

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 P.M., COMMISSION CHAMBERS
February 14, 2017**

**RICHARD BOSS, MAYOR
JASON BALDWIN, COMMISSIONER
NADIA SIKES, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**AL HERNANDEZ, MAYOR PRO-TEM
ERICA MARTIN, COMMISSIONER
MAGGIE PALUCH, ACTING CITY MANAGER
LAUREN TRUITT, 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 the City Clerk. Commissioner Turnbull was absent. Clerk Hughs announced there was a quorum present. Invocation was given by Reverend Dwight Harp and the Pledge of Allegiance was led by Commissioner Payne.

APPROVAL OF AGENDA

Mayor Pro-Tem Hernandez moved to approve the agenda.
Commissioner Baldwin seconded the motion.
Motion carried with a vote of 6-0-0.

PRESENTATIONS

**1. Presentation of the Quarterly Report for Otero County Economic Development Council (OCEDC).
(Mike Espiritu, President & CEO)**

President and CEO Mike Espiritu presented the quarterly report for Otero County Economic Development. He said they are currently redesigning their website and they've had 6,000 people visit their site this year. Last year, there was over 15,000 people visit their website. He gave a report of the number of people working in our community. He gave an update on a few projects; Project LOCK, Project FAB and Project Crystal. He expressed their interest in moving forward with each of these projects. They just convened a meeting with Civic leaders to discuss the Holloman F-16 transition from Hill Air Force Base. They are trying to make this transition permanent. Otero County day at the State Legislature was a success and look forward to doing it again. Business Development Director of OCEDC, Laurie Anderson received the Ethics Award for going above and beyond her duties in supporting business attraction and expansion efforts. President and CEO Mike Espiritu, received the Linda Kay Jones New Mexico First Award. Mayor Boss congratulated Mike and Laurie on their awards. (See Blue Book for Power Point)

PUBLIC COMMENT

Paul Sanchez commented on the following:

Mr. Sanchez commented that Conduent, formerly Xerox, will be closing down on April 10, 2017. He said he had several sources who have informed him of the shut down. He asked if there are any plans on putting some other business there. He asked about the calendar portion of the City's new app. He said when you go into that portion of the app it directs you to the Chamber of Commerce Master Calendar. He is concerned this is only limited to Chamber members for use, and not available to everyone.

CITY MANAGER'S REPORT

Acting City Manager Maggie Paluch made the following remarks:

1. She updated the First and Florida Realignment Project. The first task is to demolish the old First National Bank building. The marquee from this building has been relocated to the Civic Center. The contractor will be closing South Florida Avenue between First Street and Arapaho Trail on Monday February 20, 2017. This section is expected to be closed for three months.

2. She said the Red Iron from the demolition of the Old Bowling Alley sold for \$14,900. The proceeds from the sale will go into the Economic Development Fund.
3. She updated on the Bonito Lake Restoration Project. The Project Management team had a 50% design review meeting with the Engineer on the 31st of January. The Army Core of Engineers is still reviewing the state of that stage of that particular permit. They have another 60 days to complete their review. The Dam Safety Bureau has issued a permit for the work at the dam and intake structure; however, they will not begin that process until the design is at 100% completion. Subject to the approval of the permit, they are hoping to go out to bid in the summer of 2017. Once it does go out to bid, they are looking at two year time span for this project.
4. She said Basin Lanes is going well. The contractor is working on plumbing and electrical rough-ins. In January, the contractor did request delays for inclement weather, and was approved.
5. She said the Insurance Company has issued a check for the loss of Kids Kingdom. She said New Mexico Municipal League has to review the payout before the check is issued. The City will receive \$448,484.17, and once the re-build process is complete the City will receive \$1515.83. Now that we have received confirmation of these funds, staff will continue on plans for that area and will present ideas to the Commission in future meetings.
6. She said staff is working on contracting with a company named Tiny Pulse. Tiny Pulse is a cloud based program that measures employee satisfaction.
7. She announced Acting Fire Chief Jim LeClair was able to secure two agreements with Otero County. The first is for testing SCBA cylinders, these are the air packs they use when they go into fires. The City will save money by not having to enter into an agreement with a private company. The second agreement is for the use of the County Fire training facility. Not only will personnel gain more experience, but the city will not have to build an additional facility.
8. She thanked to the Finance department and all of the departments for zero audit findings this year.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

None.

CONSENT AGENDA

2. Consider, and act upon, a request by the Christian Joy Center related to a leak adjustment request for 1502 E Tenth St "B". *(Mark Threadgill, Customer Service Manager)*
3. Consider, and act upon, a request by Tradewinds Mobile Home Park related to a leak adjustment request for 1111 Mescalero St. 10. *(Mark Threadgill, Customer Service Manager)*
4. Consider and act upon, Investment Report for the quarter ending December 31, 2016, in accordance with the City of Alamogordo Investment Ordinance. *(Julianne Hall, Finance Director)*
5. Consider and act upon, DFA Quarterly Report for the period ending December 31, 2016. *(Julianne Hall, Finance Director)*
6. Consider and act upon, the award of IFB 2017-02 Copper Resettlers to Morrison Supply Company in the amount of \$29,416.00 including NMGR. *(Barbara Pyeatt, Chief Procurement Officer)*
7. Consider, and act upon, a bid award of IFB 2017-03 1" Base Course, to R.D. Blankenship Dirt Work, LLC to be utilized by various departments in the amount of \$83,782.40. *(Brian Cesar, Public Works Director)*
8. Consider and act upon release of weed abatement liens placed on the property located at 1705 Dewey Lane. *(Lauren Truitt, City Attorney)*

Mayor Boss asked to remove Item #7 from the Consent Calendar.

Mayor Pro-Tem Hernandez moved to approve items 2, 3, 4, 5, 6, and 8 of the consent calendar.

Commissioner Baldwin seconded the motion.

Motion carried with a vote of 6-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

7. Consider, and act upon, a bid award of IFB 2017-03 1" Base Course, to R.D. Blankenship Dirt Work, LLC to be utilized by various departments in the amount of \$83,782.40. (Brian Cesar, Public Works Director)

Public Works Director Cesar said there was an error in the bid tabulation spreadsheet and explained the correction. He said on item number two, Aggregate Technologies the unit price is \$11.50 and the extended total price is \$92,200. For RD Blankenship, the unit price is \$10.45 and the extended total price is \$83,600. There was a typo on line 3, which should have been cost per ton mile for base course deliveries, not hot mix deliveries.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Sikes seconded the motion.

Motion carried with a vote of 6-0-0.

NEW BUSINESS

9. Consider and act upon, Presentation of the 2016 Fiscal Year Audit and Approval. (Julianne Hall, Finance Director)

Finance Director Hall introduced Ben Martinez who is a CPA from RPC/CPAs and Consultants who is our Auditing Firm out of Albuquerque. CPA Martinez re-stated there were no audit findings this year. He commended the Finance Department and everyone in the City for this achievement. He explained the State of New Mexico has a zero threshold, which is a much more thorough process for an audit, and to come out with no findings is a very good achievement. Mayor Boss commented he was a former CPA and has conducted several audits of Governmental entities, banks and hospitals. Over the years, he could not think of one instance where he either issued or was involved in a financial statement with no findings. He commended the Finance Director Hall, the Accounting staff and all the Departments. CPA Martinez went over the timelines for the audit. On January 3, 2017, the Office of the State Auditor released the audit and he is here tonight to present the audit to the Commission. He then went over some of the financial statement highlights. He said the total assets increased by about 10.9 million dollars and there was an increase in cash and investments. Total liabilities had a small increase. The revenue and support had an increase of 2.8 million dollars. There were also increases in Other Income and in Investment earnings. Expenses were down by about \$300,000. There was an overall increase of 14 million dollars. All of the prior year findings were resolved this year. The City made payments of 3.7 million dollars in their debt, and there was no new debt in FY16. CPA Martinez went over some three year trend analysis to show where the City is with their governmental activities. The City received an unmodified opinion from the Auditors, which is the best financial statement opinion anyone can receive. He included there were no audit areas in which the auditors could not obtain sufficient audit evidence. They were able to give opinions on all areas of the audit. There are two other reports with no findings noted; a Report on Internal control over Financial Reporting and a Report on Federal Awards. He concluded with recommendations for Finance staff to continue attending CP training seminars, when vacancy occurs make sure that replacement staff are properly trained, ensure Grant Manuals and Policies are updated. He mentioned the new State Audit rule will be released on March 17, 2017 in which he will consult with the Finance Department. There were no deadlines moved this year, however, if the City does decide to submit a Certified Annual Financial Report (CAFR) it will move that deadline from December 15, 2017 to December 1, 2017. There has been a change to GASBY 34 Reporting Entity framework, which deals with non-major funds, may not be required to be part of the audit. Next year, the GASBY 77 Tax Abatement Set, would entail communication with the County on any Industrial Revenue Bonds. (See Blue Book for Power Point)

Commissioner Baldwin moved to approve.
Mayor Pro-Tem Hernandez seconded the motion.
Motion carried with a vote of 6-0-0.

10. Consider, and act upon request from Jesse and Kimberly Lawhorn to waive interest and filing fee for utility lien placed on their property located at 1210 S. Florida Avenue. (Lauren Truitt, City Attorney)

City Attorney Truitt gave some background information on the lien filed on the property located on 1210 S. Florida. She said this lien was filed in October 2014 for unpaid water and sewer charges. The principal amount of this lien is \$402.86. She pointed out Section 3-36-1 of New Mexico State Statutes sets the procedures for filing a lien and sets the statutory interest rate. She said this was a rather routine lien and was appropriately filed in accordance with our Ordinances and State Law. She said the Lawhorns have already paid the past due amount of the bill and are requesting a waiver for the administrative fee, the filing fee and the interest amount. Because all Ordinances and laws were complied with in the filing of this lien, it would be her recommendation that request for waiver is denied.

Kimberly Lawhorn said they are requesting relief from the filing fee, the administrative fee and interest fees of this lien. As a military family, they received orders back in 2011 bound to Texas, in which case they rented this home out and retained all utilities in their name until October 2013. All of their utility bills for all of their properties were sent to them, except for this bill. In January 2014, they transferred their bills back into their names, where they learned of this bill. Upon hearing of this debt, they immediately requested the resolution by speaking with the City Attorney and the Utilities Manager, during the discussion it was discovered the past due bill and the Notice of Lien was sent to the servicing address in September 2014. In this instance, each piece of mail was returned to sender and was not delivered to them. She said there were no other attempts to reach them, although their phone number has not changed in 15 years. They believe the processes for this notification is unfair and unjust. They requested relief from the admin fee of \$200, the filing fee of \$50 and for the interest accrued up to this date.

Commissioner Payne asked the property owners who was responsible for paying the bill. Jesse Lawhorn answered when they left on orders in 2011; utilities were left in their name. In 2013, they switched the utilities to the tenant's name. Commissioner Payne asked if they had changed their address with the City so they would get the bills. Jesse Lawhorn replied they requested the Post Office to forward mail to their address, and they think the forwarding request lapsed. He mentioned that all other bills were received, except for this one and Mayor Boss said possibly because it was certified mail. Commissioner Payne was confused as to who was responsible for paying the bill during 2011 and 2013. Jesse Lawhorn said they were responsible for paying the bill and when the first tenant came in the bill remained in their name. He stated in 2013, a second tenant came in and assumed the bill. Commissioner Payne asked what this past charge is for. Mr. Lawhorn answered the charge is for the final bill on the utilities, prior to the second tenant moving in. The Lawhorns mentioned they utilized Bill Pay, where everything is paid automatically. When the bill was changed over into the tenants name there was no final bill that they knew of. They believed the final bill was already paid.

Mayor Boss asked City Attorney Truitt what the total amount of all fees. She answered the total amount including interest was \$562.79, in which \$109 was the interest accrued since 2014. They have already paid off the past due amount of \$202. Mayor Boss asked what is the difference between what they owe and what they have paid off. Commissioner Payne answered it looks like \$359.93 and City Attorney Truitt agreed.

Mayor Pro-Tem Hernandez asked if these statutes are in place to give them relief. City Attorney Truitt said if she understands him correctly and to correct her if she is wrong, the City of Alamogordo is not a collection agency, the City uses liens as our recovery mechanism. Mayor Pro-Tem Hernandez stated that that as soon as the Lawhorns found out there was money owed they came in and paid it. Ms. Lawhorn replied the very next day. Mayor Pro-Tem Hernandez said there are cases where people just ignore bills and walk away from them, this is not the case here. There was a phone number available, someone could have called. The filing fee of \$50 is out of our pocket. He said he would be willing to waive everything, but the \$50 filing fee. Mayor Boss agreed with Mayor Pro-Tem Hernandez.

Acting City Manager Paluch cautioned the Commission of setting a precedent for future cases. Normally, a case like this is not waived. Mayor Boss asked if they could make an exception, without setting a precedent, as they are a military family. Acting City Manager Paluch said anytime you are making an exception to the rule you are setting a precedent. City Attorney Truitt wanted to clarify the City's policy for notifying owners of past due amounts is to look at what the County Assessor has as the address of record and this is done after a final bill has been attempted to be delivered to the address listed on our records. Mayor Boss said there is no doubt that procedure was followed but this is kind of an unusual circumstance. He said he does not want to set a precedent.

Commissioner Payne stated the bill was high and asked why that was. Jesse Lawhorn said this was not explained to them. They were told this was the final bill and this is what they paid. The Lawhorns did not question what the bill consisted of. Commissioner Payne said she would be curious to know what it consisted of. She said it seems awfully high to her and asked if it consisted of more than one month.

Mayor Pro-Tem Hernandez said he understands the issue of the precedence, but you set precedence both ways. He stated this issue meets what he would consider his requirements.

Commissioner Baldwin said he has been outspoken about setting precedence. He said as the Commission they often go against staff recommendation, but it makes it difficult for staff to do their job, especially when procedures are done properly. He cautioned in waiving the interest amount since this is set by statute. He would be more inclined to deny the request, but from what he hearing he rather take off the \$200 admin fee and charge for the Interest and filing fee.

Mayor Pro-Tem Hernandez mentioned a prior case where they allowed a property owner to make payments and she scammed them. He said if we are worried about setting precedence, it has already been done. He said there will be many cases of hardships. Staff makes recommendations based on laws and Ordinances, but if this process of waiving fees is not allowed, then it would not have been brought before them. Mayor Boss said staff has done their job in this matter.

Commissioner Martin recused herself from this Item for a business relationship with the Lawhorns.

Commissioner Sikes said staff has done their job on this matter and the Lawhorns have provided a justifiable reason for not paying and stated the City should be a little more business friendly. The City of Alamogordo should make more of attempt to contact owners if we receive a registered letter back.

Commissioner Sikes motioned to charge the \$50 filing fee and waive the Administrative fee and interest accrued.

Mayor Pro-Tem Hernandez seconded the motion.

Commissioners Baldwin and Payne voted nay.

Motion carried with a vote of 3-2-1.

11. Consider, and act upon, Resolution 2016-046 requesting approval of a local contribution (\$400,000) from the Housing Authority of the City of Alamogordo to Alamogordo Housing, LLC for a proposed low income housing tax credit application (*Evelyn Huff, Housing Authority Manager*) Roll Call Required

Item 11 was removed by City Attorney Truitt. She said this local contribution is not authorized by HUD rules.

12. Consider, and act upon, the award of Public Works Bid No. 2017-004 to GWC Construction Inc. related to City Hall Flooring (EN1703) in an amount not to exceed \$97,694.31 including NMGR (Bid \$90,457.69 + NMGR \$7,236.62). (*Edward Balderrama, Project Manager*)

Project Manager Edward Balderama said there were five bids on this contract. He said GWC Construction, a contractor out of Lovington, was the lowest bidder. He said this project is to replace the existing carpet in City Hall.

Acting City Manager Paluch clarified the carpet is original to the building when City Hall was built in the 1990s. There are portions of the carpet in the building where it's worn down to the sub-floor. Mayor Boss said if you walk through the building you will see the carpet needs to be replaced.

Mayor Pro-Tem Hernandez asked of the life expectancy of the carpet. Project Manager Balderama stated the carpet has a lifetime warranty, but we expect about a 20 year warranty. The new carpet will be a carpet tile so as the carpet becomes worn they will replace the tiles necessary and not need to replace the entire carpet. Mayor Pro-Tem Hernandez wanted to make sure the RFP submittals were comparable. Project Manager Balderama said what was specified was a Mohawk product; there was one request for a substitution, which did not meet our minimum specification. Mayor Boss said the highest bid came in at \$229,500.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Martin seconded the motion.

Motion carried with a vote of 6-0-0.

13. Consider, and act upon, the award of Public Works Bid No. 2017-003 to General Hydronics Concrete, LLC, related to the Abbott Ditch Improvements project, in an amount not to exceed \$1,289,914.70, including NMGR. (Nancy Beshaler, Project Manager)

Project Manager Beshaler said the Abbott Ditch Project is going to concrete line the Abbott Channel between Bellamah Avenue and Cornell Drive. She said there were four responsive bidders and General Hydronics was the lowest bidder.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Baldwin seconded the motion.

Motion carried with a vote of 6-0-0.

14. Consider, and act upon, the award of Public Works Bid No. 2017-002 to File Construction, LLC, related to the Reclaimed Water Line Looping Phase 2 project, in an amount not to exceed \$207,889.20, including NMGR. (Nancy Beshaler, Project Manager)

Project Manager Beshaler said this is the final Reclaimed Water Line project that will loop the whole system in the City. This will install about 3,500 feet of 10 inch reclaimed water line from 11th Street and tie in at Alameda Park. There were five responsive bidders and File Construction was the lowest bidder. File Construction also did Phase 1 of this project.

Mayor Pro-Tem Hernandez asked Project Manager Beshaler where File Construction is based. She answered Albuquerque. He asked if this bid is within the five percent, she said this bid does not get the local preference, because it is Environment Department money. Mayor Pro-Tem Hernandez said he wanted to make sure because he rather give preference to local bidders.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Martin seconded the motion.

Motion carried with a vote of 6-0-0.

Mike Espiritu made the following comments:

President and CEO Mike Espiritu wanted to comment on questions asked by Paul Sanchez. He said when they contacted Conduent, formerly Xerox, they were happy to be in Alamogordo. He said their facility contract expires on September of this year. He said this is a substantial amount of jobs and they will find out and get the Commission an answer. The other question asked was if you need to be a member of the Chamber of Commerce to add events to their Master Calendar, the answer is no. He said the Chamber Master is a community calendar. He said there are so many events going on in Alamogordo they are trying avoid conflicts with scheduling of these events.

Paul Sanchez made the following comments:

He said he was encouraged to hear from Mr. Espiritu of the full community calendar. He said several employees of Xerox have informed him they will be out of a job on April 11, 2017.

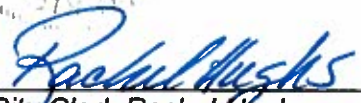
ADJOURNMENT

Mayor Pro-Tem Hernandez moved to adjourn at 7:58 p.m.

Commissioner Martin seconded the motion.

Motion carried with a vote of 6-0-0.



Mayor Richard Boss
ATTEST:

City Clerk Rachel Hughs

(Prepared by Eric Barraza, Deputy City Clerk)

Approved at the Regular Meeting held on March 14, 2017.