

CITY COMMISSION  
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO  
Tuesday, January 14, 2014

WORK SHOP  
ACTION MINUTES

WORK SHOP: The Truth or Consequences City Commission of the City of Truth or Consequences in the County of Sierra, and State of New Mexico met for a Work Shop, in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City on January 14, 2014 at 5:00 P.M.

Mayor Pro-tem Sandra Whitehead opened the Work Shop; explaining the items to be discussed in the Work Shop included:

1. Discussion/Public Input: An Ordinance relating to discharge or disposal of geothermal waters from the hot springs aquifer system; providing alternative methods for the discharge of geothermal waters; requiring a City permit for the discharge of geothermal waters to facilities owned and operated by the City; and providing for fees to cover City expenses incurred for the collection and treatment of geothermal waters discharged to facilities of the City.

Mayor Pro-tem Sandra Whitehead turned the meeting over to City Manager Juan Fuentes.

City Manager Fuentes noted this was just a follow-up Work Session from our last meeting, on the proposed Ordinances; stating that John Appel would be on the phone again for the discussion, and noting Mr. Appel would be going over the discussed changes proposed in the previous meeting. City Manager Fuentes also noted we had Spa owners present in the audience.

City Manager Fuentes called Attorney John Appel by phone; and requested he note the suggested changes in the Proposed Ordinance.

City Attorney John Appel went over the suggested changes to the Proposed Ordinance; complete *copy of Proposed Ordinance and the changes attached and made part of this record.*

City Manager Juan Fuentes asked the Spa owners for their input.

Charles Motel & Spa Owner Kathy Clark approached; she noted a letter she instigated being passed around to the different Spa owners in town noting the following bullet points:

- Quarterly Reports (intent)
- Spas are regulated by both State Engineers and the State Environmental Department. Spa owners do not need any other checks made, as they are already regulated by those two.
- The intent was for private persons owning hot water wells, and not for Commercial users; now Commercial Owners are included in the Ordinance.
- The Environment Department comes yearly to inspect Spas and gives the license to operate.
- The question of the City's ability to get into this, regarding Spas being Commercial users; who are already regulated.
- Noting the Charles had been in business since 1947, and the permit for discharge is for 5 years.
- Stating the Proposed Ordinance needs to remove any inference of Commercial Bathhouses.

Mayor Pro-tem Whitehead asked the Commission for questions or comments.

Commissioner Mike Kertesz noted the State Engineer and State Environment Department regulations regarding Spa Owners.

Commissioner Jeff Richter questioned some of the language.

Commissioner Steve Green noted exceptions, the 5 years, he also noted the "other Ordinance."

Commissioner Jeff Richter stated the Commission needed to remember why we were doing this, the intent of the study, to protect in order to quantify the valuable resource of our Hot aquifer.

Sid Bryan, Pelican Spa owner, spoke to the Commission, noting he signed on Kathy's letter; and agreed that spa owners already were checked on by the State, who had enough requirements for owners. Mr. Bryan also questioned the charge as regular sewer usage. Stating that they feel that they are already regulated by the State, and already provide meter readings to the State and the 5 year permit application should run with the well.

City Attorney John Appel noted the fees.

City Manager Fuentes noted that George Szigeti had also suggested some changes be made.

Mayor Pro-tem closed the Work Shop on item 1.

Item 2: Discussion/Public Input: Flood Plain Study; Dave Owsley, Larkin Group.  
City Manager Juan Fuentes introduced Dave Owsley and Kevin Balms, Hydraulic Engineer; both from the Larkin Group.

Dave Owsely made a presentation accompanied by a PowerPoint presentation. He noted the purpose of this was to review the status of the Flood Plan Study authorized by the City Commission last year. Mr. Owsely and Mr. Balms both made the presentation, showing various changes since the Morgan Flood Control Project was completed, which may alleviate some of the surrounding homeowners relief from FEMA insurance premiums. Noting that an updated plan is required to submit to FEMA to update the flood map; also noting another benefit of the project is that the area would provide the flood elevation levels for future development.

Mayor Pro-tem Sandra Whitehead closed the Work Shop portion and stated the Regular Commission meeting would begin after a 5 minute break.

## **THE CITY COMMISSION OF THE CITY OF TRUTH OR CONSEQUENCES**

### **REGULAR MEETING**

**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 Special Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Tuesday, January 14, 2014 at 6:00 P.M.

**CEREMONY:** The meeting was called to order by Mayor Pro-tem Sandra Whitehead who presided and Judy Harris, City Clerk acted as Secretary of the meeting.

Upon calling the roll the following Commissioners were reported present:

Hon. Sandra Whitehead, Mayor Pro-tem  
Hon. Steve Green, Commissioner  
Hon. Jeff Richter, Commissioner  
Hon. Mike Kertesz Commissioner

**QUORUM:** Also present:  
Juan Fuentes, City Manager  
Jay Rubin, City Attorney  
Judy M. Harris, City Clerk

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

Mayor Pro-tem Sandra Whitehead called for fifteen second of Silent Meditation.

Mayor Pro-tem Sandra Whitehead called for the Pledge of Allegiance with Commissioner Mike Kertesz leading the Pledge.

APPROVAL OF THE AGENDA Mayor Pro-tem Sandra Whitehead stated they would postpone item G-6; City Manager Fuentes noted they also needed to removed items E2, G6 and Item J (Closed Session).

“Commissioner Steve Green moved to approve the amended Agenda.”

Mayor Pro-tem Sandra Whitehead noted the Amended Agenda removed items E2, G6 and J1 from the Agenda.

Seconded by Commissioner Mike Kertesz.  
Motion Carried Unanimously.

COMMENTS FROM THE PUBLIC: Deborah Toomey, 211 W. Riverside, approached and commented on Resolution #23 13/14 regarding Bonds, and also commented on the Municipal Election’s form of voting.

Audon Trujillo, 506 W. Third, approached the podium and commented on issues the Commission should address in the 2014 year.

Linda DeMarino, MainStreet, approached the podium and noted several events to occur in February which would be sponsored by MainStreet, she also noted a downtown clean up event to be held March 15th, requesting participation.

Andy Alvarez, Sanitation Department, approached the podium and noted the Sanitation Department would start the first pick up of

Poly-Carts on January 16<sup>th</sup>, starting in the area of Rodeo Arena Road.

Hans Townsend, President of the Chamber of Commerce, approached the podium and invited all to attend the Chamber Mixer.

CONSENT  
CALENDAR:

Mayor Pro-tem Sandra Whitehead called for approval of the Consent Calendar

“Commissioner Steve Green moved to approve the Consent Calendar consisting of:

1. City Commission Work Shop and Regular Meeting Minutes 12/24/2013
2. Lodgers Tax Advisory Board Meeting Minutes 7/25/2013
3. Domestic Abuse Draw November 2013
4. Accounts Payable December 2013”

Seconded by Commissioner Mike Kertesz.

Motion Carried Unanimously.

PRESENTATIONS:

*Presentation #1.* Mayor Pro-tem Sandra Whitehead noted next on the Agenda was Presentations, calling for Joanie Griffin from Griffin & Associates to approach.

Joanie Griffin and Kim Skinner approached; Ms. Griffin gave the Commission a handout noting that Griffin and Associates was contracted in February 2013 to provide marketing, advertising and public relations consulting on behalf of T or C and Sierra County. She noted the contribution from T or C is \$25,000, Sierra County contribution is \$10,000 and the New Mexico Tourism Department contributes \$20,000 (for July-June) for a total annual budget of \$55,000. Ms. Griffin noted that although NMTD money goes over two calendar years, with the majority to be used for the TV campaign in 2014.)

Ms. Griffin noted they have produced the following:

1. A detailed marketing plan
2. Production of streetlamp banners for TorC saying “SPACE ENTER HERE”

3. Design and placement of ads in:
  - a) The Albuquerque Journal fall travel guide
  - b) The El Paso Visitors Guide (18 months)
  - c) The NM Vacation Guide (annual)
4. Creation of a Sierra County braded USB Drive, loaded with videos, press releases and brochures that were disseminated to group tour operators and media at the International Travel Associations annual event in Las Vegas NV.
5. Development of a branded electronic newsletter that is sent out monthly
6. Development and hosting of a media familiarization tour (FAM) with five journalists
7. Redesign of billboards along I-25 at Socorro
8. 12 press releases promoting activities and overall tourism in both Sierra County and T or C.
9. Approval by the NM Tourism Department of a NM True TV campaign that is being produced and will air in February & March in the Albuquerque/Santa Fe and El Paso/Juarez markets
10. Managing the NM tourism Co-Op grant submittal for reimbursements quarterly.

Ms. Kim Skinner noted the Lodgers Tax monies collected by the City of T or C and also stated that City Clerk Harris had mentioned that all of the December Lodgers Tax had not been received yet. She noted the numbers for Lodgers Tax were better than last year.

*Presentation #2, Performance and Payment Bond drafts and review of Appendix 2 & 3 at the end of existing codes , Chapter 15, all for Legal review and possible incorporation and updated of Codes; was removed from the Agenda during the Approval of the Agenda portion of the meeting.*

*Presentation #3 Mayor Pro-tem Sandra Whitehead noted the next Presentation and called Hans Townsend, President of the Chamber of Commerce to the podium.*

Mr. Hans Townsend introduced himself and explained he had been invited to tour the Municipal Airport. He noted that the tour had provided insight as to the needs of the Airport, and proposed that

the Chamber would be willing to enrich the experience of pilots and other using the Municipal Airport, at no cost to the City. The conclusions reached were that the Chamber wished to provide a flat screen, wall mounted TV, to show videos of the area attractions and facilities, which would run in a loop from a laptop computer, which would also be supplied by the Chamber.

Mr. Townsend stated that the Chamber of Commerce would also arrange for a courtesy car from a rental company with the usual rental insurance to be available at the airport for use by anyone with a valid driver's license, making use of the Airport Facilities.

Mr. Townsend explained that by priding both the information and the means to visit local attractions would help our local economy in its struggle for growth. Noting that the City Attorney and the Chamber could come up with some type of agreement on the two items presented. He also noted the need for more hangar space.

Mayor Pro-tem Sandra Whitehead thanked City Employees which attended the meeting.

#### OLD BUSINESS:

Discussion/Public Input: An Ordinance relating to discharge or disposal of geothermal waters from the hot springs aquifer system; providing alternative methods for the discharge of geothermal waters; requiring a City permit for the discharge of geothermal waters to facilities owned and operated by the City; and providing for fees to cover City expenses incurred for the collection and treatment of geothermal waters discharged to facilities of the City.

Proposed Ordinance – Discharge/Disposal Geothermal Waters.

City Manager Fuentes *recommended* postponement of the discussion, noting that due to questions and information raised in the Work Shop regarding this Ordinance, it would be best to postpone the item at this time.

*“Commissioner Steve Green moved to postpone the Proposed Ordinance.”*

Seconded by Commissioner Mike Kertesz.

Motion Carried 3 to 1, with Commissioner Jeff Richter  
Voicing the nay vote.

*Discussion/Action:* For Publication: an Ordinance of the City of Truth or Consequences relating to domestic water wells; repealing the moratorium on drilling of new domestic water wells; requiring a municipal permit for new domestic water wells; and imposing limitations on the number and location of new domestic water wells to ensure protection of geothermal ground water resources.

The Commission asked if this Proposed Ordinance could “stand alone” from the above Ordinance.

City Manager Fuentes answered that yes, this Proposed Ordinance could stand alone.

“Commissioner Steve Green moved to approve Publication of the Proposed Ordinance.”

Seconded by Commissioner Mike Kertesz.

Motion Carried Unanimously.

**NEW BUSINESS:** Mayor Pro-tem Sandra Whitehead noted the next subject, *Resolution #18 13/14* Recount Recheck Proceedings for the upcoming March 4, 2014 Election, she requested City Clerk Harris address the subject.

City Clerk Judy Harris noted that the New Mexico Municipal League has recommended that entities adopt a Resolution sometime prior to Election Day, that way, no matter the outcome of the Election; the costs have already been determined by the governing body. Officials of New Mexico Municipal League recommend the use of the 2012 recount/recheck cost list, from the State Canvassing Board of New Mexico. Clerk Harris noted Staff recommendation was to adopt Resolution #18 13/14, in order to have the costs already determined by the governing body.

“Commissioner Steve Green moved to approve Resolution #18 13/14 Election recount costs.”

Seconded by Commissioner Mike Kertesz.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.



Hon. Sandra Whitehead responded Aye to a Roll Call Vote.  
Hon. Steve Green Responded Aye to a Roll Call Vote.  
Hon. Jeff Richter responded Aye to a Roll Call Vote.  
Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted the next subject, Discussion/Action: *Resolution 19 13/14* Designating the Retention and Disposition Schedules for the Records of the City of Truth or Consequences; requesting City Clerk Harris address the subject.

City Clerk Judy Harris stated the item before the Commission was the declaration of the City of Truth or Consequences' policy for records retention and disposition; to ensure that all "public records" are protected and preserved in accordance with State of New Mexico 3-13-1 and 14-3-13. Ms. Harris explained the Commission last updated the resolution for Records Retention and disposition in 2011/2012; the retention schedule describes record types, such as receipts, payroll and capital projects, it tells how long each type should be kept. The declaration will ensure that records needed for legal fiscal or administrative use will not be destroyed prematurely. A sample of pages from the State retention schedule were made part of the discussion; with Clerk Harris noting the full document is available in the Clerk's Office for review and will be *provided for the record*.

"Commissioner Steve Green moved to approve Resolution #19 13/14 Designating Retention & Disposition Schedules for records Of the City of T or C."

Seconded by Commissioner Mike Kertesz.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.

Hon. Sandra Whitehead responded Aye to a Roll Call Vote.  
Hon. Steve Green Responded Aye to a Roll Call Vote.  
Hon. Jeff Richter responded Aye to a Roll Call Vote.  
Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted the next item was New Business-Request by Sierra County Soccer Youth Association to designate the South East Portion of Louis Armijo Park Complex as Soccer Fields; requesting that City Manager Fuentes address the matter.

City Manager Juan Fuentes stated that Sierra County Youth Soccer Association (SCYSA) had submitted a proposal to the Recreation Advisory Board to designate the southeast portion of the Louis Armijo Park Complex for soccer fields. Noting that Rene Guaderrama, Vice President of SCYSA was present to speak for the request. City Manager Fuentes noted that the Public Works Department had reviewed the request and determined that the area is suitable and ideal for this use. Water for the fields would be provided by the effluent pond adjacent to the proposed site. Manager Fuentes noted that on September 5<sup>th</sup>, the Recreation Advisory Board heard Mr. Guaderramas' presentation and unanimously endorsed the proposal and recommends proceeding to the City Commission for consideration.

Mr. Rene Guaderrama, SCYSA Vice-President approached and explained there are presently approximately 120 players, noting the need for soccer fields. Mr. Guaderrama stated that soccer is currently sharing the baseball and softball fields, which are not prepared for Soccer. A PowerPoint presentation was shown; including an aerial photograph to show the layout of the fields SCYSA is proposing. The proposed fields have been drawn showing that the fields –count be constructed in phases if the funding is only available in smaller amounts. SCYSA would be responsible for applying for grants and such to provide funding. During the presentation, Mr. Guaderrama explained various age groups play soccer; explaining possible configurations of fields within the boundaries needed to fit the fields. Noting the fields would be located near the effluent pond for convenience it designing the sprinkler layout, and could be designed where the sprinkler system could be expanded as needed. Mr. Guaderrama stated that most grantees request an agreement between soccer leagues and municipalities' set aside land for the purpose of dedicated soccer fields for a minimum 10 year period with an option to extend for additional 10 year increments. In conclusion Mr. Guaderrama requested approval of the designation of the South East Portion of Louis Armijo Park Complex to be soccer fields.

Commissioners asked various questions; who would maintain the fields, how much would his cost the City, would an agreement be

needed, who would provide the materials needed.

City Manager Juan Fuentes agreed that SCSYA would do the grant request, noting that an agreement would be needed, and stating that the only work the City would provide would be “in kind”.

“Mayor Pro-tem Sandra Whitehead made a motion to approve the request of the Sierra county Soccer Youth Association to designate the south east portion of Louis Armijo Park Complex as soccer fields.”

Seconded by Commissioner Steve Green.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted next is *Resolution #20 13/14*; A resolution finding the property at 719 Elm Street, in Truth or Consequences, to be a dangerous and unsafe structure and authorizing demolition.

Bill Slettom, ACM/CDD, approached and explained that the Resolution was pursuant to City code, Chapter 4, Article IV, Sections 4-226 through 4-235 Dangerous and Unsafe Structures. Mr. Slettom showed a PowerPoint presentation regarding 719 Elm Street; noting the structure was evaluated by over 7 different types of criteria;

1. Doors and windows are unsecured and do not meet egress or conform to New Mexico building or fire codes as adopted by the authority having jurisdiction relating to the requirements for existing buildings.
2. The Walking surface of aisle, passageway, exit or other means of egress is unsafe.
3. Back patio cover is damaged and deteriorated and could collapse at any time.
4. The building is neglected, damaged, unsecured and abandoned so as to be an attractive nuisance to children and becomes a harbor for vagrants.
5. The structure and surrounding vegetation present a substantial fire risk,
6. The structure cannot be used for dwelling purposes because of inadequate maintenance, dilapidation, decay, and damage.
7. The structure is unfit for habitation because of inadequate light, ventilation, and unsanitary plumbing and mechanical conditions.

ACM/CDD Bill Slettom noted that City regulations require the following procedure for notification:

1. A certified letter stating the violation and action to be taken is sent to the owner according to County Assessor records.
2. Receipt of letter is verified by Certified Mail receipt.
3. The owner is allowed 30 days from receipt of the letter to take action.
4. If no action has been taken after 30 days, the property is posted with a condemnation notice.
5. Commission action to approve demolition of property.

Building Inspector Robby Travis also spoke regarding the danger the property at 719 Elm Street, noting the considerable damage that lack of maintenance has caused. A PowerPoint presentation was shown to the Commission and Public.

Fire Chief Paul Tooley was also in attendance and ready to answer any questions should they be asked.

The Commission asked several questions; what the process after this initial contact was made and what happened next.

ACM/CDD Bill Slettom noted that the process required the above steps and notification, and that the matter would be brought back to the Commission after the posting in the newspaper, if no parties came forward. Mr. Slettom also noted some family members had come forward this last week and removed some items from the property but they were not interested/nor could they afford doing any repair work to the structure. It was stated that a lien would be placed on the property for the cost of destruction or removal of the structure. Also noted the property owner was allowed to establish ownership interest in the described premises and could file an objection; which had to be filed within a specific time limit. Mr. Slettom also noted that the materials from the demolition could be taken to the City landfill and used for fill. He also noted that this matter would be brought back to the Commission for further action.

“Commissioner Steve Green moved to approve Resolution #20 13/14 to start the process.”

Seconded by Commissioner Mike Kertesz.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.

Hon. Sandra Whitehead responded Aye to a Roll Call Vote.  
Hon. Steve Green Responded Aye to a Roll Call Vote.  
Hon. Jeff Richter responded Aye to a Roll Call Vote.  
Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted the next item was designation MainStreet to serve as fiscal agent for Fiesta Inc. Lodgers Tax Sub-Recipient Grant.

City Manager Juan Fuentes explained that Organizations wishing to receive Lodger's Tax Funds (LTF) must be recognized as a non-profit organization by the state and federal oversight agencies. In reviewing the organizations non-profit status, Fiesta, Inc. did not have the federal non-profit designation. However, Fiesta, Inc. has filed the necessary documents to the IRS and they have been assigned an employer identification number (EIN). Manager Fuentes stated that in order for Fiesta, Inc. to receive the LTF, they will need to designate a fiscal agent to administer these funds. Pursuant to City agreement for LTF, the agreement can be assigned to a third part with the approval of the City. City Manager Fuentes stated he had spoken to MainStreet and the organization was willing to serve as the fiscal agent for Fiesta, in turn Fiesta also approved. Explaining that the Lodgers Tax Advisory Board did pass the motion to recommend the matter; as they had concerns that these two organizations would not be able to work together. After meeting with the MainStreet Executive Director and Fiesta Inc. Board, the City Manager found those concerns to be incorrect. Noting that both organizations were very willing to work together.

Commissioner Steve Green asked what would happen the next time Lodgers Tax monies were distributed and what would happen if they had not received their nonprofit status. Noting that at some point the city had to follow the rules, and stated the organizations had to do their part.

City Manager Fuentes agreed, noting that Fiesta Inc was attempting to get the nonprofit status, and had been working on it for approximately 18 months. He also agreed that organizations needed to have their nonprofit status before filing for a sub-recipient grants.

"Commissioner Steve Green moved to approve designation of

MainStreet as fiscal agent for Fiesta Inc.”

Seconded by Commissioner Mike Kertesz.

Motion Carried Unanimously.

*Discussion/Action: Approval Agreement TransWorld Network, Corp. Item removed from Agenda in Consent Calendar portion of the meeting.*

Mayor Pro-tem Sandra Whitehead noted the next items was  
*Discussion/Action: Resolution #21 13/14 Adopting revised Swimming Pool Fees.*

City Manager Juan Fuentes stated that the Recreation Advisory Board had reviewed the fees and is recommending a fee structure once the pool opens. Manager Fuentes also stated that the fee structure was the only item under review and the hours for operation would be forthcoming.

Commissioner Mike Kertesz questioned the fee for Pool rentals.

Commissioner Steve Green noted the second Whereas was summer season only and should be for year round.

City Manager Juan Fuentes noted they would take a look at the Pool rental fees and stated that the fees would be for year round not seasonal. He remarked that Staff would take a look at the hours of operation and bring that back to the Commission.

“Commissioner Steve Green moved to approve Resolution #21 with the Amendment to 12 months.”

Seconded by Commissioner Mike Kertesz.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.

Hon. Sandra Whitehead responded Aye to a Roll Call Vote.

Hon. Steve Green Responded Aye to a Roll Call Vote.

Hon. Jeff Richter responded Aye to a Roll Call Vote.

Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted the next item was Resolution #22 13/14 regarding Opposing the Reclassification of the revenue generated from the SpacePort Gross Receipts Tax as Revenue from Local Sources.

City Manager Juan Fuentes stated that this Resolution opposes a proposed distribute Spaceport GRT to all of the schools in New Mexico. He noted that currently the GRT benefits schools in Sierra and Dona Ana County; the only two in the State that had approved the Tax. Manager Fuentes explained that the City was notified last month that State representative Patricia Lundstom was proposing to introduce a bill during the 2014 Legislative Session that would reclassify the gross receipts tax revenue generated from the New Mexico SpacePort. State representative Sheryl William Stapleton has pre-filed House Bill 13. The impact of the proposed bill would result in less money for the County's school districts in Sierra and Dona Ana Counties. Manager Fuentes noted that Sierra and Dona Ana County have passed similar resolutions opposing this change.

“Commissioner Steve Green moved to approve Resolution #22 13/14, Opposing the Reclassification of the Revenue generated from the SpacePort Gross Receipts Tax as revenue from Local Sources.”

Seconded by Commissioner Mike Kertesz.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.

Hon. Sandra Whitehead responded Aye to a Roll Call Vote.

Hon. Steve Green Responded Aye to a Roll Call Vote.

Hon. Jeff Richter responded Aye to a Roll Call Vote.

Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried Unanimously.

Mayor Pro-tem Sandra Whitehead noted the next item on the Agenda was *Resolution #23 13/14* Authorization to issue bonds as an alternative means to finance the T or C Solar Farm Project.

City Manager Juan Fuentes noted that Mark Valenzuela, of GK

Baum would present the information. He noted that the Resolution is non-binding, but authorizes Staff to proceed with the feasibility of financing the Solar Farm project through bonds/debt. He stated that Mark Valenzuela will present a scenario that could be beneficial via bonds.

Mark Valenzuela, GK Baum, introduced an analysis of Solar Array Finance Options open to the City of T or C. Mr. Valenzuela noted there were several Federal incentives, stating that the Federal Government has for several years provided incentives to private companies to develop capacity for electric generation. The incentive was traditionally aimed at providing investment tax credits to private companies to subsidize a higher cost of energy generation. Mr. Valenzuela stated typical incentive include:

- Percent federal investment tax credit
- 10 New Mexico State investment tax credit (\$9,000 max)
- Renewable energy credits
- Production tax credits

Mr. Valenzuela explained the finance structure for solar systems developed from these incentives, tended to bypass the traditional tax-exempt bond structures municipalities' use. The reason is that municipal governments could not take advantage of the tax credits unless the public entity entered into complex structuring arrangements to monetize the credits. Given the complexity, most municipal governments have opted to enter into a power purchase agreement, which is long-term obligation, similar to a bond/loan, which is normally a 20 to 25 year, agreement to purchase solar power from a private company. A power purchase agreement is a long-term obligation, similar to a bond/loan. As such, a useful comparison of the economic benefit of the PPA is a tax-exempt bond. Mr. Valenzuela explained that in 2009 the federal government authorized the allocation of qualified energy conservation bonds to every state. These QEBs allow a municipal government to sell bonds to finance the construction of a solar array. Mr. Valenzuela stated that one of the benefits that municipal governments can take advantage of is similar to what private companies have enjoyed in these projects and at lower costs of capital. He explained that they have a direct rebate element that provides annual cash payment for a portion of the interest cost associated with the bonds; Mr. Valenzuela noted they have changed the economic equation for solar project taken on by municipalities. Mr. Valenzuela gave the Commission several examples of the comparison of a PPA to Municipal bonds and covered the next steps involved for the Municipality. Mr. Valenzuela stood for questions from the Commission.

Commissioner Steve Green asked what the cost for the City would



be.

Mr. Valenzuela stated there was no cost to the Municipality; and explained that this is to submit the application only seeking allocations.

Commissioner Mike Kertesz asked how long it took for a decision or approval.

Mr. Valenzuela noted the City would have an answer in a short amount of time after the application process was started.

“Commissioner Steve Green moved to approve Resolution #23 13/14.”

“Commissioner Mike Kertesz asked to amend the motion by authorizing to apply to issue bonds.”

Seconded by Commissioner Steve Green, noting the amendment to the motion.

Mayor Pro-tem Sandra Whitehead called for a Roll Call Vote.

Hon. Sandra Whitehead responded Aye to a Roll Call Vote.

Hon. Steve Green Responded Aye to a Roll Call Vote.

Hon. Jeff Richter responded Nay to a Roll Call Vote.

Hon. Mike Kertesz responded Aye to a Roll Call Vote.

Motion Carried with a 3 to 1 vote.

Mayor Pro-tem Sandra Whitehead noted next was Discussion/Action: Recommendation from the Lodgers Tax Advisory Board to allocate \$2,000 for Hospitality training.

City Manager Juan Fuentes explained that the Lodgers Tax Advisory Board had provided \$2,000 of lodgers tax funding to use towards a project; noting the Board opted to support Hospitality training for lodging and business. Manager Fuentes noted that Joanie Griffin during her presentation addressed the coordination efforts on training.

“Commissioner Steve Green moved to approve the recommendation of the Lodger Tax Board to allocate \$2,000 for Hospitality training.”

Seconded by Commissioner Mike Kertesz.

Motion Carried Unanimously.

**REPORTS:**

City Manager Juan Fuentes noted the new Fire Truck that was at the Chambers before the meeting; he encouraged all to stop by the Fire Department or speak to Chief Tooley, to see the new truck.

City Attorney Jay Rubin; No report.

City Commissioner Jeff Richter; No report.

City Commissioner Mike Kertesz; wished to explain the withdrawal of the Performance Payment Bond, noting he had received legal advice that it need some corrections or some review, noting he wished to bring it back to the Commission after proper review.

City Commissioner Steve Green thanked those who participated with MainStreet with the Old Fashioned Christmas.

Commissioner Mike Kertesz requested to add that he wished to thank those who assembled the Poly-Carts.

**RESPONSE TO  
PUBLIC  
COMMENT:**

None.

**EXECUTIVE  
SESSION:**

The Executive Session was removed from the Agenda earlier in the Agenda.

**ADJOURNMENT:**

There being no further business to come before the Commission, "Commissioner Steve Green moved to adjourn."

Seconded by Commissioner Mike Kertesz.

Motion Carried Unanimously.

CERTIFICATION: Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2014, on a motion duly made by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried.

ATTEST:

\_\_\_\_\_  
Sandra Whitehead, Mayor Pro-tem

\_\_\_\_\_  
Judy M. Harris, City Clerk

