

CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Tuesday, January 10, 2012

REGULAR MEETING

Minutes

TIME & PLACE: The Mayor and the City Commission of the City of Truth or Consequences in the County of Sierra and State of New Mexico met in Regular Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Tuesday, January 10, 2012 at 6:45 P.M.

PRESIDING OFFICER: The meeting was called to order by Mayor Montgomery who presided and Mary B Penner, City Clerk acted as Secretary of the meeting.

ATTENDANCE: Upon calling the roll the following Commissioners were reported present:

Hon. Lori S. Montgomery, Mayor
Hon. Evelyn Renfro, Mayor Pro-tem
Hon. Steve Green, Commissioner
Hon. Freddie Torres, Commissioner

Also present:

Juan Fuentes, City Manager
Jay Rubin, City Attorney
Mary B Penner, City Clerk

QUORUM: There being a quorum present the Commission proceeded with the business at hand.

CEREMONY: Mayor Montgomery called for fifteen seconds of Silent Meditation.

Mayor Montgomery called for the Pledge of Allegiance.

APPROVAL OF AGENDA: Mayor Montgomery called for approval of the Agenda.

“Commissioner Green moved to approve the agenda as presented.”

Seconded by Commissioner Torres.

Motion carried unanimously.

RESPONSE TO PUBLIC COMMENT: None.

COMMENTS FROM THE PUBLIC: Ms. Susan Richardson came before the Commission with comments.

Mr. Ron Fenn came before the Commission with comments, and provided information for the record.

Mr. Howie Tucker came before the Commission with comments.

Mr. Gordon Mshler came before the Commission with comments.

CONSENT
CALENDAR:

Mayor Montgomery stated they have two items under the Consent Calendar – City Commission Minutes – Regular – 12/27/2011, and Accounts Payable Report – December 2011.

“Commissioner Green moved approval of the Consent Calendar as presented.”

Seconded by Commissioner Renfro
Motion carried unanimously.

DRAFT
MINUTES:

None.

BOARD &
COMMITTEE
REPORTS:

None.

PUBLIC
HEARINGS:

Final Adoption – (For Publication) – Ordinance #623 – Notice of Intent to Adopt Revenue Bond Ordinance – For the purpose of constructing a Solid Waste Transfer Station

City Manager Fuentes stated he will ask Mr. Tommy Hughes, our Bond Counsel, and Mark Valenzuela, Financial Advisor are present, and will have Mr. Hughes give an overview of the Bond Ordinance, and following they will have Mr. Mike Crepeau with Gordon Environmental to give a quick run-down on the figures they discussed in the Workshop, and will have a power point presentation for members of the public that were not available for the Workshop presentation.

Mr. Tommy Hughes with Hughes Law LLC came before the Commission, and stated the action item tonight is adoption of an Ordinance authorizing Project Revenue Bonds, and explained no taxes will be used to pay back these bonds, and that it will come solely the debt service will pay solely from system revenues the net revenues of the system

And explained what this Ordinance does is authorize the City to issue up to 2 million dollars in those bonds, and the reason we have the 2 million is that in previous discussions we didn't have a firm number, and stated you don't have to issue a 2 million, but this allows you as you proceed if things change you have up to the 2 million, and also have up to 2 years to issue the bonds, so if we issue a certain amount of bonds now the million ..million and a half you still have up to 2 years to issue the remainder of the bonds should you need to for additional purposes.

Mr. Hughes stated what this Ordinance does is set forth the procedures for bond proceeds, and sets up the funds where the bond proceeds will go, and governs how in the future if we have refunding bonds and those kinds of things, and stated this also provides for a sale resolution, and we don't have as you know at this point we don't know the exact maturity ..we don't know the exact interest rates ..we don't know the exact redemption provisions ..call provisions if ..generally you're looking at doing the 15 year bond with some early call provision ..probably 8 years, and stated those details...we'll come back after the negotiated sale

to the bond purchaser we'll come back to you with a sales resolution that will add those details in the mand be able to approve the bond sale.

Mr. Mike Grepeau, Project Manager with Gordon Environmental came before the Commission with a presentation of the construction cost estimates for the collection center being proposed to be constructed for the City of Torrance and at this time presented some of the information discussed during the workshop, and referred to Table 1 which is the preliminary estimated construction costs estimates for the collection center, and indicated it is broken down into two primary items .the site work which is basically the dirt work and the construction of the actual structure itself .bottom line with a 10% contingency for construction .construction costs of 1.2 million dollars. Table 2 – is a summary of the purchase of equipment necessary to manage the waste at the collection center, and stated the two numbers that he will draw everybody's attention to .the site equipment totals \$275,000 .so in addition to the 275 we have the 1.2 million for construction on the facility totals about 1.49 we'll call it 1.5 million in capital costs. And stated that is where Table 3 comes in, and stated the capital cost total is \$1.49 million.

Mayor Montgomery stated the site work is \$377,355, the collection center structure is \$728,240, the site development subtotal \$1,105,595, and a 10% contingency on that which is \$110,560, site development \$1,216,155, equipment \$275,000 for a total of \$1,491,155.

Mr. Grepeau referred to Table 4. 1 is a breakdown for the operating cost for the equipment .the 3 pieces of equipment that was selected to manage the waste at the facility .the front-end loader that number is \$68,750.00, the integrated tool-carrier is \$32,900.00, and the backhoe is \$32,900.00 for a total of \$134,550.00. Table 4. 2 is the staffing costs for the facility, supervisor \$33,800.00, scale attendant \$29,744.00, equipment operator \$29,744.00, general laborer for (2) \$55,328.00 for a total of \$148,616.00, and stated these are annual operating costs. Table 4. 3 is a summary of the utilities, maintenance and debt service, utilities \$21,600.00, facility maintenance \$15,000.00, subtotal for utilities and maintenance \$36,300.00, debt service on the 1.5 million \$144,000.00 for a total of \$180,600.00 and stated I think the bottom line .the important number here is the dollars per ton and the haul costs, and stated this is a summary of the haul costs based on a full cost accounting that was developed by the South Central S/WA, and they manipulated it to meet the conditions of the facility, and asked the Mayor what her suggestion was to get these numbers to the public.

Mayor Montgomery stated the difference between the South Central Proposal and the GEI Consideration. Mr. Grepeau stated \$48.30 per ton .again this is just a working sheet with which we were able to use, and stated the actual operating scenario for the facility to come up with a haul cost of \$42.89 per ton, and stated it is not the tipping fee but does go into the tipping fees .its accounted for that in the tipping fee which is going to be the next few tables.

Table 6. 1 is a summary of everything that I have covered so far, and to come down to a daily operating cost of around \$1,486.00 per day. Table 6. 2 is a summary of the waste acceptance rates, and the daily operating costs for those rates, and the number 40 tons per day at the very top of Table 6. 2 about the middle is the number that

we're looking at, and stated this number was developed based on current waste acceptance rates for both the Sierra County Landfill which has recently closed, and the current operating T or C Landfill, and bottomline total tipping fees \$79.92 per ton. And again the \$79.92 takes into consideration the \$42.89 that was shown on the previous table 5.0, and figure 1 is a graphical presentation of waste acceptance rates verses your year disposal costs.

Mayor Montgomery – so the \$79.92 includes the capital, operating and the haul costs ..correct.

M. Crepeau – that is correct ..yes, and stated this table breaks out the operating costs that we have been discussing over the past 6 tables, and the graphic on the bottom left hand corner is a break down in pie chart format to demonstrate how each one of the operating scenarios ..the equipment O&M staffing utilities and facility maintenance, debt service and the haul costs ..how each one of those breaks out. And stated given the waste acceptance the annual tonnage for Sierra County ..the entities included on the left hand side, T or C, Sierra County, Elephant Butte, Williamsburg, and NM State Park a total of around 12,521 tons per year, and stated there is also a percentage column in there to show the contribution from each entity which is again broken down in the pie chart on the bottom right hand corner. And stated there is a difference in there between the two scenarios that we were asked to develop for the City, and stated the difference is about \$2.58.

City Manager Fuentes stated for clarification could you go over scenario 2.

M. Crepeau stated there are two scenarios that we were asked to develop for the construction costs for the collection center, and stated scenario 2 eliminates some elements of around \$341,000, and stated that element is the asphalt roadways on the interior of the facility, and again the reasoning for that is to provide an indication of the impact to the haul cost ..not the haul cost the tipping cost dollars per ton to possibly put that construction off until a future time.

Commissioner Green stated on the staffing it looks like there is four positions for about \$146,000 ..are those going to be new positions that we are going to have to create or are you going to take some of the staff that is now assigned to solid waste, and part-time the m..that's a big number it's 15% of the entire operating budget and cost.

City Manager Fuentes stated we are going to use the existing personnel that are already budgeted.

Mayor Montgomery opened the public hearing and asked if there is anyone that would like to speak for Ordinance #623, and no comments were received.

Mayor Montgomery asked if there is anyone that wanted to speak against Ordinance #623.

M. Sophia Peron came before the Commission and voiced her concern on how much is the garbage going up.

City Manager Fuentes stated at this time there is no number.

Mr. Gordon Mishler came before the Commission, and that he would like to comment that he is not a T or C resident, and his concern was the cost that the Village of Williamsburg would have to contribute, and asked if there were cheaper methods of not doing a transfer station as far as straight trucking costs, and commented that maybe the Village wouldn't be able to afford this type of money, and stated that is quite a bit of money for such a small entity.

Ms. Susan Richardson came before the Commission and stated she is not for or against as she did not have enough information to do that, and asked to consider recycling efforts.

Mr. Ronald Fenn came before the Commission, and stated he is not speaking necessarily against this, and that he needed clarification. And stated we have a major trash producer ..Wal-Mart, and he believes they privately haul their own trash out which means that even though they are taking the City's money in they are not giving back through the trash, and recycling revenue stream.. anything to our City. And asked is this something that was part of an agreement that was made for their coming here.

No other comments were received .the public hearing was closed.

Consider/ Approval – Final Adoption – Ordinance #623

City Manager Fuentes stated one of the questions .is there a contingency plan, and indicated the City is taking the lead on financing this project, and that they have commitments from the municipalities .the City of Elephant Butte, and NM State Parks, Sierra County as well as some of the Trustees from the Village of Williamsburg to work together on this, and our hope as we move forward all of us will be collaborating and making sure this service mandated by the State, and provide the service to the community at a reasonable cost.

He stated one of the suggestions is our local legislators to be eligible for State appropriation monies, and indicated once we know of commitments we will move forward with this project, and that they will continue to do some analysis along with the local entities as far as the portion each entity will be contributing, and then come back to the Commission with rates, and have some firmer numbers. And stated as far as recycling program we will continue .increase our efforts.

City Manager Fuentes stated in regards to the question on Wal-Mart, and that he is not aware of any agreement, but that will certainly be something that staff will look into, and report back to the Commission.

“Commissioner Green moved for approval of Ordinance #623.”

Seconded by Commissioner Renfro

City Manager Fuentes stated he would ask the Commissioners to include the scenario to move forward as far as financing to include Scenario #2 which would reduce the tipping fees.

“Commissioner Green moved to amend his motion to move for adoption of Ordinance #623 with using the Scenario #2 presented by Gordon Environmental, and to move forward with our funding for this project.”

Seconded by Commissioner Renfro

Mayor Montgomery responded Aye to a Roll Call Vote.
Commissioner Renfro responded Aye to a Roll Call Vote.
Commissioner Green responded Aye to a Roll Call Vote.
Commissioner Torres responded Aye to a Roll Call Vote.

Motion carried unanimously.

Consider/ Approval – Gordon Environmental Contract

City Manager Fuentes stated they were provided with a proposal from Gordon Environmental for services for this Solid Waste Collection Center, and indicated the fee for this project is estimated at \$79,500.00, and they have a detailed breakdown of each of the tasks that will be conducted for this project.

He asked Mr. Grepeau if he had any additional comments, and he had no additional comments.

City Attorney Rubin stated most of this work that we are talking about is actually already covered by the existing contract.

Mr. Grepeau responded, “yes it is.”

“Commissioner Green moved approval of the contract with Gordon Environmental.”

Seconded by Commissioner Torres.

Commissioner Green stated he would like to point out on the proposal acceptance sheet there is a typo on the date.

Motion carried unanimously.

Consider/ Approval – Resolution #20-11/12 – Police Department PERA Resolution

City Manager Fuentes stated that Captain Millins will be presenting the Resolution.

Captain Priscilla Millins and Sgt. James Morgan came before the Commission, and explained this would allow them to change their current retirement plan which is the 25-year plan to a 20-year plan, and stated it would be in line with other agencies including the Sheriff's Office and the NM State Police.

She stated this would make the department more competitive for officer recruitment and retention. And went on to explain the changes, and indicated the officers have expressed their interest.

Commissioner Green stated he thinks we must pass this Resolution, and that we have to stop being a training ground for every other community to cherry pick our officers, and offer them more money, and that we have to do what we can to keep them and retain them for the safety of our community.

“Commissioner Green moved approval of Resolution #20-11/12.”

Seconded by Commissioner Renfro

Mayor Montgomery responded Aye to a Roll Call Vote.

Commissioner Renfro responded Aye to a Roll Call Vote.
Commissioner Green responded Aye to a Roll Call Vote.
Commissioner Torres responded Aye to a Roll Call Vote.

Motion carried unanimously.

Presentation – Attorney General’s Office – Bureau of Reclamation

City Manager Fuentes stated in the audience we have Mr. Ken Knox with Knox Water Consultants, LLC, Sarah Bond Assistant Attorney General, Dr. Peggy Barrell, PhD Hydrologist, and Stephen Farris, Division Director for the Water Environment & Utilities Division.

Ms. Sarah Bond Assistant Attorney General with the NM Attorney General’s office specializing primarily in water came before the Commission, and stated they would like to give a public presentation to explain what is happening. Just as a matter of public outreach, and indicated this presentation is a power point as well as some hard copies that they will go through with some facts that hit the mind the face this summer about the water supply down here.

Mr. Knox stated in 2008 Operating Agreement the agreement was developed in confidential negotiations between the Bureau of Reclamation (BOR), the Elephant Butte Irrigation District (EBID) and the El Paso County Water Improvement District (EPCWD) and that includes new factors such as carryover storage, and stated that was contemplated prior to the 1938 compact.

He stated the 2008 for the first time brings carryover storage into the compact, and into the allocation of the Rio Grande Project storage, and stated they also have a new procedure to calculate the diversion ratio. And referred to page 4 of the handout. 2008 Operating Agreement which perhaps is the most significant statistic was that the 2008 agreement could soon reduce the EBID’s annual allotment percentage from 57% to 18%.

Information only.

OLD BUSINESS: None.

REPORTS: CITY MANAGER –

City Manager Fuentes stated he has included his report and has no additional items.

CITY ATTORNEY – No report.

COMMISSIONERS –

Commissioner Green stated he wanted to congratulate Sherry Fletcher, Harriett Boling, all of the volunteers, and the board members of Campo Espinosa for producing what I thought was a magical moment in the history of our county. The Dam Tours were amazing, and stated Tor had a problem with one of the vans that we were donating for the project, and Manager Fuentes contacted Ms. Yvonne Taylor with SJOA and she graciously gave the city use of one of their 15 passenger vans, and thanked them.

Commissioner Torres – No report.

Commissioner Renfro – No report.

Mayor Montgomery – No report.

EXECUTIVE SESSION

“Commissioner Green moved that the meeting be closed for Executive Session – Pending or Threatened Litigation 10-15-1H7), 1. Arizona Structures Worldwide, LLC – Pool Cover.”

Seconded by Commissioner Renfro.

Mayor Montgomery responded Aye to a Roll Call Vote.
Commissioner Renfro responded Aye to a Roll Call Vote.
Commissioner Green responded Aye to a Roll Call Vote.
Commissioner Torres responded Aye to a Roll Call Vote.

Motion carried unanimously.

OPEN MEETING

“Mayor Montgomery stated that the Commission was now in Open Session.”

CERTIFICATION

“Commissioner Green certified that only matters pertaining to Pending or Threatened Litigation 10-15-1H7), 1. Arizona Structures Worldwide, LLC – Pool Cover discussion followed in Executive Session, and no action was taken.”

Seconded by Commissioner Renfro.

Motion carried unanimously.

“Commissioner Renfro moved that the City Attorney send a letter similar to what is in front of us tonight changing the dates notifying Arizona that the contract is voided, and demanding that they pay back the \$78,884.20”

Seconded by Commissioner Torres.

Motion carried unanimously.

“Commissioner Renfro moved that the City go out to RFP’s for the materials, and another one for the installation of the bubble for the swimming pool.”

Seconded by Commissioner Green.

Motion carried unanimously.

ADJOURNMENT:

There being no further business to come before the Commission the meeting was adjourned.

APPROVAL:

PASSED AND APPROVED this _____ day of _____, 2012, on motion duly made by Commissioner _____, seconded by Commissioner _____, and carried

LORI S. MONTGOMERY, MAYOR

ATTEST:

MARY PENNER
CITY CLERK

