

**CITY OF ALAMOGORDO, NEW MEXICO  
CITY COMMISSION WORKSHOP MINUTES  
6:30 P.M., COMMISSION CHAMBERS  
August 6, 2019**

**RICHARD BOSS, MAYOR  
AL HERNANDEZ, COMMISSIONER  
NADIA SIKES, COMMISSIONER  
JOSH RARDIN, COMMISSIONER  
SUSAN PAYNE, COMMISSIONER**

**JASON BALDWIN, MAYOR PRO-TEM  
DUSTY WRIGHT, COMMISSIONER  
BRIAN CESAR, INTERIM CITY MANAGER  
PETRIA BENGOCHEA, CITY ATTORNEY  
RACHEL HUGHS, CITY CLERK**

**CALL TO ORDER / ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE**

Mayor Boss called the meeting to order at 6:30 p.m. Roll Call was taken by Deputy City Clerk Barraza. Commissioner Sikes was as absent. Deputy City Clerk Barraza announced there was a quorum present. Invocation was given by Commissioner Payne and the Pledge of Allegiance was led by Commissioner Hernandez.

**APPROVAL OF AGENDA**

Commissioner Hernandez moved to approve the agenda.  
Commissioner Payne seconded the motion. Motion carried with a vote of 6-0-0.

**WORKSHOP**

**1. Workshop on Regional Jet Service. (*Baxter Pattillo and Lance Grace*)**

Mr. Oliver said he is there representing MainGate United and the Alamogordo Chamber of Commerce. He said they will be asking the City of Alamogordo to support the Regional Jet (RJ) Service for White Sands Regional Airport and provide immediate funding of \$5,000. This funding would bring the FAA (Federal Aviation Administration) into this community and let them know what it would take to achieve a 139 rating. He said at the moment the Alamogordo Chamber of Commerce is dealing with nine out-of-state companies that are looking at relocating into this area, and seven of the nine has confirmed that regional jet service would be a major factor in helping them make that determination. He said they have determined that there is nothing in this community that would create more internal growth, more economic development and increase this community's tax base more than a regional jet service.

Mr. Grace showed a Power Point Presentation and went through two documents. The first one was the International Commercial Air Transportation System, and the second was the Status of RJ (Regional Jet) Service for Alamogordo. These two documents explained what Commercial Airline service is about and the piece that the RJs take in that. He talked about the past history of commercial air service in Alamogordo, pre 1978. He said they are looking for where you have one ticket, check your bags here and you pick up your bags at the final destination. He talked about the Status for RJ Service for Alamogordo. He explained that a regional jet has twin engines and can carry 45 to 100 passengers. He said they have a consultant that over the last year was paid by OCEDC (Otero County Economic Development Council). He said Mr. Boyd, the Consultant, came up with 138,000 employments per year. He said Mr. Boyd has computer software to figure out where everyone is coming and going in the airline system. He said part of the initial startup they would want a have a guaranteed pool. The size of this pool would be determined during negotiations with the airline. Ticket prices are based on the distance of travel. The HUBs that would be in within our area would be Dallas, Houston, Denver, Los Angeles and Phoenix, but this is all to be determined in which airline would be most interested in this. (See Blue Book for PowerPoint)

**Mayor Boss announced Commissioner Sikes entered the meeting at 6:42 p.m.**

Mr. Grace said in 2013, the FAA set new requirements of 1500 hours for the co-pilot instead of 500. He said the Airlines have struggled to get those co-pilots over the last few years, but they have finally figured out how to do it. The next thing that happened is that American Airlines got sued by Department of Justice because they were merging with US Airways at that time and that suit went on for the next year and they were not going to be doing anything new during that suit. The third thing that went on was a sequestration and this hit military and their TDY (Temporary Duty) travel went down to the bare minimums. He said it was a good thing that they were not getting into it at that time because the military traffic in this area is very significant and one of the drivers for an Airline to be interested in these.

Mayor Boss said he has seen on the News that the Southwest Airlines Boeing 737 Max is being pulled out of Newark, New Jersey. He said they've pulled out of that because there is such a long delay on that, and they are pulling out of another airport. He asked if that will affect Alamogordo or this decision at all. Mr. Grace said the 737 max thing is affecting all airlines. He said it would affect this to a certain degree domestically. Mayor Boss said not so much the delay of the passenger, he means is there any concern for doing what they are doing with bring service to Alamogordo. Mr. Grace said if he answered that he would just be speculating.

Mr. Patillo discussed a letter from Mr. Boyd to Senator Heinrich's Office. The letter stated why Alamogordo does not have 139 and why it needs it. He also discussed a letter he wrote to Mr. Gamarra from the FAA. He said this letter summarizes all of the steps that they have taken since July of 2018. He explained the four steps they have taken to get to this point; gave a presentation to OCEDC, attended the International Aviation Forecast Summit, attended the New Mexico State Aviation Conference and met with American Airlines. He said at the New Mexico Aviation Conference they were told that there has to be a step forward on the City's behalf in order to do both the 139 certification and the guaranteed pool or the trust account. He said this was the model that Roswell followed, and this is a model that they can work off of.

Mr. Rabon said he is representing MainGate United. He said in order for them to move forward they are going to have to get the City to take action that they are willing to support the pursuit to get an airline in the Alamogordo City Airport. He also said they are going to need \$5,000 to get the FAA to come to Alamogordo and do a preliminary part 139 inspection on the Airport. He talked briefly about enacting another 1/8<sup>th</sup> of a percent to help fund this initiative. He said he would defer back to the Commission and City staff about the funding but said that is one way it could be done. He briefly discussed grants and how the FAA funding works. He said even if they cannot get this thing done with the Airlines, they still need to get part 139 certificate done. He said this part 139 certification gives the Airport priority for funding for the Airport. He said this is an immeasurable economic opportunity.

Mr. Patillo discussed the three phases of what it will take in order to complete the project, for the first three months, the first year and then years two and three. He also went through some proposed questions. (See Blue Book for PowerPoint)

Mayor Pro-Tem Baldwin asked everyone in the room to raise their hand, if they had the option to fly to Dallas through this process, would they use it. He acknowledged that about 98 percent of the room raised their hand. He said most of the people that he has talked to is excited about this process. He asked if there is a general number they estimate for upgrades, in reference to the \$5,000 for the FAA Part 139 certification. Mr. Patillo said there is a general number, however, that is negotiable and is not what the FAA would make them do. He said they have an estimate from their consultant/engineer but that does not mean it is everything or it could be more that the FAA makes you do. Mayor Pro-Tem Baldwin asked what that conservative estimate is. Mr. Patillo said the best answer is that they don't know, and they would need to look into it a little more, but in order to do so they would need the initial travel cost for the FAA agent to come down here. Mayor Pro-Tem Baldwin said the most important part about that number is its FAA, State, DOT (Department of Transportation) and basically two percent City money. Mr. Grace said all of the improvements they have done the last five years was done with 139 in mind. Mayor Pro-Tem Baldwin asked what the potential impact to their emergency services is here in

Alamogordo. Mr. Grace said from a security standpoint, they do temporary security around the airport. He also said they need the firefighters. They could be doing both jobs at the same time.

Mayor Pro-Tem Baldwin asked if there is any concern of the bed down not happening at Holloman or with losing the missions leaving half the personnel there at Holloman. Mr. Rabon said they have been working on this before the F16 bed down initiative. He said he thinks they are always going to have missions at White Sands and Holloman in this area. He thinks they can still support the number of flights. Mayor Pro-Tem Baldwin asked if it would just change the employments coming out of the military. Mr. Patillo said they've had Generals and Colonels out of WSMR (White Sand Missile Range) and Holloman say this is one of the few things they would like for them to do. Mr. Rabon said one thing they have said is to focus on the community and it will benefit the military.

Mayor Pro-Tem Baldwin asked if they are knowingly and aware of any other communities in New Mexico that are trying to do the same thing as they are right now. He also asked if that would affect them. Mr. Grace said he did not think so.

Mayor Pro-Tem Baldwin said they had mentioned briefly the success of Roswell. He asked if they could give the Commission a brief timeline on what they did, how they did it and where they are at now. Mr. Rabon said it was in the late 2000s when they got started and they had 4 flights a day. He said they cut that down to three, not because they didn't have the passengers but because American Airlines needed one of the planes. Shortly thereafter, they had 2 flights a day to Phoenix. They came up with a guaranteed pool for the Dallas flights and he does not believe they subsidized the Phoenix flights for a while. Mayor Pro-Tem Baldwin asked if they had to dip into the pool for the flights to Phoenix. Mr. Rabon said they did for the flights to Dallas. Mr. Patillo said it is a negotiation that takes place over a while. It is a process with both the FAA and whichever major carrier they negotiate with.

Mayor Boss said the Commission can not make a decision tonight to whether or not to give them the \$5000. He said that will have to be on an agenda. He asked assuming the Commission does that, will that help them understand what they are looking at for a total potential cost going into this. Mr. Rabon answered absolutely. He said they need to get the FAA in here and get that inspection out of the way and see where they stand. Mayor Boss asked if with that inspection if they will be able to put some dollar signs on some of things they will be doing. Mr. Rabon said they will know where they stand after that. Mr. Patillo said they will also know how long it will take to do their full list.

Mayor Boss said he had heard them say they have come up with an amount that they thought it would cost and he asked if they would share that amount with the Commission. Mr. Patillo said he rather not because there are a few different numbers and it really doesn't matter what those numbers are until the FAA show up.

Mr. Patillo said the thing they are asking for here is that the Commission acknowledges what has been done, what is stood to be gained and they would be willing to support them on behalf of the Commission and engage with them in this project since it is ultimately a Municipal Airport.

Mayor Pro-Tem Baldwin said they had mentioned a potential tax on the flights coming out. He asked who allows the City to apply that tax. Mr. Rabon thought it was done through the airline. Mayor Pro-Tem Baldwin asked if that goes back to the Municipality that it is flying out of. Mr. Patillo said these are things that they have not drilled down all the way on. He said they would need to explore together if the Commission wishes to support it. Mr. Rabon announced other avenues that could be used to support an airline.

Commissioner Hernandez said he supports this. He said he does have an issue with invoking that 1/8<sup>th</sup> percent. He said the City is almost at their full bonding capacities. He said they need to be careful on how and where they spend their monies. He would like to look at other funding sources. He asked how involved OCEDC has been involved. Mr. Grace said they have provided them with \$25,000. Commissioner Hernandez said for him, if the City is going to put money in this, he would like to have

someone from the City involved in this. Mr. Rabon said that was part of their question this evening because they have got to get the City on board with this. He said they have done all they can do without taking it to the next level and getting the City's desire to work towards this. Commissioner Hernandez said they have moved away from the original question of how much, besides the \$25,000, has OCEDC been involved in this. Mr. Patillo said they have gone down the LEDA (Local Economic Development Act) road and they wanted to keep this separate until they have the support of the City. Mr. Rabon said this really doesn't seem that this is qualified for LEDA. Commissioner Hernandez said last time, LEDA didn't cover enough percentage of it to even apply for it. He also commented on the work force here in Alamogordo. Mr. Patillo said once they start working together towards this shared goal that they will find creative ways to lessen the cost and spread it around. Mr. Patillo said they are looking at getting an Economic Impact Statement done and they have the money appropriated to complete this study.

Mayor Boss asked Interim City Manager Cesar if it was the will of the Commission, would it be a problem to direct staff, at some later date, to look at alternate finance sources other than the hold harmless. Interim City Manager Cesar said staff has met with MainGate and this group many different times and talked through how this process would move forward. He said they are getting to the point to they need to have City Staff involvement. He said they probably need to bring an item to the Commission where they give them support of the project. Staff would work with this group on getting the FAA down here to do their evaluation. Through the evaluation they would get a list of what needs to be done and possibly a timeframe for getting this list complete. He also said they would have figures to work with Finance to see how they could fund this.

Commissioner Payne said her least favorite option is the 1/8<sup>th</sup> hold harmless. She thinks the concentration is on what they need to get the Airport ready and getting the Airport ready and that is going to be a process all in itself. She said she would think there are grants available out there.

Commissioner Sikes said if their only commitment is to ensure that the FAA comes to Alamogordo and does their study and then they are faced with the real number of what it will cost to do this. She thinks they have to commit \$5,000. She said that just seems so minimal to get to the point that they need to be.

Commissioner Rardin said he is against using the hold harmless for this. He said there are additional gross receipts tax that they could put on the ballot for the voters to pass. He asked staff if they could look at it to see if any of them would fit the criteria. Interim City Manager Cesar said with the exception of the 2/8ths of the hold harmless, he believes they have enacted everything they can that they could rededicate, and that could go out to the voters. Commissioner Rardin said he believes that there are still some. Interim City Manager Cesar said they could check into that. Commissioner Rardin said that would take them off the hook a little bit because if the voters decide that they want to be taxed to do this then they decided it and that's their will. He explained that the City is going to end up with \$163,000 in the general fund at the end of the year. Mr. Rabon said they were suggesting doing this over a two to three-year period. Commissioner Rardin said these next three years are going to be very difficult for the City because of the minimum wage increase.

Commissioner Rardin asked when they bring an item before the commission to look at the \$5,000, if staff can get the information to them whether they have any taxes that could go on the ballot that fits the criteria. Interim City Manager Cesar said if the Commission wants to move forward and support this project then they would work with the group to get whoever needs to come in. Once they have an idea of the magnitude of the project than they would be work with Finance to see how they can fund it. Commissioner Rardin said he does not have a problem with the \$5,000. He said there is an election coming up in three months, if they could figure out what it might fit under and if it is possible, get this on this ballot so that it can start generating that money. Interim City Manager Cesar said it is too late to put any questions on this November ballot. Commissioner Rardin said he doesn't know, under this new Local Election Act, if they are able to put anything on the November 2020 ballot. Commissioner Hernandez said no, but they could do a mail ballot.

Interim City Manager Cesar said dependent on what the FAA come back with, there are potential areas where they can pull some money for some of these smaller projects.

Mayor Boss said they should not have a problem with approving the \$5,000. He thought they need to do that, and they'll have a better idea of what they are looking at. Mr. Rabon said there are two things that they came to ask for. He asked if this is something that the City is wanting to do. Mayor Boss said speaking for himself, he thinks it is a fantastic idea, but it depends on the cost involved and if it is financially feasible or not.

Commissioner Payne said she has to fly out to Minneapolis next week, so she can see the value of being able to fly out of Alamogordo. She said it sounds like a great idea. She thinks the issue is to start thinking how they can do this without burdening the taxpayers too much.

Mr. Patillo asked the Commission if they wouldn't mind producing a document or a letter stating that the City of Alamogordo is interested in pursuing the cost of what 139 certification would be. He said if they could just say that for now, and not that they are in total support financially of the project, but they would like to see the numbers first from the FAA. Mayor Boss asked City Attorney Bengoechea if they could do that tonight. Mr. Patillo said it wouldn't have to be done tonight.

Interim City Manager Cesar said to do that, they would bring back as an agenda action item at probably the meeting of the 27<sup>th</sup>. The Commission would then be able to take action on that item. At that point the Commission could ask for a letter to be generated, and also direct staff to work with the group to come up with getting the FAA down here, to come up with a plan and come up with the funding options.

Mayor Boss thanked everyone for the effort.

## **ADJOURNMENT**

Mayor Pro-Tem Baldwin moved to adjourn at 7:56 p.m.

Commission Payne seconded the motion.

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



  
City Clerk Rachel Hughs

  
Mayor Richard Boss

(Prepared by Eric Barraza, Deputy Clerk)

Approved at the Regular Meeting held on August 27, 2019.