over 5 years to meet their needs. In addition, they were looking for incentives from the community to help them make their move. OCEDC responded with 17 possible locations in Alamogordo including the Airport Business Park and two other possible City sites, the Alamogordo Industrial Park, which is the former Presto land, and several private properties. Company representatives toured all of the potential sites and weighed the pros and cons of each site based on their needs, and they looked at all of them equally.

PreCheck is an established, privately held company out of Houston, Texas. It specializes in background investigations and credentialing services for the healthcare industry. They have been in business since 1983, and they are the largest business of this type in the United States. PreCheck has approximately 200 employees in Houston, and the plan is to mirror-image their facility in Alamogordo to include duplication of all of their core functions as well as a back-up data center. One of the primary reasons for expanding into New Mexico was to provide an alternate location in the event of natural disasters on the Gulf Coast like Hurricane Rita in the summer of 2005, which narrowly missed Houston and would have been a disaster for PreCheck.

One of the key economic factors considered in creating the incentive was that 205 jobs would be created over 5 years. All personnel will be local hires if at all possible. Their average wage will be \$13/hour, and 1800FLOWERS.com was the first big recruitment at \$7/hour. Sunbaked Biscuits was brought in at \$9/hour. It should be apparent that what OCEDC is trying to do is raise the bar in Alamogordo and bring in higher quality companies.

The hiring schedule is 15, 40, 70, 40, 40, which is the increment of jobs that will be created each year over that five-year period. Other key economic factors include the \$1.5 million in City infrastructure improvements, which went into the model. The model is based on that money going in there, and that causes a return on investment to the City. There is an estimated \$2.5 million in building costs for their 20,000 square feet of office space. There will be almost \$1.8 million in furniture, fixtures and equipment along with building finishing costs and \$1.5 million in local purchases over the first five years of them being in operation.

The project will hinge on several key factors that include the \$1.5 million coming from the Governor, which is a bill that has to be passed through the legislature and signed by the Governor, the donation of 20.8 acres of land from the Heritage Group to PreCheck for consideration of the \$1.5 million in capital outlay to the City of Alamogordo, \$675,000 in local options for tax funding, which will be considered tonight, to be operational by August/September, which is an extremely

aggressive task that everybody is focused on, and approval of the New Mexico Department of Finance and Administration smart money loan.

PreCheck's plan is to build 20,000 square feet of office space that includes parking for 200 employees. The infrastructure of telecommunications, electric, gas, sewer and water need to be put in place for this company, and it will benefit all of the future needs of Alamogordo.

City staff, the Heritage Group, OCEDC, and PreCheck are moving forward to get them operational by August/September. Some of the objectives that need to be accomplished in a very tight time frame include planning and zoning, City infrastructure as well as the company facilities, which require engineering, design, permitting and construction. The smart money approval has to be received along with the capital outlay, and the legislation that needs to be approved. The City incentive also needs to be approved, and due to the aggressive time line all of these are being worked on simultaneously. It is a complex and challenging process.

Mr. Carr then introduced Mr. Randy Rabon, president of the Heritage Group to talk about where this project is going to go and some of the things they're going to do.

Mr. Rabon introduced the Heritage Group, which is another company that the Rabon family has recently introduced to handle all of their development activities. They have a couple of different subdivisions and some water development that are also being worked on. He officially announced the heritage group as the development group of which he is the president and still has all of the interests of the brothers with him in it.

The Heritage Group has taken this project, which they are going to call the Mesa Village. He presented a location map of where this subdivision is located and how it sits in relation to the City of Alamogordo. It is located on the north and west side of the community. The community incorporates both residential and commercial properties, and the Mesa Verde Ranch Road is on the south side of the property. Mr. Rabon also pointed out where the relief route goes through the property.

The property has 70 acres for commercial development and 240 acres for residential. A 20.8 acre track of land is being donated for PreCheck's development. It is on the south and west side of the commercial development adjacent to the residential lots. There will be approximately 500 to 750 residential lots in the area. PreCheck will possibly be constructing two buildings, 10,000 to 20,000 square feet.

What has also been proposed for the annexation and development is a utility plan that would incorporate the City of Alamogordo's first lift station down in the south and west corner. It is proposed that the City sewer system be connected to by 84 Lumber, which is over by the mall. With that the water supply will be picked up and brought back across. That is the utility development that is necessary to handle the initial phases of the development.

With the dedication of 20.8 acres to PreCheck through the discussions the Heritage Group has agreed to take a 1.5-acre track just to the east of the PreCheck property to jointly do a land dedication to the City for emergency services, a fire station or whatever DPS needs. The hope is that through that dedication the process of getting the necessary services out there will be sped up. Mr. Rabon offered to answer any questions.

Commissioner Cooper said that he knows the timeline is very important and that the project has to get off the ground immediately if not sooner. He asked whether a motion was in order. There are a few more issues to discuss at which time a motion can be entertained.

Mr. Rabon said that they are looking forward to working with PreCheck. He thinks they will be an outstanding asset to the community as they create 200 plus new jobs, which is huge to Alamogordo. In addition, PreCheck is a great candidate to come to Alamogordo because of their needs. They fit well into the long-term plan.

City Manager Pat McCourt said that there is a plan that can be put into place with Mesa Verde in the development of that area. The City is very comfortable with the direction this is taking. He pointed out that the immediate plan for what can be done with the existing money would be to tie them into sewer and water. He indicated where that could be done, and said it could work right now. However, they don't feel that is the best option. They feel the best option would be for the City to put additional money into this project from the Water and Sewer Fund. The sewer line could be extended from 16th Street north along the relief route. In conjunction with the West Side Water Project, that entire part of the City could be opened up with water and sewer services. The cost of that is estimated at approximately \$400,000. The funds are available to use out of the Water and Sewer Fund, and the City will also be the conduit for the \$1.5 million of the Governor's money. The City would essentially up front that in order to get the project done in a timely basis and then be reimbursed. He asked that the Commission strongly consider allowing the City to utilize additional hard City monies to open up essentially the whole relief route area and have water and sewer services available in that area. It is anticipated that there would be tie-in fees to recapture those funds from future tie-ins as they come up on that line. That would go back into the Water and Sewer Fund.

Commissioner Cooper said that it was about a year or so ago that the City anticipated running the sewer line north. At that time there wasn't enough money to do so. City Manager said that was correct. This is part of the City's long-term plan, and when the emergency sewer rebuild was done south of 16th Street the future extension of the line to the north was anticipated. Mayor Carroll pointed out that this would allow the City to leverage the \$1.5 million to do that project. City Manager McCourt said that a proposal would be brought before the Commission. It would take a budget modification and would involve utilizing hard City dollars in addition to the economic incentive money that is being provided as it will benefit the community in the long term.

Commissioner Cole asked where the southern point is. City Manager McCourt said that it is 16th Street, and the relief route is where there is an L-bend in the line. It goes south and east from that point.

Commissioner Robertson asked what the drawbacks would be of running it from White Sands as was talked about to start with. City Manager McCourt said that option could be done, but one of the down sides is that one of the lines would hit capacity as development continues. That would not be immediate, but the line would be over-used in the long-term. Utilizing that option all of the improvements with the water and sewer could be done in the \$1.5 without the City putting in additional money. Mayor Carroll said that the \$400,000 City Manager McCourt is talking about is basically the difference in cost for infrastructure for running the big line. The City would in essence be upgrading the capacity of the system by putting additional monies into the project.

Mr. Carr said that in addition to the \$675,000 and the Governor's capital outlay of \$1.5 million there is also \$2 million in a job training incentive program, the high-wage job tax credit, and the rural jobs tax credit for a total State incentive of \$7.5 million for this company. What is being requested for PreCheck is \$100,000 cash incentive at contract signing, \$125,000 at the end of year one, two and three, and \$100,000 in years four and five for a total of \$675,000 in incentives. The pay out of the incentive is designed to accommodate the cash of the Economic Development Fund and its future revenue, and of course there will be draw back provisions in the contract with PreCheck to protect

the City's up front cash incentive. The payments will be based on job creation. The economic model of Project BELL and PreCheck shows an average rate of return on the City's investment of 19% for the next ten years, which is a pretty good investment. The payback to the community for that investment of \$675,000 is 5.24 years. It is being paid out over five years, and it is almost all coming back within that five years. The total number of new direct jobs is 323. Salaries would be paid to direct and indirect workers at \$75 million over a ten-year period. Taxable gross receipts in the area are \$41 million. The net benefits to the City over ten years will be \$1.4 million.

Based on the fact that PreCheck meets all of the criteria contained within the Alamogordo Economic Development Strategic Plan, OCEDC recommends that the City Commission approve a \$675,000 incentive for Project BELL for PreCheck.

Commission Cooper made a motion to approve Ordinance #1263 approving a project in accordance with the Alamogordo Economic Development Strategic Plan, Project BELL. Seconded by Commissioner Robertson. All voted "aye". The motion carried by a vote of 7-0-0.

Mayor Carroll said that the direction for the City Manager and staff to proceed on the water program would come back at the next Commission meeting as an action item to authorize the expenditure and the budget adjustments necessary to do that.

[A break was taken at 7:59 p.m. Meeting reconvened at 8:00 p.m.]

CALL OF THE CONSENT CALENDAR:

Item Nos. 4, 5, 8, 9, 10, 11, 12, 13, 14A, 14B, and 15 were on the Consent Calendar. No items were removed.

MINUTES:

4. Minutes of January 24, 2006 Regular Meeting.

Recommendation: Approve the minutes.

CONTRACTS AND AGREEMENTS:

5. Agreement with Armstrong Consultants, Inc. for providing professional engineering services regarding the reconstruction of the apron at the Alamogordo-White Sands Regional Airport.

Recommendation: Approve the agreement.

8. Resolution No. 2006-13 adopting the Water Conservation Overview.

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

9. Resolution No. 2006-14 supporting the appointment of a resident Federal District Judge in Roswell, NM.

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

10. Resolution No. 2006-15 regarding a National Incident Management System (NIMS).

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

11. Resolution No. 2006-16 approving the release of a demolition lien at 1212 Eighth Street.

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

12. Resolution No. 2006-18 accepting the grant offer of the New Mexico Department of Transportation, Aviation Division, for Project No. ALM-06-001 to rehabilitate a portion of the northern general aviation apron at the Alamogordo-White Sands Regional Airport.

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

13. Change Order No. 2, Public Works Bid No. 2005-013, CDBG No. 05-C-NR-1-3-G-23, College Subdivision Sanitary Sewer Rehabilitation Project.

Recommendation: Approve the change order in the amount of \$159,539.45.

14. Award of Bids:
A) Bid No. 2006-02, Miscellaneous Foods, Dairy Products and Items for the Alamogordo Senior Center.

Recommendation: Award as follows: 234 items for an estimated total of \$58,541.47 to Shamrock Foods Company; 3 items for an estimated total of \$4,641.00 to Farmers Dairies; 8 items for an estimated total of \$4,498.30 to Prices Creameries; and 95 items for an estimated total of \$27,976.06 to U.S. Foods Service.

- B) Bid No. 2006-03, Replace Dishwasher for the Alamogordo Senior Center.

Recommendation: Award to National Restaurant Supply Co., Inc. for \$12,114.90.

15. Statement regarding the Executive Session of January 24, 2006.

Recommendation: Approve the statement.

Commissioner Cooper moved to accept Items 4, 5, 8, 9, 10, 11, 12, 13, 14A, 14B, and 15 on the Consent Calendar. Seconded by Commissioner Robertson. Mayor Don Carroll, Mayor Pro-Tem Ron Griggs, Commissioner Inez Moncada, Commissioner Don Cooper, Commissioner Ed Cole, Commissioner John Robertson and Commissioner Marion Ledford voted "aye". The motion carried by a roll call vote of 7-0-0.

ORDINANCES AND RESOLUTIONS:

6. Ordinance No. 1262 amending Section 14-01-110 of the Code of Ordinances regarding the rates for Solid Waste Collection.

Recommendation: Approve the Ordinance for first publication.

Mayor Carroll asked City Manager Pat McCourt to comment on this item.

City Manager McCourt said that as the Commission is aware a contractor is hired to do the solid waste pick-up for residential customers throughout the community. That was put out for bid about three years ago, and there is another five years to go on that contract. It has built into it a cost of

living adjustment, and that is what is being implemented here. The consumer price index modifier that the Department of Labor puts out is taken into consideration, and the amount the contractor is paid is adjusted as well as the amount the citizens pay for the solid waste pick-up.

Commission Cooper made a motion to accept Ordinance No. 1262 amending Section 14-01-110 of the Code of Ordinances regarding the rates for Solid Waste Collection. Seconded by Commissioner Robertson. All voted "aye". The motion carried by a vote of 7-0-0.

7. Resolution No. 2006-12 establishing a time period during which the existing leaseholders at the Alamogordo-White Sands Regional Airport may convert their existing leases to the new land lease.

Recommendation: Approve the Resolution.

Mayor Carroll reminded the Commission that this item was tabled at the January 24, 2006 meeting so that the Commission could solicit input from outside council on the resolution as it was proposed.

The yellow and green documents are the changes that were recommended by the outside council, and Mayor Carroll pointed out that the changes are more word-smithing than any substantive changes to the lease resolution. He asked whether the City Attorney was comfortable with the recommendations. City Attorney Ken McDaniel said that he is in full agreement with the recommendations as well as the memorandum that was written with regard to the issues that had been raised previously. He thinks the City is on solid ground.

Mr. Kevin Dunshee indicated that the Airport Users are also in agreement with the language.

Commissioner Cole made a motion to approve Resolution No. 2006-12 establishing a time period during which the existing leaseholders at the Alamogordo-White Sands Regional Airport may convert their existing leases to the new land lease. Seconded by Commissioner Cooper. Mayor Don Carroll, Mayor Pro-Tem Ron Griggs, Commissioner Inez Moncada, Commissioner Don Cooper, Commissioner Ed Cole, Commissioner John Robertson and Commissioner Marion Ledford voted "aye". The motion carried by a roll call vote of 7-0-0.

Mayor Carroll thanked those who worked hard to bring this item to a conclusion with the new land lease and resolution, which will allow current leaseholders to convert to a new lease in a seamless manner if they so choose.

OTHER BUSINESS:

14. Award of Bids:
C) PW Bid No. 2005-014, Griggs Field Reclaimed Water Tank (Re-Bid).

Recommendation: Award to Mesa Verde Enterprises, Inc. in the amount of \$360,125.12, inclusive of NMGRT.

City Manager Pat McCourt said this is a project that is funded through a legislative grant. It is to build a reclaim tank in Griggs Field on the north end of town that will allow reclaimed water to be pumped and stored. What the City found out as they bid it out was that they didn't have enough money. The scope of the project was revised by deleting certain items, but what will be done is it will be formed up and in shape. The City would anticipate coming back and putting in the liner in a future year.

Commissioner Cooper made a motion to approve Public Works Bid No. 2005-014. Seconded by Commissioner Robertson. All voted "aye". The motion carried by a vote of 7-0-0.

D) PW Bid No. 2005-017, Dry Canyon Drainage Improvements.

Recommendation: Award to Mesa Verde Enterprises, Inc. in the amount of \$85,592.31, inclusive of NMGRT.

City Manager McCourt said this is a project that runs between Canal and 24th Street. It is appropriately named Dry Canyon Drainage because most of the time it is dry. When a large storm takes place substantial amounts of water flow through this ditch, and there was quite a bit of undermining on the property that is located on the west side, which is what used to be the old KOA campground. The City hired an engineering firm and prepared a project to shoot concrete along the western bank. When the bids were received, they were well in excess of the amount of money the City had available. The City talked with the bidders directly to explore a way to stop the erosion and undermining of the property. A method was successfully arrived at with Mesa Verde Enterprises that would allow the undermining to be stopped. It would utilize wire baskets filled with stone as opposed to concrete. The Commission should be aware that in the long-term sense the City will have to redo this. It is a short-term solution to the erosion problem, and the channel will have to be re-worked all the way up to North Florida and Scenic. The entire channel will have to be constructed all the way down. Substantial property damage was occurring, and that is why this recommendation is being made.

Commissioner Cole asked where it started exactly, and City Manager McCourt said that this particular project starts at 24th Street, which is over by the Eagles building. It is off 24th and goes down to Canal where the old KOA campground is. The ditch that runs north and south on the east side of Eagles is not part of this project.

Commissioner Cooper made a motion to award Public Works Bid No. 2005-017, Dry Canyon Drainage Improvements. Seconded by Commissioner Robertson. All voted "aye". The motion carried by a vote of 7-0-0.

16. Notification of vacancies on Boards and Committees.

Mayor Carroll said that there is a vacancy on the Community Development Advisory Committee and one on the Mayor's Committee on Aging. He asked that if the Commissioner's know of someone who might be interested in serving on either of those boards that they would contact the City Clerk's Office.

UNSCHEDULED COMMUNICATIONS:

A) Commissioner John Robertson

Commissioner Robertson asked what the status was of the quiet zone being put in by the golf course by Mesa Verde. Mayor Carroll said that they are mobilizing their equipment and getting the permit to work on that at the Dr. Martin Luther King Crossing. Mr. Hunt said that is correct, and they were also obtaining their bonding. The project should start shortly.

Secondly, it was brought to his attention that the biggest part of the water line that would be going down as discussed earlier is in the County. The building is also in the County. He wanted to know how the City stands on that.

City Manager McCourt said that is partially correct. The line is in the County. Where the building is going to be constructed is in the City. It is part of the annexation that was done on the northwest side of the town. It is on the north side of Mesa Verde Road. The connection fees would have to be at an appropriate level to recapture the money for the Water and Sewer Fund, but it being in the County should not cause a problem.

B) Mayor Pro-Tem Ron Griggs

He wanted to make sure everybody is aware that the second annual White Sands Film Festival is February 23rd through the 26th. It is a great opportunity to attend some of the seminars, watch some of the movies and get involved in some of the events. The first year was very successful, and the second year is possibly going to be better.

C) City Manager Pat McCourt

With regard to the Water Supply Report, there may be some weather in the mountains at least tonight. It is awfully dry, and he asked the Commission to continue to pray for rain. The 180-million gallon reservoirs are on track to have those filled and prepared. The shortage will come in the Bonita Lake storage, which is very low at this time. Large run-offs are not anticipated to fill the lake, which is what happened last year. Last year at this time there was a nice snow storm that came through and provided sufficient water for the Lake to be filled. There is nothing on the horizon at this time.

The Sewer Replacement Project is going on around the College blocks and College streets. That project is well underway, and there are a lot of people living in that area where a lot of the streets have been dug up with a lot of dust problems because of the tremendous amount of traffic on those roads. The contractor was working on paving 23rd Street today, which will address many of the dust problems. The future work will be predominantly in the alleys, which is where the sewer lines flow in that area.

City Manager McCourt said he would be gone the first full week in March. Mr. McNeile will be in charge while he is gone.

D) Mayor Donald Carroll

Mayor Carroll said that those who went on the tour of the Sunbaked Biscuits plant were very impressed with the progress that has been made in converting it to a cookie factory. They are running ahead of schedule, and they think they could conceivably have their first line of equipment up and running early this summer. They are ahead of schedule on their hiring. They had initially thought that they would have 20 employees at this time, and they now have 37. Most of the work they have done has been done in-house with their own workforce. They have successfully contracted out the necessary items locally, and it appears that Sunbaked Biscuits is doing what they said. Hopefully they will be up and running and hiring more people shortly.

Mayor Carroll recognized Gisela Telis, the new reporter from the Alamogordo Daily News, and welcomed her to City Hall.

EXECUTIVE SESSION: No Executive Session was necessary.

Commissioner Cooper made a motion to adjourn. Seconded by Commissioner Robertson. All voted "aye". The motion carried by a vote of 7-0-0. The meeting was adjourned at 8:23

p.m.

/s/Donald E. Carroll

Mayor Donald E. Carroll

ATTEST:

/s/Angie Rahn-Broyles

City Clerk Angie J. Rahn-Broyles
(SEAL)

(Prepared by Trisha Ruckart, Ubiquis Reporting)

Approved at the City Commission Regular Meeting of February 28, 2006.