

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 PM, DONALD E. CARROLL COMMISSION CHAMBERS
November 5, 2025**

**SUSAN PAYNE, MAYOR
SHARON MCDONALD, MAYOR PRO-TEM
CRYSTAL GUTHRIE, COMMISSIONER
STEPHEN BURNETT, COMMISSIONER
WARREN ROBINSON, COMMISSIONER**

**JOSHUA RARDIN, COMMISSIONER
MARK TAPLEY, COMMISSIONER
STEPHANIE HERNANDEZ, ACTING CITY
MANAGER
DARRELL MORI, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER & ROLL CALL

Mayor Payne called the meeting to order at 6:31 PM. Roll Call was taken by the City Clerk. City Clerk Hughes announced there was a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

The Invocation was given by Commissioner Robinson, and the Pledge of Allegiance was led by Commissioner Rardin.

APPROVAL OF AGENDA

**Commissioner Guthrie moved to approve.
Mayor Pro-Tem McDonald seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.**

PUBLIC COMMENT

1. Craig Johnson said he brought a letter from Pastor Torres of Mountain View Church to read. Our community is slowly losing our children to violence. Xtreme Amplitude has given children joy, and I believe that is what this city needs. I ask the Commission to vote to give the funds to Xtreme Amplitude.
2. Janey Neal said she was a director at Xtreme Amplitude, and her children have done activities there. We have built a community that also comes together outside of XA. I know that \$2,000,000 is a lot to give to a gym, but XA is so much more than that. We are helping shape the community.
3. Jordan Turner said she was a veteran military spouse and a stay-at-home mom. XA has given my daughter and hundreds of other students the skills, confidence, and life lessons in a healthy, positive, inclusive environment. Please consider Mrs. Johnson's request and invest in stronger kids, families, and communities.

CITY MANAGER'S REPORT

Acting City Manager Hernandez made the following remarks.

1. There are many projects out right now. I will send the Commission a comprehensive list as we start to wrap up some. Some of the projects include Fire Station 2, the Duck Pond, the Tanks at South Reservoir, and we are working on the COPE building.
2. We did a walkthrough at the Golf Course. There was a punch list. There are still items they need to complete.
3. I will not be here for the November 18th Regular Commission Meeting, but I will have a staff member standing in.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Mayor Payne congratulated Mayor Pro-Tem McDonald as Mayor-elect and Commissioner Burnett for winning District 2 in the Regular Election.

Commissioner Rardin said that an elderly lady with a home on Tres Lagos reported that they hit her fence and damaged it. The contractor never repaired it. Can you look into that? Acting City Manager Hernandez said I spoke to someone yesterday who said they would get on it. Congratulations to you as well, Commissioner Rardin, for winning District 4. Commissioner Rardin said Mr. Pattillo, who won District 1, is also here in the audience. Commissioner Rardin said throwing your hat in the election and running is rough. I want to thank everyone who ran.

Commissioner Burnett said he had previously spoken to Acting City Manager Hernandez about the RFP for the golf course bid, and they discussed possibly adding a "with maintenance" option. Acting City Manager Hernandez said we spoke after the last meeting about the RFP for the 19th Hole and Golf Pro. Upon reviewing it, he raised a valid

point. Some people would like to take over maintenance, while others do not. I believe we could consider an alternative bid. Put them in as if you want to do it. What is your price? If you do not want to do it, here is your price. We might look at putting that in. We will discuss this with Purchasing to obtain more details on what that would entail.

Commissioner Burnett said the water billing is closed during the day. Could we waive the \$2 online fee when they must pay online? We are forcing them to pay online. Acting City Manager Hernandez said that brings up another question I should have asked earlier. Someone asked if, due to the furlough, we would be willing to put off payments until they can be made. Something like that would have to come before the Commission in a resolution. I can also look into the question regarding the \$2 online fee. Mayor Payne asked how that would work if it were lifted by then. Commissioner Rardin said we could waive late fees. Mayor Payne said her concern was them being disconnected because of it. Commissioner Rardin said it could be similar to what we did during COVID. Staff did not do shutoffs during COVID. Acting City Manager Hernandez said that it would have to still come before the Commission. Mayor Payne said that would not really do us any good. Acting City Manager Hernandez said not for the cutoffs. Mayor Payne said the government may be opening back up after the elections. Acting City Manager Hernandez said if they don't, we will still bring something forward. If they got disconnected and we charged a disconnect fee, we could refund that.

Commissioner Burnett thanked the Space Hall for lighting their building purple in recognition of Epilepsy Month.

Commissioner Rardin said there was a speed bump on Florida Avenue between 16th Street and Catalina. Is that on our list to address? Acting City Manager Hernandez said yes. Commissioner Rardin said that on 14th Street, next to the basketball courts and Oregon School, it would be possible to overlay that area while all the work is going on. That road is really bad. Could they resurface that while they are there working? Acting City Manager Hernandez said that it may be a change order, but I can look to see if Streets can do it. Commissioner Rardin said he did not know if there were utilities in that. Acting City Manager Hernandez said that it is a couple of years down the road. I can ask to see if that is in the plan. If not, maybe it's something we can add or have Streets do.

Mayor Payne said she attended the Air Force Ball and spoke with Colonel Ethridge and Chief Ford there. They wanted to convey that they were excited about the things going on in Alamogordo.

Mayor Pro-Tem McDonald said she wanted to thank her church community and others for helping her in the election. I felt like a winner even before I was elected. It takes a village to raise a child, and a whole city to elect a Mayor. I am grateful. The goodness I saw during the campaign was overwhelming.

CONSENT AGENDA

- 1. Approve the minutes for the Special Commission meeting on October 28, 2025. (*Rachel Hughs, City Clerk*)**
- 2. Approve the statements related to the Executive Closed Session of the Special Meeting held on October 28, 2025. (*Rachel Hughs, City Clerk*)**
- 3. Approve and accept a \$10,000 award from the NM State Library for State Grants In Aid Funding for FY26. (*Kim Underwood, Library Manager*)**
- 4. Consider, and act upon, adopting and final publication of Ordinance 1718, creating the Gross Receipts Investment Program. (*Stephanie Hernandez, Acting City Manager*) (Roll Call Vote Required)**

Mayor Pro-Tem McDonald moved to approve.
Commissioner Burnett seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.

ITEMS REMOVED FROM CONSENT AGENDA

None.

UNFINISHED BUSINESS

- 5. Consider, and act upon, Ordinance 1719 for first publication to approve a Local Economic Development Project for up to \$475,000 Secured Assistance Proposed by Xtreme Amplitude. (*Echo Johnson, Owner*) (Roll Call Vote Required)**

Commissioner Burnett asked the Commission if they had an issue with him sitting up there during the discussion. Mayor Payne said she did not have an issue with him sitting there, but preferred that he not be part of the discussion. Commissioner Guthrie asked if any of the Commissioners had an issue with her sitting up here or voting. Acting City Manager Hernandez said Commissioner Guthrie has no financial interest in this and already disclosed that she was an owner. There is nothing legally. Mayor Payne stated that she had received phone calls and emails from the public regarding this matter. Commissioner Guthrie said she did not want to cause any issues. City Attorney Mori said you disclosed previous financial dealings with them, but it has been years since, and you have no current dealings in that state. From my legal opinion, there is no reason why you could not participate and vote. I do applaud that you brought it before the Commission to let them speak on it or give them that option. Commissioner Guthrie asked if anyone on the Commission had an issue with her discussing and/or voting. Mayor Payne said no.

City Attorney Mori said he wished to provide a brief statement to the public and the Commission on the record regarding the legal framework of what we are examining. The Commission and the public have raised concerns. Before the Commission proceeds to a discussion or vote on the matter of LEDA fund allocation, I will briefly outline the legal framework and considerations relevant to the decision on the record. LEDA allows the City of Alamogordo to give publicly funded support to private groups and entities for qualifying economic development projects. That support must comply with relevant state and local law. The Anti-Donation Clause prohibits cities from donating funds to private groups unless some public benefits and safeguards ensure those benefits come forth. The City has evaluated the application and used the metrics of job creation, wages, and economic impact to recommend a funding level consistent with those numerical findings. The Commission has full authority and discretion to approve an amount different than from what has been presented as a recommendation. I advise that if there is a difference in allocations, that such approval be tied to a documented and quantifiable public benefit. If the decision of the Commission is challenged, meaning the amount allocated, the reviewing court or agency would look at whether the City has documented a rational basis for its decision and whether adequate security measures for the public's funds were made. Commissioners acting in good faith and within the scope of their authority, using information that has been presented to them, are generally protected from being found personally liable, should a violation be found. However, if the City is found by a court or state agency to have violated a provision of the Anti-Donation Clause, the City could be required to recover the funds, and the agreement would be subject to scrutiny by the factfinder. It is not my place to try and suggest or advocate for or against how the elected body decides how to utilize public funds. It is my job to ensure that the Commission understands the legal framework, so you as individuals, can vote on how to better promote and protect the interests of the citizens. The decision to fund ultimately rests with the Commission. I strongly recommend that any motion approving funding includes findings on the record identifying the public benefits expected and how those benefits are weighed in determining an award amount.

Mrs. Johnson said she was not stealing or taking money from military housing. Articles have been written that portray the situation in a certain way, but that is not the case. The Commission initially supported LEDA funding for Xtreme Amplitude, but I am unsure what happened after that at the next meeting. I have adjusted some of my projections to show potential growth over five years, rather than just one year. LEDA is for local economic development and allows cities to support their local businesses, specifically manufacturing call centers, and was established in 1996. This ordinance was adopted in 2017 to provide cities more flexibility in allocating funds to meet the needs of their communities and the businesses within them. Xtreme Amplitude qualifies because we are a business that supplies a general service to the public. I have previously shared the benefits that Xtreme Amplitude brought to Alamogordo, as well as the benefits of the expansion. Xtreme Amplitude will not only be able to repay LEDA funds through job creation, but also by increasing GRT and providing a service not currently available in Alamogordo, specifically gymnastics. On average, we add about six new jobs per year. Regarding the building, it is not just a shell. It is insulated with functional electricity, plumbing, and a fire suppression system. The build-out I referred to at a previous meeting would be to make the space more functional for the programs we want to add. This includes classroom spaces, an additional bathroom in the back, and an office area. In the new space, we have approximately sixteen new classroom spaces, which could lead to a potential enrollment growth of over 400%. That is an estimated GRT of over \$12,000 a month, and an estimated annual GRT of nearly \$150,000. Within five years, the twelve program directors would be full-time at \$25 an hour, or \$40,000 a year. We would additionally have twenty-four part-time jobs. We could also host competitions, and the impact on Holloman is that we would ease the transition of relocation. I didn't previously mention the smaller building or other space on the property, but within five years, we would be utilizing those spaces. In the smaller building, we are looking to add a coffee shop, a hangout area, a maker space, or an adult daycare. Potential uses for the remaining property include a food truck court with dedicated space, a playground, and a splash pad. I have personally invested \$85,000 and been able to purchase all the necessary

equipment to start, as well as additional equipment to support the business's growth. We have been in business for seven years and have contributed to the community. I am the last of the four original owners, and my business has never had to take out a loan. I was previously asked what I would do if I were not granted the full \$1,900,000. My answer has not changed. I will not be ungrateful for any funds I receive. I will continue to figure out how to grow my business. There is some uncertainty as the landlord of our location has passed away, and I am unsure how this impacts us. I reached out regarding additional finances. I do not qualify for State LEDA. I reached out to First American Bank, but more information was needed. I reached out to the Small Business Association, but more business was needed, and one of the loan options would be two loan payments, which would not be a good business decision. The Sacramento Mountain Foundation typically assists nonprofits. Regarding how XA will pay LEDA funds, we will create jobs that justify the \$1,900,000 requested. We will be increasing GRT. I am asking that the City of Alamogordo partner with Xtreme Amplitude and do what LEDA was created to do and invest in our community, kids, and future.

Mayor Payne said she had said from the beginning that she was uncomfortable with \$1,900,000. I have not changed my mind. We are not talking about the apartments right now. You phrased it as if we do not give it to you, we will give it to them. Those are two separate issues. Acting City Manager Hernandez said the direction to her was not to use LEDA funds for housing. I told Mr. Campbell I could not bring this back to the Commission because it would be insubordination on my part. However, any of the Commissioners have the authority to bring anything in front of the Commission. Mayor Payne said he asked if he could come back, and I sponsored it because someone had to. \$1,900,000 is twice as much as we have given to anyone else, except Medlin Ramps, who paid it back. You said you provided five years of tax returns? Mrs. Johnson said I was asked to provide tax returns for every year I was an owner. Acting City Manager Hernandez said yes, I asked that between the last meeting and this one. Mayor Payne asked why this was asked for. Acting City Manager Hernandez said it was due to conversations I had with some commissioners and some of the comments I had made. Mayor Payne said not me. Acting City Manager Hernandez said no, not you. To be clear, the City has the right to request any information necessary to make a financially sound decision. This was requested for Rad Retrocade, Troy, and Michelle Perry, who was also under great scrutiny. They have all been treated equally. Mayor Payne said so everyone was asked for tax returns. Mrs. Johnson said the application asks for three, but I was asked for seven. Acting City Manager Hernandez said again, the ordinance says anything to make a sound financial decision. This is taxpayer money. Mayor Payne said her own feelings and professional responsibilities were two different things. Rad Retrocade, the White Sands Theatre, and the Inkwell building all invested their own money. That is why I said you should have skin in the game. If you are ready for an expansion, you should have that money to help rather than expecting us to take care of everything. Acting City Manager Hernandez clarified that I asked for more financial statements because I was acting in the best interest of Mrs. Johnson and her team. I wanted to try to get the highest three existing salaries and incomes to see if I could justify any more money. It is within my scope to verify her financial stability, but this was to review her salaries. I can go over the three-year average I took or the income. I wasn't doing it as a punishment to get you to give me more information. Mayor Payne said she heard Mrs. Johnson's projections, but at the end of the day, it has to be based on what we know. Mrs. Johnson asked how her projections were different than Rad Retrocade or the White Sands Theatre. Mayor Payne said they took their tax returns and averaged them out based on that, correct? Acting City Manager Hernandez said they listed their jobs, and I took their job creations by year. I backed that up by what they have done in like stores. Exactly the same way here. I took the projections I was given, which included twelve jobs at \$13-\$15 an hour, and compared them to the salaries to see if they track. I have denied applications that increased revenue by 500%, but really, the numbers did not justify that. In looking at Xtreme Amplitude, just doing the past three years, the salaries are \$92,000, \$91,000, and \$145,000, with an average of \$109,000. That is what I presume at twenty-five to thirty jobs. \$100,000 over five years equals \$500,000, which is a doubling of what is currently on the books. It is informational and serves as a justification to see what projection tracks with what was done and what was on paper. Mayor Payne said that when she mentioned projection earlier, she did not mean job projection; she meant income.

Commissioner Rardin said that if we provide more than what the staff recommends, factors such as benefits to the community and Holloman could be taken into account when justifying the amount. How do we word that in a motion? City Attorney Mori said that this is taken into account when justifying an amount higher than what is recommended. The recommendation is just based on job creation. So a motion would have to be very specific. For example, if a person moved, they would move to approve LEDA funding at X amount, subject to the execution of the LEDA PPA, the project participation agreement, which includes enforceable job creation, wage, and operational reporting requirements. In doing so, the Commission finds that this projection finds a valid measurable public benefit by employment opportunities. In this specific case, it would be like expanding youth athletic programs, contributing to

Alamogordo's quality of life. We would have to list those and be specific in why we are exceeding the formula. Acting City Manager Hernandez asked how they get audited. City Attorney Mori said as an example with easy math, the City's recommendation is \$100,000, and the Commission makes a motion listing things like community benefit, cultural increase, and cooperation with Holloman weighing its decision. If that were to get challenged, that is when the State Auditor or the Economic Development Department would typically come in and look at the record and the history. They would want to know the Commission's reason for exceeding this, and we would have to be able to justify it because we are dealing with taxpayer funds. LEDA is typically paid back dollar for dollar in job creation, but that is not always the case. When scrutiny is on the Commission, they will be looking to see if there was a rational basis or something to make up for the difference in dollar amount. Here, the recommendation is roughly \$500,000, and the request is \$1,900,000. We would have to prove how tripling that amount proves a public benefit, improves relationships with Holloman, all those reasons that are in our code as to what LEDA is there for. It would probably be a lengthy motion, but that way, it is on the record. The record will be what they look at as to why the decisions were made here in these meetings. It would be up to the fact finder to see if those reasons are rational enough to explain the difference.

Commissioner Rardin asked if this was set up for five or seven years. Acting City Manager Hernandez said everything is five years, but we extended the contract to seven to give flexibility in the job creation. Commissioner Rardin said in the event they do not have the money paid back by the end of the five years, how far can we extend it out? Acting City Manager Hernandez said she has never gone past seven years. City Attorney Mori said he would have to review state guidelines to see how far LEDA can be extended. Acting City Manager Hernandez said our PPA is from the State's PPA. We took it and modified it. It is five years, and as the City, we extended it to seven years.

Mayor Pro-Tem McDonald said she was confused as to why Xtreme Amplitude wanted to go past the recommended amount of \$475,000. Did they know that was the recommended amount at the beginning of all this? Mrs. Johnson said no ma'am. Acting City Manager Hernandez said she sent a letter. Mrs. Johnson asked if that was prior to the 14th. Acting City Manager Hernandez said yes. I emailed it out to Mrs. Johnson on September 26th. That is when I asked her if she wanted to be in the meeting on the 14th, and she had said yes, but the agenda had closed by that time, so we put it on the 28th. The email said that you qualify for an award of \$460,000, which I would more than likely recommend rounding up to \$475,000. Commissioner Rardin asked what Mrs. Johnson's original asking amount was. Mrs. Johnson said \$3,000,000 because that is what Acting City Manager Hernandez said what was left in it. I knew that a new build of this same size would cost \$4,000,000.

Mayor Pro-Tem McDonald asked if the new annual income would change from \$600,000 with everything else you had done? Mrs. Johnson said that would be her new income. Mayor Pro-Tem McDonald said the other report said that you would not have any full-time jobs, and that all the jobs would be part-time. You were going to add ten more jobs, so from thirty to forty. Mrs. Johnson said yes, I misunderstood the requirement for the presentation and information to be given to the City. I basically gave a year-one of moving into that building, not a five-year projection. After the last meeting, I adjusted my numbers to show that. That is where the twelve full-time and twenty-four part-time jobs would come from. The presentation I had for today did not send for whatever reason. I provided it to the staff to provide to you. Mayor Pro-Tem McDonald asked when we got that. Acting City Manager Hernandez said I just got it at 6:50 PM, like now. Mrs. Johnson said it did not go through earlier today when I sent it. Mayor Pro-Tem McDonald said so the salaries would go from \$100,000 to what? Mrs. Johnson said if we average the full time employees making \$40,000, and multiply by twelve, that takes us to \$480,000 for the full-time employees. Twenty-four part-time employees multiplied by \$11,000 gives \$264,000. That puts us at \$744,000 together. Commissioner Rardin said that is over five years, correct? Mrs. Johnson said yes. Commissioner Rardin asked if the Commission could be provided with Mrs. Johnson's print out now. Mayor Pro-Tem McDonald said this is confusing because just looking at salaries is eating up what you would project in revenue, even if you are not paying benefits. I do not want to mess with this money without us having it on paper, especially since we are saying we would rather go over the \$475,000, which has been calculated. I have a problem going over the dollar amount, which is based on facts, until we can get the new facts. I don't think we should be talking about \$1,900,000 in taxpayer money without all the information.

Commissioner Robinson said he agreed with Mayor Pro-Tem McDonald. Can we have this written so we can look at it and vote on it? Acting City Manager Hernandez said to be fair, I met with Mrs. Johnson and Mrs. Coble before, and told them what the job payback was in five years. I calculated using the information I had. Now it is changing, and I cannot give you any opinion on what is changing. Commissioner Robinson asked if this could be put off until we have the correct figures. We have to answer why we made this decision to the taxpayers. Right now, it is not

clear.

Commissioner Rardin asked if the job creation numbers were in the presentation sent tonight. Mrs. Johnson said they were, yes. Mayor Payne asked what changed, how, and why. Mrs. Johnson said they went from twelve to ten part-time jobs, to twelve full-time jobs, and twenty-four part-time jobs with projections over five years. Mayor Payne asked why that changed. Mrs. Johnson said because she was unaware or unsure that it was for five years. The last meeting made it clear that projections were for over five years. I was looking at what we would be able to do within year one.

Mayor Payne asked Commissioner Tapley what he thought as a businessman. Commissioner Tapley said he just did not see it. I have no issue with \$475,000. The numbers are not there for \$1,900,000. You are projecting \$600,000 but eating it up with salaries of \$700,000. Mrs. Johnson said the monthly income with our increase would be \$153,000 monthly. Commissioner Tapley said that was if you fill the doors every day. They were not filled last night when I went by there.

Mayor Payne said she could not do this. You have to stick to the numbers. I appreciate what Mrs. Johnson is doing, but the facts are the numbers and projections. I am particular when it comes to LEDA and ensuring we can justify every dollar. I am not comfortable with \$1,900,000, but I may be comfortable with a little more than \$475,000.

Mr. Johnson said he was the husband of Mrs. Johnson. What she is giving for income numbers is monthly, and what she is giving you for payroll is yearly. Her payroll is not eating up her income. Commissioner Rardin said her income is \$153,000 a month. Mr. Johnson said yes, and the \$744,000 is her yearly payroll. So she is paying \$744,000 out of the roughly \$1,300,000 she will bring in on the yearly account. As far as everyone in the doors, the place is packed all the time. She is over capacity now with a wait list. Can she get the new numbers before we do this? She is projecting five years now instead of year one. Commissioner Robinson said that was his point, too. We do not have anything that is correct.

Commissioner Rardin said the LEDA tax was rededicated to the Natatorium. At the end of this year, if this money is not spent, where does it go? Acting City Manager Hernandez said it stays in the LEDA. Commissioner Rardin asked if it sunset with the tax. Acting City Manager Hernandez said no. City Attorney Mori said there are just no new funds coming into it. Commissioner Rardin said so even if it sunsets, we still have to spend it as if it were LEDA? City Attorney Mori said correct. Commissioner Rardin said we should have had the information but it did not send, so we do not have the information tonight. Acting City Manager Hernandez said you wouldn't have had it anyway, really. Commissioner Rardin said yes, it did not get published. Acting City Manager Hernandez said I would not have been able to do anything on it. Averaging the past three years, Mrs. Johnson had salaries at about \$109,000 currently. How many jobs is that? Mrs. Johnson said thirty. Acting City Manager Hernandez said if you are doubling that, only the new jobs, that would be \$109,000 over five years. Are you adding thirty jobs a year? Mrs. Johnson said over the five years, it would be thirty-six new jobs added. Acting City Manager Hernandez said even on year one, if you add thirty new jobs at \$109,000 it still only comes out to \$548,000. Looking at past income shows modest increases from 215 to 268 to 300, and last year was 289. Payroll has increased 84, 92, 91, 145. I am just trying to summarize it. There are valid concerns. I have denied people in the past who projected a crazy amount of revenue income, like from \$200,000 going to \$1,000,000. How is that laid out?

Commissioner Rardin asked how the Commission felt about tabling this item until they could see the presentation in the next meeting.

Commissioner Robinson moved to table the item.
Commissioner Rardin seconded the motion.

Motion Passed with a vote of 3 - 2 - 2. Mayor Payne and Mayor Pro-Tem McDonald voted nay. Commissioner Burnett and Commissioner Guthrie abstained.

EXECUTIVE SESSION

6. Adjourn into Executive Closed Session in compliance with 10-15-1(H)(2) NMSA (as amended) to discuss: Limited Personnel Matters (City Manager). (Roll Call Vote Required)

Commissioner Rardin moved to Adjourn to Executive Session at 7:54 PM.
Commissioner Tapley seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.

ADJOURNMENT

ATTEST:

Ben Allen For

City Clerk Rachel Hughs

Susan Payne

Mayor Susan Payne

(Prepared by Dylan Aleshire, Deputy Clerk)
Approved at the Regular Meeting held on November 18, 2025.

