

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 P.M., COMMISSION CHAMBERS
June 13, 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 Pro-Tem Hernandez called the meeting to order at 6:30 p.m. Roll Call was taken by the City Clerk. Clerk Hughs announced there was a quorum present. Invocation was given by Pastor Jeff Sowers and the Pledge of Allegiance was led by Commissioner Martin.

APPROVAL OF AGENDA

The City Clerk asked to withdraw Items 8, 11, and 16 per City staff.

Mayor Pro-Tem Hernandez moved to approve the agenda with the removal of 8, 11, and 16. Commissioner Baldwin seconded the motion. Motion carried with a vote of 7-0-0.

PRESENTATIONS

1. Presentation of Mayor's Committee on Aging. (*Jesse Carr, Chairman of the Board*)

Chairman Jesse Carr spoke on Mayor's Committee on Aging. He gave an overview of the Alamogordo Senior Center, describing the services and activities available for seniors. He then explained the purpose of the Committee. He said the Committee consists of 7 regular members and currently there are 3 vacancies. He said one member may be under the age of 60 and no more than two members may reside outside of the City limits. He briefly discussed past issues handled by the Committee and spoke on future goals. He announced that they are in need of volunteers and invited members of the Commission to come by and visit the Senior Center. (See Blue Book for Power Point).

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

Mike Espiritu presented the quarterly report for Otero County Economic Development Council (OCEDC). He said they launched a new OCEDC website on May 1, 2017. He spoke of a banner on the website, which will help citizens find apartments, homes, and book hotel rooms in Alamogordo. He reminded everyone of the arrival of two F16 Squadrons to Holloman Air Force Base on a temporary basis. As a result of this news, he said OCEDC felt that they needed to change direction to our future. They held a strategic planning session and took all that material and turned it into a new management plan. Mr. Espiritu read their new mission and presented their new goals to the Commission. He gave updates on several Projects that are currently on-going. He acknowledged the hard work done by the group named the Community of 50. He said with the arrival of the F16s, they too want a new direction. He said Main Gate United is a new community non-partisan organization of the Chamber of Commerce that will seek to continue support of Holloman Air Force Base, White Sands Missile Range and Fort Bliss, Texas. He said they will be introduced and presented tomorrow night at the Flickinger Center at 6:00 p.m. He invited everyone to attend the event. He announced the creation of a Public Relations Task Force. This Task Force took part of selecting a Public Relations (PR) Company. They selected HK Advertising, who was responsible for selecting the New Mexico True Campaign for the State of New

Mexico and the Ads used here within our community. He said they have been involved in a lot of meetings with the Alamogordo Public Schools (APS). He said in one of the meetings with APS and New Mexico State University of Alamogordo, there was a six course program discussed, to help get people educated and trained toward certification in Aircraft maintenance. They are looking for a spring time launch for this program.

PUBLIC COMMENT

None.

CITY MANAGER'S REPORT

Acting City Manager Maggie Paluch made the following remarks:

1. She spoke on the Comprehensive Plan survey. This survey is advertised on the City's website and on the Public Information Officer's facebook page. She encouraged everyone to participate in the survey. She said our original goal was 1,000 responses and we have surpassed this goal. This survey will be open until July 7, 2017.
2. She said bids were open on June 8, 2017 on the reroof of the Civic Center. There were three bids and all were within budget. The Commission will see an award for this at the next Commission meeting on June 27, 2017.
3. She said the bid for Management on Basin Lanes closed today. We received one proposal and this will be evaluated by staff this week.
4. She said Smithco Construction began on the Desal Plant Project on May 22, 2017. Work is moving forward and is on schedule.
5. She said Union Pacific has completed the crossing work on Martin Luther King Drive, First Street and Tenth Street and they are moving forward with renovations of the crossings on Eighth Street and Canal Street next week.
6. She announced the Pupfish game is scheduled for June 14, 2017 at 6:30 p.m.
7. She said June 23, 2017 is the next Fourth Friday event and reminded everyone that admission is free and runs from 6 p.m. to 10 p.m. Merchants of Cool will be playing on stage and the movie is The Secret Life of Pets.
8. She said the City is aware of the Adobe Welcome Signs coming into town are in desperate need of repair. Those Welcome Signs were paid for by a Grant from the State in the early 2000's and while the City did not fund the placement of the signs, staff is looking at various options to rehab the signs including a public-private partnership. This is something we are looking into before the F16s arrive.
9. She wanted to give a shout out to our Animal Control Department. She said there are some wonderful pets available for adoption. She showed pictures of some animals available for adoption and gave information on their adoption fees.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Commissioner Baldwin made the following comments:

He suggested holding off on the process for the Adobe Welcome Signs until we can work with our Branding Company. He said if there is some way we can work that in conjunction with whatever brand we end up getting for Alamogordo.

Acting City Manager Paluch made the following comments:

She said Mike Espiritu and her already spoke about the signs, and hopefully this is where the private-public partnership will come from. We are working to make sure that those signs align with our new PR.

CONSENT AGENDA

3. Approve the minutes for the May 23, 2017 Regular meeting. *(Rachel Hughs, City Clerk)*

4. Approve the statements related to the Executive Session held on May 23, 2017. *(Rachel Hughs, City Clerk)*
5. Consider, and act upon, award of RFP No. 2017-003, On-Call Water Well Services, to Statewide Drilling, Inc. *(Bob Johnson, Engineering Manager)*
6. Consider, and act upon, approval of Change Order No. 3 in the amount of \$39,828.01, including NMGRT, to CSW Contractors, Inc. related to the Rehab Effluent Storage Ponds - Desert Lakes Golf Course project. *(Bob Johnson, Engineering Manager)*
7. Consider, and act upon a request for water service outside of City limits on North Scenic Drive. *(Brian Cesar, Public Works Director)*
8. Consider, and act upon, the approval of Resolution No. 2017-17 requesting written approval from the Local Government Division of the Department of Finance & Administration, State of New Mexico for the revised budget figures computed as of June 13, 2017. *(Kathy Gilsdorf, Budget Analyst)* (Roll Call Vote required) **WITHDRAWN**
9. Consider and act upon granting a waiver of the permit fee for a Special Fireworks Display permit for the July 4th Fireworks Display at the New Mexico Museum of Space History property. *(Rachel Hughs, City Clerk)*
10. Consider and act upon new agreement with Grant Dalpes d/b/a G&L Golf Services. *(Lauren Truitt, City Attorney)*

Commissioner Baldwin asked to remove Item #10 from the Consent Calendar.

Mayor Pro-Tem Hernandez moved to approve items 3, 4, 5, 6, 7, 9 of the consent calendar.
Commissioner Baldwin seconded the motion.
Motion carried with a vote of 7-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

10. Consider and act upon new agreement with Grant Dalpes d/b/a G&L Golf Services. *(Lauren Truitt, City Attorney)*

Commissioner Baldwin recused himself from this vote as he works with G&L Golf Services.

City Attorney Truitt said there was an error in the amount for fiscal impact the amount budgeted. She said it says \$990 and it should say \$990,000.

Gary Quinn commented on the following:

He highly recommended the Commission to approve the contract and added that G&L Golf Services is doing a great job.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Sikes seconded the motion.

Motion carried with a vote of 6-0-1. Commissioner Baldwin recused himself from voting.

11. Consider, and act upon, Ordinance No. 1540 for first publication for a map amendment to the official zoning map of the City of Alamogordo to rezone the property with the legal description Alamo Blocks BLK 84 LT 17 PT of, LT 18 PT, of LT 19 PT of. Located within the 1100 block of North Florida Ave. from R-4 Multiple Family Dwelling to C-3 Business. Case Z-2017-0003(A) 801 E 10th St. First Assembly of God Church. (Darron Williams, City Planner) (Roll Call Required)
WITHDRAWN

UNFINISHED BUSINESS

12. Outside Agency funding update for FY18 Final Budget. (Julianne Hall, Finance Director)

Finance Director Hall presented some updates on the funding sources for our outside agencies, specifically Otero County Economic Development Council (OCEDC) and Alamogordo Main Street. We did budget the Alamogordo Main Street Program in our Fund 105 Economic Development fund. After speaking to our representative from the New Mexico Economic Development Department, he said this program does not meet the actual requirements for being paid for out of our local option gross receipts tax. We do have two contracts with the Alamogordo Main Street program; the first one is a Professional Services Agreement for \$45,000 per year, and the second is the New Mexico Finance Authority reimbursable Grant for \$50,000. Both of those items, we cannot budget in Fund 105. For the final budget for Fiscal Year 18, we will be moving those two amounts back to the General Fund. For Otero County Economic Development Council (OCEDC), I would like some direction on this and there are three available options. The first option is the way we have this currently budgeted and this is what we discussed at the budget hearing on May 10, 2017. We have two contracts with OCEDC; the first one is an Operating expense contract for \$30,000 and is in our General Fund, the second contract is for furthering our Economic Development Plan and is for \$70,000 and it does fit the requirements for being paid for out of our gross receipts tax fund 105. The second option was presented at the budget hearing on May 10, 2017. We recommended discontinuing the operating expense contract, because of the fact it is currently budgeted in the General Fund. We are trying to reduce expenses in the General Fund as much as possible to make sure we have enough fund balance going forward. The second contract is the economic development services contract and it is currently \$70,000. The recommendation we made is to increase the economic services contract to \$80,000. The reason for the increase is by State Statute we can expend the greater of \$50,000 or up to 10 percent of the revenue generated by our local option gross receipt tax. That particular gross receipts tax generates \$800,000 per year. The third option is ongoing over the course of the next four years or so. Because we can fund up to \$80,000 out of our fund 105 economic development, what I am proposing here is taking the operating expense contract of \$30,000 and split that between the two funds. We could pay \$20,000 out of the General Fund and \$10,000 we could move to the economic development fund. Even though they are operating expenses, they are supporting OCEDC in their furthering our Economic Development Plan. It would be absolutely be appropriate to move \$10,000 of that to Fund 105. For Fiscal Year 19, I am proposing to reduce the operating contract by \$10,000. Over the course of the next subsequent years keep reducing the operating contract by \$10,000 and eventually have just \$80,000 in the economic development fund. For Fiscal Year 19, operating contract would be \$20,000 total, \$10,000 out of General Fund and \$10,000 out of the economic development fund and the Economic Development Services contract for \$70,000. For Fiscal Year 20 it would be reduced by \$10,000, so that \$10,000 would be paid for out of the economic development fund and there would be no expense to the General Fund and still the \$70,000 for economic development in fund 105. The following year 2021, we would just increase the economic development services contract to \$80,000 and have no expense for the operating expense contract.

Mayor Boss asked what she recommends. Finance Director Hall recommends what was discussed at the budget hearings and eliminate the operating expense contract for this year.

Mayor Boss said he supports OCEDC. He said when he became Mayor he had several complaints about weeds. When we sat down to do the FY17 budget, we wound up redirecting funds from outside the general fund, funds that we unfortunately had to utilize partially this year and partially last year. Finance Director Hall said we will be doing the same for FY18 as well. Mayor Boss said after we have taken the funds out for litigation, will we have anything in there to help the general fund out.

Acting City Manager Paluch said the redirection of funds will only be used in the case that we need it next year and the same thing for this year. The redirection of funds was used this year for litigation purposes. The remaining funds will revert back.

Mayor Boss asked what gross receipts tax revenue is doing now and if it is more than we projected. Finance Director Hall said actually it is not. If you look at the trending, it's absolutely remaining flat. We have been able to stay within two percent of what we budget each year. It sounds like we may be having an uptake in some of our gross receipts tax from some of the information I read coming out of Santa Fe. We need that economic growth here, but it has been flat, so we have to budget with what we currently have. The redirection of funds into the general fund is essentially to balance the budget. It will only be used if it is absolutely needed. It will revert back to the fund that we are borrowing it from.

Acting City Manager Paluch said those funds are actually budgeted in a project, so they are not just rolled straight into the general fund, assuming that we do have that money to spend. We put it into a separate project and kept separate from the general fund and only use it in a case to balance the budget.

Mayor Boss asked how much money was in the Fund 49. Finance Director Hall said for FY 17, I think we budgeted about \$567,000 and for FY 18 we did increase that a little bit to \$640,000, about 40%. We did have an Ordinance last year that was approved by the Commission, it is a Municipal Gross Receipts Tax, and it allowed us to redirect up to 50 percent of the revenue that we received in that Municipal gross receipts tax for general Municipal purposes. Mayor Boss asked how much will be available in that fund to be able to put into the general fund to balance the budget. Finance Director Hall said the amount we are expecting to use to balance the budget for FY 18 is approximately \$640,000. We cannot send an unbalanced budget to DFA, so this would give us some leeway.

Mayor Boss said over the last several years we have been depleting tax fund balance in the general fund. Finance Director Hall said we are still depleting the fund balance. In the preliminary budget it always looks like it is depleting more than it really is. Last year, we were projecting that we would have less than six million dollars in our fund balance in the general fund, but we ended up with over eight million dollars. We have been staying fairly steady with that, and as long as we can remain steady and not deplete it much more than that, I think with some of the economic growth it will be very good for Alamogordo and increase some our gross receipts tax in our reserves. We do have self imposed reserve. In fact if we begin to see an uptake, we may want to increase that reserve, as a rainy day fund. If we have more issues in the State of New Mexico, we do not want to be completely reliant upon our gross receipts tax, even though that is the majority of how we are funded. Mayor Boss asked if she would describe the general fund as fragile right now. She said yes always, it is fragile we have to take very good care of it, and monitor it very closely. We have to be very careful that we budget appropriately.

Mayor Boss asked Mike Espiritu if OCEDC had substantial reserves built up in the company. Mr. Espiritu answered we do have a reserve fund that was collected from the private sector. They have held that in reserve for a number of reasons. Mayor Boss said I have noticed that goes up every year. That is also part of the contribution the City makes into OCEDC. The \$100,000 we give every year is it not made up partly of that. Mr. Espiritu said it is probably partly made up of that, as well as partnered donations. We do not just rely on City funds, we also have partnered agreements with about 35 private

companies, inside and outside the City of Alamogordo that contribute every year to OCEDC to be able to operate. We have already allocated \$100,000 of that money for the PR campaign. The cash reserves that you are talking about, not the checking account or savings account, we have certificates of deposits those have not changed in a number of years, we have not put anything in that reserve piece. It is only in our checking or savings account that you may say we have more money in, but our reserves or CDs we have not had any money in that since I've been with the company. That is all seed money from private sector donations from many years ago that started OCEDC.

Mayor Boss said what if we considered funding the \$80,000 and with the intent later on, looked how the general fund is doing and as we could do it out of the general fund put the other \$20,000 in, rather than take it all out now. In other words, not make a commitment now except to put the \$80,000 out of fund 105.

Acting City Manager Paluch said the City has contracts with OCEDC. Those contracts are coming due in July of this year and so please think about the fact we have a written contract with them. If you are leaning towards this type of situation where we are going to wait and see, that is something that will have to be very carefully drafted in a contract.

Mayor Boss told Mr. Espiritu that we are going to support you all we can 100 percent. For now, if we could do the \$80,000 rather than the \$20,000 out of the general fund, and delay the payments for maybe 6 months, or something like that, of the \$20,000.

Commissioner Baldwin said I've had a conversation with the Mayor. I think he was trying to make a point of the importance of being fiscally responsible for the City. The delicate nature of our general fund and how hard it is to understand, when we don't spend everything how it goes back into the general fund. It looks like the general fund increased, when the term that has been used is deficit budgeting. I have also had a conversation with the Acting City Manager in reference to what she believes her fiduciary responsibility is in reference to the general fund, and I happen to agree with both of them. However, what I really didn't agree with is, it coming up so sudden. I don't believe that it gave OCEDC or the Chamber a chance to really plan and or develop some kind of how are we going to recover from this. I do understand that they are both fiscally responsible. I think one of the most important things we do with the amounts that we give out of the general fund, not just the GRT tax that the citizens voted on that you get, is the fact that allows us to have a seat at the table. You communicate with us openly. At this point, to answer your question Mr. Mayor, I am not really in favor of changing anything at this point, I'd like to move forward with the current funding. I am more than open, but I am not just willing to say yes to that change in funding just yet. Most importantly, because I think it is important that the city, if we restructure the contract at this point in such a delicate nature, there is the chance, that ability to sit down with OCEDC and or the Chamber. Of course it wouldn't take us out of the conversation, but it definitely lessens the relationship and I am not ready to do that this year. Mayor Boss said we are going to have a relationship. It is my understanding that out of fund 105 we are able to use that money for the PR firm, if it comes to that. We are going to be giving continuing support, and Mr. Espiritu, I really do feel like, relatively speaking, OCEDC is in a better financial position than the general fund is in the City of Alamogordo. That's our operational fund, that's our fire, that's our police, that's our recreation, that's salaries for management. You really have, in my opinion, much more latitude for \$20,000 than we do.

Mr. Espiritu said what I didn't mention earlier is that we apply for Grants every year. This last year we received a grant for \$15,000, so we work very hard to get every penny we can to operate our organization. We shouldn't be penalized for being fiscally responsible. Mayor Boss said you shouldn't be penalized, but I feel my responsibility is to the City of Alamogordo general fund. He said again, that he totally supports what OCEDC is doing, but I have real concern, as was pointed out by our Finance Director, the general fund is fragile. We have seen the decline year after year. We have options, we do have an option that we can use the hold harmless, but we have tried not to do that, because it will increase taxes for everybody.

Acting City Manager Paluch said staff has not recommended any changes to the Chamber contracts.

Commissioner Martin agreed with Commissioner Baldwin and said she likes option three. They will still get the same amount of money, but are able to plan going forward, for less money out of that general fund.

Commissioner Payne said we are in a really crucial time right now and I think it is really important that we all work together. I am excited about our future. I understand that we need to be fiscally responsible, but I feel really strong that we are going to grow this community. I don't think just cutting them off is probably the right approach right now.

Finance Director Hall said in light of the discussion this evening, both options one and three for Fiscal Year 18, does not reduce OCEDC funding at all, it is just where it is funded out of. You may want to consider option three for FY 18 only, which would at least allow us to move \$10,000 out of the general fund into fund 105. Then subsequent years can be considered for next year's budget.

Acting City Manager Paluch said they were only voting on the budget for FY18. If you chose option three, their funding would not change. Next year we would re-evaluate and bring this to you again. Mayor Boss asked if only \$10,000 is coming out of the general fund. Finance Director said actually \$30,000 is coming from the general fund. What this would allow is to move \$10,000 to fund 105.

Commissioner Sikes for clarification asked if they are getting the same amount of money for 2018, as they received in 2017. Mayor Boss and Finance Director Hall both confirmed they would.

Mayor Pro-Tem Hernandez asked for clarification on option 3. He said in the past we funded the \$70,000 based on \$750,000 of income from that fund. He asked if this is projected to go up to \$800,000. Finance Director Hall said it has actually increased over the last year. It is contingent upon the amount that we receive. It can be no more than the 10 percent of the revenue generated. However, we are projecting a conservative one percent increase in our gross receipts tax. It could be much more dependant on what happens in the community. That would bring us in slightly over \$800,000. Mayor Pro-Tem Hernandez said again for clarification, the way this would be worded for option three, would actually be we fund \$80,000 out of fund 105 and \$20,000 out of the general fund.

Mayor Pro-Tem Hernandez made the motion to fund \$80,000 out of Fund 105 and \$20,000 out of General Fund for OCEDC for FY2018.

Mayor Pro-Tem Hernandez moved to approve as amended.

Commissioner Sikes seconded the motion.

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

13. Discussion and possible action on Section 28-03-005 Alamogordo Municipal Code - Availability of water and sewer service.

Finance Director Hall stated Customer Service Manager Mark Threadgill could not be here due to a family emergency. He did submit some background information on the base rates and if there are any questions for him we can forward those them to him.

Commissioner Turnbull said she felt more comfortable if Customer Service Manager Threadgill was present.

Commissioner Baldwin said every time this comes up, the Commission gets the exact same history on the report. He said I do not think getting the exact same history is very productive of what we are trying to accomplish here. We have very concerned citizens about this. I am not implying that Mr. Threadgill is not taking this very seriously, because I have had a couple of conversations with him. There are no recommendations, no summary of discussions from the public or the Commission, in reference in to what are our goals here. He said we started this back in November and as always, we go through this

pretty slowly, so to wait for Mr. Threadgill would be a concern. There are a lot of people waiting to get to the bottom of this. My concern would be that the Commission has discussed openly about how we believe that maybe a change in that base rate fee should go down. My personal belief is you cannot convince me or the people that I represent that having access to water or a meter on that piece of property, does not increase the value of that piece of property. I understand what previous Commissions were going through when they were going through this process. The fee that Mayor Pro-Tem Hernandez brought up then, that this would eventually be an issue at a later date, there absolutely is that issue right now. I am willing to discuss lowering that fee to something that is very imaginable for those people. The other thing that came to our attention, that we as the Commission said absolutely needed to change what was brought to us by the apartment owners, and the fact that someone could move out. There is a disconnection fee, another billing was made in their name, another fee was applied and when they changed to another tenant, basically it was the same process. For me personally those were the two things I had an issue with. This is perceived as a huge money maker for the City. It is not necessarily a money maker. He said he does not necessarily want to wait, but I do agree it would be easier if Mr. Threadgill was here. I want to put people at ease that we are taking this extremely seriously and we have heard everything that has been said for a long time.

Commissioner Turnbull said if there is someone else here that can answer the questions. I definitely want to get this taken care of.

Acting City Manager Paluch said we did not want to pull this item from the agenda is because all of you that here in the audience and staff wanted to hear comments. As a staff we are looking for direction from the Commission. We would like to know which way you would like to go and what you would like researched. Because Mr. Threadgill is not here, there are probably some questions in which I cannot answer this evening, but that does not mean that you cannot give me direction and the rest of our staff direction going forward, so that the people this evening can be heard as well. Mayor Boss said I think that the people that are here, we should allow them to speak tonight, whether we take any action or not.

Commissioner Payne asked how much customers are being charged every time the water is turned off and then turned back on. Mayor Boss replied I believe it is \$35 each time. Acting City Manager Paluch said there are ways the apartment owners cannot be charged that. They could put one water bill in their name and then roll in an average water cost to the renter, then that would negate the need to turn water on and off. Also, a concern that we heard from the apartment owners is that when a tenant leaves they are leaving a large water bill, then the apartment owner has to pay that bill. They can sign a waiver and release the liability of that bill from the apartment owner. Commissioner Payne asked if someone has to go out physically and turn the water back on. Acting City Manager Paluch said it is just transferred into somebody's name. Commissioner Payne asked if this is the same connection fee somebody would be charged if they bought a house and had brand new service. Acting City Manager Paluch said yes, it would be considered new service. If the tenant had a water bill and the water department went and physically turned off the water to that unit, then the next person would go and have to physically turn the water on. Another example would be if the tenant had a water bill that is current when they left, the water would transfer into the landlord's name and then into the new tenants name and the water service would not stop at any point in time. Commissioner Payne said lets go to that scenario where the water is never turned off. We are charging them \$25 or \$35. City Attorney Truitt said it is \$25 for new application or transfer of service under the Ordinance. Commissioner Payne said we have to make it fair. Potentially it could be transferred back into their name three times in a six month period.

Commissioner Martin said this is where my issue is. I'll have a tenant move out on the 31st, then a new tenant moves in on the 5th and I still have to pay that fee for five days. Acting City Manager Paluch said that is something the Commission needs to address.

Mayor Boss stated Customer Service Manager had prepared a lot of good information. One was a graph showing what other communities are doing. He asked for a complete survey and put it side by side with our rates, so the Commission can see everything. Acting City Manager Paluch said the way

each City charges certain fees for their water is different. It's comparing apples to oranges. It is very difficult to compare what every City is doing, because everyone is doing it differently. Mayor Boss asked if theirs are as complicated as ours. She replied yes. Mayor Pro-Tem Hernandez said if they do that, it needs to be done with comparable cities. He said another issue is where a landlord can sign a waiver. The problem with this is it may put them out of the running to rent their apartments, because signing that waiver, the new tenant has to pay a higher deposit. What we may look at is to base those deposits on something similar to the gas company. If there is water service to the property, one of the recommendation I've had is: what it would cost to replace that line if it were to break. Once we have collected that fee, stop charging them. If we continue to collect you are actually making money, which we are not supposed to do. Right now, the way it is setup, I see there is a lot of problems with the transfers and the fees, and it is really hurting a lot of these smaller property owners.

Commissioner Payne said it is a reasonable argument that we do have to maintain the water system, and we have to have the money to do it. Everybody has to share in that responsibility for this water system. We need to charge them something, but I am not sure it has to be \$30.

Commissioner Turnbull said I work in property management so I get to hear the owners call and say there tenant did not pay their bill, so it gets transferred back into the owner's name. The owner has to pay that fee and it goes back into the tenants name, does that fee revert back to the tenant's side when the tenant picks up the bill again. When that tenant moves out, that owner gets it again. I think we really need to address that and bring it down. It doesn't need to be \$25 to transfer into the owners name and then transfer it back, because they are not physically going out and shutting the water off. Commissioner Martin asked how many of those owners live out of town. Commissioner Turnbull said the majority of the owners live out of town and for whatever reason they have not contacted the City and given an updated address. The owner is getting a bill three months later questioning the timing that they received that bill.

Commissioner Martin said there is an issue with the subdivisions. Sometimes, it takes decades to sell these subdivisions. To pay \$30 for each vacant lot, when you have a subdivision of 100 vacant lots, this will be passed on to the consumer. New construction costs in this town are considerably higher than what is around us.

Commissioner Sikes asked if we have ever logically done a cost analysis of what the administrative fees are and what this costs us to maintain. Acting City Manager Paluch said this information was provided from Customer Service Manager Threadgill. Commissioner Sikes asked so we know what it cost to do a transfer. Acting City Manager Paluch replied yes. Commissioner Sikes said that cost is determined to be \$25 to do a transfer. Commissioner Baldwin said what we were provided was more of infrastructure costs.

Mayor Pro-Tem Hernandez stated one of the things they need to look at is the increase of water rates to a point where they meet all the criteria that we need to. If you look at the other two public utilities, gas and electric, there are no fees in there for, if there are they are very minimal, they are usually fees for using the land and not for the actual transmission of the systems. The Gas Company of New Mexico lost over \$5 million dollars because of our warm winter. They cut back within their own organization. They did not pass that on to the consumers. That is something we may possibly look at is put the rate structure based on the needs and not start hitting individuals.

Josh Rardin made the following comments:

He said this has a huge impact on sub-dividers. The problems sub-dividers have is the spend millions of dollars to take that vacant land and subdivide it into lots so that we can develop for this city. They invest that money, they pay for those streets, they pay for the curb and gutter, the sewer, the water, all of the infrastructure. Then they give it to you guys free and clear, and then they warranty it for a year. They still money on that, even after they give it to you guys. Then you are turning around after the two year grace period and charging them to use the water lines that they already paid and installed. What we are asking tonight, is to maybe sit down with the builders and realtors and discuss this and figure

out what is going to work for everybody. There are two developers here right now that have 80 lots a piece, and come December that is going to be \$2,500 a month. As far as realty goes, like Commissioner Martin stated if I have a rental that is vacant for one day, they transfer that to my name. I get a \$55 bill, it's \$29.63 plus your \$25 transfer fee, and I have a tenant moving in there tomorrow, so that tenant is going to pay the \$25 fee, so the City is going to collect \$55 from me and \$25 from him and depending on what his deposit is, the City is going to collect that deposit plus his rates. The City is generating \$435,000 a year off of this and this does not include the vacant subdivisions that go into effect in December. We would also like to discuss parts of Ordinance 28-03-085 as well, because some of those fees, mainly the disconnection fee. This is current water, sewer and base rate multiplied by 24. It is going to be \$30 times 24 for us to disconnect from the system. I think that fee is a little excessive. Let's figure out the solution so that we can get it fixed. We would also like to discuss a minor change of leaving that bill with the property as opposed to leaving the bill with the person.

Commissioner Turnbull said the other side of that, because of where I work, the owner or landlords have a security deposit in place to help them in the event that a tenant skips out on that water bill. The owner does have the option of having that security deposit to help pay for that water bill.

Mayor Boss thought Josh Rardin had a great idea of getting together and see if we can come up with a resolution for this. It is obvious that something has to be done with this. With the developers, we have a little bit of time because they will not be subject to that until December. Acting City Manager Paluch asked Josh Rardin to contact her office tomorrow and give her a list of people he would like to attend this meeting.

Commissioner Payne asked Mr. Rardin if he thought charging some kind of fee is fair or are you suggesting no fee at all. Mr. Rardin said personally, I think no fee at all. This was passed in 2000 and the City did not start collecting on this in 2014 or 2015. There are many years there that the fund was generating enough and you had a huge amount of roll over each year. You are generating enough money to sustain the service. You are not here to make money. Commissioner Payne asked how about to maintain the infrastructure. Mr. Rardin replied that is in your rates. Generally, if you guys have a major issue with the infrastructure and you need to do something, you can go to NMFA, DFA, or Water Board and you borrow some money to fix it.

Mayor Boss asked Mr. Rardin if years ago the City of Alamogordo had impact fees on sub-dividers. Mr. Rardin said that one of the sub-dividers had come to the Commission in the past to try to prevent the impact fees, and I think this is where this Ordinance originated. We do not need impact fees in Alamogordo, either. Our development and our building is expensive and our housing prices are a little higher than other communities. We just do not need to make it any worse. We are already a struggling community as it is. The whole State of New Mexico is struggling. We need to make it as business friendly as we can.

NEW BUSINESS

14. Consider, and act upon, Resolution No. 2017-15 giving Community Services and City Manager authority to set Leisure Service and Civic Center Fees. (Lauren Truitt, City Attorney) (Roll Call Required)

City Attorney Truitt said a lot of these fees for this Department are set by Ordinance, however, the fees for the Civic Center and Leisure Service fees have been typically set by Resolution. It is staff's recommendation that it would be more efficient if the Community Services Director and the City Manager together had the authority to approve fees for these two Departments.

Commissioner Baldwin asked how this would affect other City run organizations. Are we going to have other Departments coming to us and say we want to make our own decisions on our fees. City Attorney Truitt said most of those fees are set by Ordinance and so that would have to come through

an amendment for approval by the Commission. As I understand it, these fees are for stage rental, equipment rental, and those type of rental fees.

Acting City Manager Paluch said this is going to encompass the new permanent stage that we are building in Washington Park. We have received a lot of feedback about the fee structure at the Civic Center, that it is quite complicated. This is something we have been working on with a joint sponsorship agreement between different organizations. Community Services Director Ortega and I would like to be able to work those fees into the sponsorship agreement and it would be more cohesive than having every single person come and ask for a waiver from the Commission. This would give us a little more discretion.

Mayor Pro-Tem Hernandez said in reading the Resolution, it says that all previous Resolution fees would be declared null, so then they would be reset is from what I am understanding. City Attorney Truitt said this is only in regards to the Civic Center, not other previous Resolutions. Mayor Pro-Tem Hernandez said I know but this is what it says. It does not say Civic Center, it says all. City Attorney Truitt said you can approve it with an amendment to say Civic Center fees. Mayor Pro-Tem Hernandez asked if this includes the pool. Acting City Manager Paluch replied no, it does not. She said this includes Civic Center fees itself and then it includes the stage rental or chair rentals.

Mayor Pro-Tem Hernandez asked what is included in Leisure Services or what the definition is of Leisure Services. Acting City Manager Paluch said things that are coming out of the Civic Center or other items which have fees associated with them. Mayor Pro-Tem Hernandez said we've had about maybe three people come before us and ask to waive the fees over the past five years. Acting City Manager Paluch said Community Services Director Ortega and I probably have conversations at least once or twice a month from people that are looking for a co-sponsorship type situation or a fee waiver. When we tell these people they need to appear before the Commission, that will usually hinders that process there. Most important part of this is that the fee structure at the Civic Center hasn't been reviewed in a long time and it is quite complicated. Not only do you have to pay the deposit, but then when you get the bill; there is a bill for the kitchen, there is a bill for ice, there is a bill for all sorts of things.

City Attorney Truitt said I think there was also a discussion about this enabling that department in these sponsorship agreements to set forth specific instances when there have not been criteria for when fees are or are not waived. That setup historically quite a bit of inconsistency and who we were waving for, I think it was just administrations discretion at that point. This would allow us to adopt a more comprehensive policy in that respect, also as setting up instances when waivers are appropriate.

Mayor Pro-Tem Hernandez said his biggest concern is who decides who gets what for what. In other words this person gets waived but this person doesn't, and whose responsibility does that fall on and how is that setup. The fee structures were always the responsibility of the Commission, that way there are seven of us deciding on this. City Attorney Truitt said I think on the administrative side, allowing a policy that sets forth specific criteria for when a waiver is appropriate. I think that would be a benefit for the City to have that set out in a policy. Acting City Manager Paluch said that is what the co-sponsorship policy is going to do.

Commissioner Baldwin said thank you to Acting City Manager Paluch for moving forward with this. Less than a year ago, we started discussions identifying partners in the community, that do things for the community that should not be charges a fee. As a reference, the Chamber seems to be counter productive when they are holding the Cottonwood Festival. Our hope was to identify partners and/or organizations that are basically an extension of the City. My hope was to be able to identify the partners that we were going to unilaterally say you are not going to be charged for certain things, but I think this heading in the right direction and accomplishing the same thing.

City Attorney Truitt thought Mayor Pro-Tem Hernandez point was fair about number 2. The Commission can approve with the change that we clarify the leisure service and civic center fees.

Commissioner Baldwin moved to approve with the changes of clarifying the fees.

Commissioner Turnbull seconded the motion.

Roll call vote was taken.

Motion carried with a vote of 5-2-0.

Mayor Pro-Tem Hernandez and Commissioner Payne voted nay.

15. Consider, and act upon, first publication of Ordinance No. 1538 amending Section 24-01-150 of the Code of Ordinances regarding penalty assessment misdemeanors. (*Lauren Truitt, City Attorney*) (Roll Call Required)

City Attorney Truitt said this is the result of discussions held during the budget session. We previously discussed Section 24-01-040 of our Code of Ordinances as our schedule of penalty assessments. Some of penalty assessments are some of the lowest in the State. She briefly gave examples of some penalties. She said this Ordinance proposes to add a \$10 Administration fee instead of going through and individually raising each penalty assessment by Ordinance, this is a blanket \$10 additional fee on top.

Commissioner Baldwin asked if this is brought forth by the Court or who brought this to us. City Attorney Truitt said my office, after conversation with Municipal Court. Because the size of our City we are required to have Municipal Court. The City subsidizes Municipal Court in a substantial way. That is offset by penalty assessments, but it is difficult to offset when you are collecting \$15 penalty assessments.

Mayor Pro-Tem Hernandez said we looked at this several years ago. It was my understanding that all of these fees were set by State Statute. City Attorney Truitt said our penalty assessments are set by our Ordinance. A non-Home Rule Municipality may only charge certain administrative fees set forth by State Statute. For Home Rule Municipalities, that is not the case. The fees that are currently in place of our Ordinance are outside of the State already. We could if the Commission would prefer to, go through each penalty assessment and make an amendment that way, but this seemed to be a more efficient way to do it.

Commissioner Baldwin moved to approve.

Commissioner Payne seconded the motion.

Roll call vote was taken.

Motion carried with a vote of 6-1-0.

Mayor Pro-Tem Hernandez voted nay.

16. Consider, and act upon first publication of Ordinance No. 1539 amending Section 2-01-030, The City of Alamogordo Code of Ordinances Regarding Administrative Fees. (*Darron Williams, City Planner*) (Roll Call Required) **WITHDRAWN**

17. Consider, and act upon, grant funding from the Non-Metro Area Agency on Aging FY 18 contract for Direct Purchase of Services for senior programs. (*Veronica Ortega, Community Services Director*)

Acting City Manager Paluch said this is an increase in the grant amount of \$7,028.56, but it does need to go before the Commission for approval.

Commissioner Baldwin moved to approve.

Mayor Pro-Tem Hernandez seconded the motion.

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

18. Consider and act upon Resolution No. 2017-16 declaring the building or structure, or the premises located at 1507 Rockwood, Alamogordo, New Mexico, to be ruined, damaged and

dilapidated to be a menace to the public comfort, health, peace or safety, and ordering its abatement. (Lauren Truitt, City Attorney and Jim LeClair, Fire Chief) (Roll Call Required)

City Attorney Truitt explained this Resolution is pursuant to authority under NMSA Section 3-18-5, dangerous buildings or debris, removal notice, right of Municipality to remove. The City obtained an Administrative warrant in May to inspect this property. My office was present when that was executed; Fire Chief Jim LeClair was present as well as Code Enforcement. There is an opinion in your agenda report, a letter from Chief LeClair regarding the condition of the premises and it would be our recommendation to approve this Resolution declaring this property to be dangerous and to be dilapidated that it needs to be removed.

Commissioner Turnbull asked how this property got to the top of the list, when some of us have known of other properties for longer. City Attorney Truitt said there were a number of complaints from individuals, not only through Code Enforcement, but also Law Enforcement who have been responding to this property on a regular basis. There were some other issues on the property like the structure that caused it to be on our radar. After that point, we went out and discovered it to be a menace to health, safety and comfort.

Mayor Pro-Tem Hernandez said he originally supported this but looking at the house there are properties worse than this one. My biggest issue is how this house made it to the top of the list, because there are several other homes, properties, other areas way worse than this one. City Attorney Truitt said is that we have no property owner to hold responsible. There are several ways for the City can address code violations. The way the City Attorney's Office likes to deal with it is to give the property owner a notice that there are code violations, and if they do not correct those violations, summon them to Municipal Court. We do not have the benefit of a property owner or anyone for that property to do that. I understand that there are other properties that maybe needing attention, but we do not have anyone to hold responsible. At this point, the City is on Notice that this property is an issue and no one to hold responsible. I do not see that property getting any better by virtue of anything, beside City intervention at this point.

Acting City Manager Paluch said the taxes are being paid. Someone is making small payments monthly. The County may say we are not going to foreclose on this because we are receiving some income on a monthly basis.

Mayor Pro-Tem Hernandez said the there are several properties with no property owners. He said if they are in foreclosure, there are no property owners. City Attorney Truitt said in that instance there is still a property owner to notify. I think this is a slightly different situation. The property owner is deceased and there is no next of kin. That property is occupied by someone with no title to the property. Mayor Pro-Tem Hernandez said we had that situation when a lot of those houses went into foreclosure, in Commissioner Sikes district. The weeds got out of control and we could not hold anyone responsible. Commissioner Payne said you could go after the bank. Even if they don't talk to you, you still have someone to hold responsible. In this case, there is no mortgage on this property. The only thing owed on it is taxes. There is absolutely nothing to tie anybody to this property.

Mayor Pro-Tem Hernandez said if they demolish the property, basically we'll own the property. City Attorney Truitt said we'll be able to lien the property for the cost of the demolition. Mayor Pro-Tem Hernandez said yes, but we'll own a lot on Rockwood. What's the plan for this lot. Acting City Manager Paluch said we would sell it. Mayor Pro-Tem Hernandez said these houses on Rockwood were built in the 1960s and 1970s. I do not think anyone will want to build a house to represent the 60s or 70s. We will have this property for a long time. Commissioner Martin asked if we knew what the demolition costs would be. Acting City Manager Paluch said it would depend on if we had Public Works do it or if we contract it out. It would be cheaper to have Public Works do it, but they do not have a lot of time to do this. She asked Public Works Director Cesar come up and discuss the costs.

Public Works Director Cesar said if they contract it out, this is just an estimate at this point, the approximate cost would be about \$50,000. This would include the disposal, asbestos abatement and to get the survey done. If we did this in house, that cost would be just the disposal and possible asbestos abatement, we would be looking about \$20,000 to \$23,000, just for the materials. Acting City Manager Paluch said this is already budgeted in Fire Chief LeClair's budget. Mayor Pro-Tem Hernandez said I am not arguing the point that this needs to be done, I am just arguing the point that we are getting in the business of this part of it. The construction there on Rockwood is specific. Commissioner Martin said it is, but at the same time an appraiser would take properties outside of the area that were built around the same time. I don't think you'll get \$50,000 back for that lot.

Commissioner Payne asked what the solution is. Acting City Manager Paluch said we know there are so many properties that fit into this category. She said we have to start somewhere. This one rose to the top of the list, because the police were called out there constantly. This has been on Code Enforcement's radar way before most of our time with the City. This is not something we have done in the past. This is something we are going to be doing in the future, to make sure we are cleaning up our community and addressing our issues, this one just happens to be first.

Commissioner Turnbull asked if they understand that there is a perception problem, with the fact that we are starting on Rockwood. Are the police not able to move somebody there illegally. City Attorney Truitt said there is no living person to tell this person that they don't have the right to be there.

Mayor Pro-Tem Hernandez gave examples of other properties that are in the same situation, and expressed his feelings of starting with this house. He said there are three or four houses on that street I would have selected before this one. City Attorney Truitt advised the Commission that the City has obtained an Administrative warrant. We have been inside the property; your Fire Chief has given an opinion regarding the hazardous condition of this property. Now, that it has been brought to the Commission with that knowledge, I think you should consider that in making your determination tonight. That does not preclude you for giving direction on proceeding forward on how to make those determinations.

Fire Chief LeClair said they have a lot of work to do in Alamogordo. This just happened to be the one that came to the top of the list. He said he has four letters going out certified mail tomorrow regarding dilapidated structures. It is something we are taking a hard look at. This particular structure has some serious structural issues. He described several structural issues.

Commissioner Baldwin stated he had not considered the perception issue, however I am not overly concerned with that. If staff is defending and/or will answer questions to people who have issues with that perception of why this is being done first, then I have no issue moving forward with it. This is the first one on our slate that we can actually do something with.

Mayor Pro-Tem Hernandez asked what our annual budget is for this type of project. Acting City Manager Paluch said we are not budgeting annually; there is a line of \$300,000. We are estimating for Sahara Apartments, when that comes to fruition, around \$200,000. Mayor Pro-Tem Hernandez asked when the first day of contact was for 1507 Rockwood. Fire Chief LeClair said Code Enforcement has probably been dealing with that property for the last 3 years that I can think of. Mayor Pro-Tem Hernandez said he would support this one, but we need to come up with something as aggressive as this one for all the other ones. Acting City Manager Paluch said staff is very concerned and we want to move forward with this type of action where we can use it throughout the City to clean up our City.

Mayor Boss asked if we have an estimate of how many structures we are looking at. Fire Chief LeClair said they have identified about 100 structures. We are going to be aggressive with this, and we will get some stuff done. Mayor Pro-Tem Hernandez said the only other concern I have is what we are going to do with a \$50,000 lot on Rockwood.

Commissioner Turnbull asked if there was no other legal avenue to take other than this. City Attorney Truitt said we have potential to foreclose on a Municipal Lien. The lien that we could file against the property for past due utilities is not substantial. We previously decided that was not the most efficient to move forward with this. Commissioner Turnbull asked what needs to happen for a home to be auctioned off. City Attorney Truitt said there needs to be somebody to Probate the estate. If there is not, like in this instance, we have had extensive efforts to try and contact next of kin. There is no one identified or has filed Probate, at this point.

Commissioner Turnbull asked if there is a way to get a list of the structures that are considered dilapidated and is there a way to find out when they first came into Code Enforcement's books. Fire Chief LeClair said we started identifying those structures about three years ago. We identified a great number of structures and most of them are central Alamogordo. These homes are in really bad shape and need to come down, there is no repairing them by any means.

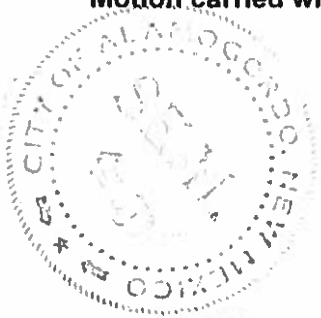
Commissioner Baldwin moved to approve.
Commissioner Martin seconded the motion.
Roll call vote was taken.
Motion carried with a vote of 6-1-0.
Commissioner Turnbull voted nay.

19. Appointments to Boards and Committees. (Richard Boss, Mayor)

Mayor Boss read the openings and appointed Catherine Yee to the Senior Volunteer Programs Advisory Council. No one was opposed.

ADJOURNMENT

Mayor Pro-Tem Hernandez moved to adjourn at 9:15 p.m.
Commissioner Turnbull seconded the motion.
Motion carried with a vote of 7-0-0.



ATTEST


City Clerk Rachel Hughs


Mayor Richard Boss

(Prepared by Eric Barraza, Deputy Clerk)
Approved at the Regular Meeting held on June 27, 2017.