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 - H. Informational Item Only: Notice of Intent was Re-Published to Amend the Date on the Notice of Intent to Adopt Ordinance No. 709, An Ordinance Establishing an Affordable Housing Program Pursuant to the Affordable Housing Act; Defining Terms; Establishing Application Requirements and Review Criteria; and Establishing Procedures to Administer an Affordable Housing Program.
 - I. Notice of Intent to Adopt Ordinance 710, "An Ordinance Amending Chapter 10.5 of the Portales City Code."
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THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, January 7, 2014, at 7:00 p.m., in the Council Chambers in the Memorial Building in full conformity with the rules and regulations. Mayor Pro-Tem Jackson called the meeting to order in the absence of Mayor King, and asked City Clerk Martinez-Terry to call roll. Those present and constituting a quorum were:

MAYOR: Sharon L. King (absent)

MAYOR PRO-TEM: Ronald L. Jackson

COUNCIL MEMBERS: Matthew Tod Hunton Oscar Robinson
Leo Lovett Antonio O. Salguero
Lenard Michael Lucero Keith A. Thomas
Dianne Y. Parker

STAFF PRESENT: Doug Redmond, City Manager Johnny DeSha, Public Wks. Director
Joan Martinez-Terry, City Clerk Steve Doerr, City Attorney
Carla Weems, Admin. Assistant Pat Gallegos, Police Chief
Dennis Hales, I.T. Director Sammy Standefer, Planning Director

OTHERS PRESENT: Christina Calloway, Press Perry Thron
Michael G. Miller

Mayor Pro-Tem Jackson asked Councilor Lovett to give the invocation, and Michael G. Miller to lead the Pledge of Allegiance and the Salute to the New Mexico flag.

(A) MINUTES OF PREVIOUS MEETING(S):

1. Regular Meeting of December 17, 2013.

Mayor Pro-Tem Jackson asked the Council to consider the minutes of the Regular Meeting of December 17, 2013. Mayor Pro-Tem Jackson asked the pleasure of the Council. *Councilor Parker made the*

motion to approve the minutes of the regular meeting of December 17, 2013 as presented. Councilor Lucero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.

(B) REPORT ON HOLD HARMLESS LEGISLATION

Mayor Pro-Tem Jackson asked Michael G. Miller for the report on the Hold Harmless legislation. Michael G. Miller reminded the Council of his report back in March or April regarding the action by the state legislature to remove the Hold Harmless clause on medical and groceries to begin in 2015. He stated that the state had enacted legislation, to make it up to local governments that would allow them to enact 3-1/8ths mils of GRT. He commented that as the legislation has been analyzed, a couple of errors were found. The authority to enact additional GRT was intended for unincorporated counties, but they left it open to all. Another issue was that if one county and 13 cities impose their GRT under the law, after the state claw back, these cities would not be held whole. He stated that Portales would be one of these cities. Miller expressed concern on several different fronts. Communities like Portales would become less competitive with their neighbors across state lines. Several proposals have been floated—one fix would be to re-impose the tax on groceries and on medical expenses. He commented that this fix is not in the works for a while. Miller told the Council that Las Cruces had imposed all 3-1/8ths, and that the Village of Corrales had done the same, but that the state has held the tax up for technical reasons. He commented that proposed legislation by Representative Harper would limit a county's ability to impose the GRT county-wide; and that whenever a city imposes the 1/8th of a cent GRT, then their hold harmless claw back would start right then. He stated that DFA is concerned that many communities would not manage the increased GRT well. The legislation would include that if a community imposes all 3 increments, and is still not made whole, then the state will make the community whole. Miller stated that this legislation has not been filed yet, but that the tax committee has endorsed the proposal. He told the Council that all 70 House members and the Governor are up for election, and that there is no impetus to correct the real problem, which is broadening the tax base. He stated that broadening the tax base would depend on what happens in the next election. Miller asked for questions from the Council. Councilor Hunton commented that he understood that this all means that the City would have the ability to enact the tax increments one at a time, but that the hold harmless claw back would then take effect. Councilor Robinson asked Miller if he was suggesting that the City not impose any part of the tax increments at this time. Miller responded that it is not the right time of the year to impose the tax and have it begin in July. He stated that there may be a small light at the end of the tunnel, but not until after the 2015 session. He commented that Representative Harper's idea is semi-supported by the New Mexico Municipal League, and that Fulginiti seemed to be more agreeable to it with small changes. Mayor Pro-Tem Jackson thanked Mr. Miller for the update.

(C) SIXTY (60) DAY EXTENSION OF CONTRACT FOR CITY'S LOBBYIST

Mayor Pro-Tem Jackson recognized City Manager Redmond to speak on the extension of the lobbying contract. City Manager Redmond asked the Council for permission to negotiate a sixty (60) day extension of the contract with Michael G. Miller for lobbying for the City of Portales with the state legislature. Mayor Pro-Tem Jackson asked the pleasure of the Council. ***Councilor Thomas made the motion to authorize the City Manager to negotiate a sixty (60) day extension of the lobbying contract with Michael G. Miller. Councilor Robinson seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(D) REPORT FROM NM DEPARTMENT OF TRANSPORTATION ON HIGHWAY 70 PROJECT

Mayor Pro-Tem Jackson asked Mr. Pat Garcia of the NM Department of Transportation, for a report on the Highway 70 project. Mr. Garcia reported that the contractor is on a partial suspension until the end of the week. He commented that the State will soon grant the Contractor a full suspension until March. He reported that the traffic lights will be done by the end of next week, and that they will be on flash for two weeks. Mayor Pro-Tem Jackson asked about 2nd Street regarding crosswalk signs on Abilene and then over by Calton Furniture. He asked Mr. Garcia to look at the crosswalk signs. He told Mr. Garcia that another concern is the lack of drainage at the intersection of Main and 1st Streets. Councilor Robinson asked Mr. Garcia about the lights—will the illumination be brighter. Pat Garcia stated that the lights are not aligned correctly and that this will be corrected. Councilor Robinson stated that some of the lights need to be raised up higher because they have already been dinged. Garcia responded that he had met with Public Works Director DeSha and the downtown committee and that the lights will be turned. Regarding drainage, Mr. Garcia responded that without any additional drainage by the City, the problem areas won't be able to be drained further. City Manager Redmond asked about the alignment of the lights—will this correct the brightness of the lights. Garcia responded that the State is looking at the bulbs. Councilor Hunton asked who had made the decision to turn the lights. DeSha remarked that the only option was to turn the lights and that the MainStreet Committee had been contacted. City Attorney Steve Doerr was asked if he remembered the discussion with the NMDOT regarding the height of the lights. He stated that he did not. Councilor Lovett asked if it would be appropriate to talk about the issue with the State. Pat Garcia responded that he had already brought up the issue of the lights with the state engineer. Mayor Pro-Tem Jackson suggested that City Manager Redmond and City Attorney Doerr investigate the issue of the lights and report back to the Council.

(E) RESOLUTION #13-14-25, A RESOLUTION CONFIRMING INTENTION TO TRANSFER THE BUILDING FORMERLY KNOWN AS THE PORTALES INN & ADJACENT PARKING LOT(S) TO TIERRA REALTY TRUST, LLC

Mayor Pro-Tem Jackson asked City Manager Redmond to present Resolution #13-14-25. City Manager Redmond told the Council that the resolution is the result of the discussion of the Council's previous meeting. The resolution confirms the intention by the City Council to transfer the Portales Inn property and the adjacent parking lots to Tierra Realty, LLC. He stated that this action is being taken for affordable housing in the Portales Inn. He commented that the resolution was drafted by City Attorney Knudson for their consideration and approval. Mayor Pro-Tem Jackson asked the pleasure of the Council. *Councilor Parker made the motion to adopt Resolution #13-14-25, which confirms the intent to transfer the building formerly known as the Portales Inn and adjacent parking lots to Tierra Realty Trust, LLC. Councilor Lucero seconded the motion. Roll call vote of all Council members present resulted in a unanimous vote in favor of the motion. No abstentions. Motion carried.*

(F) REQUEST FOR AUTHORIZATION TO FILE PROOF OF CLAIM IN SUNLAND BANKRUPTCY

Mayor Pro-Tem Jackson asked City Attorney Doerr to present the request to authorize the Attorneys to file proof claim in the Sunland Bankruptcy. City Attorney Doerr told the Council that he had presented them with state law regarding the claw back provision in the LEDA ordinance. He commented that the claw back provision is good during the entire term of the contract with Sunland. Doerr stated that the City must file a proof of claim by March. He told the Council that it is his recommendation that the City file the proof of claim to allow the option to try to collect the funds from the bankruptcy. Councilor Thomas asked if this was law and does it give the City more right to get City money back. Doerr responded that this is correct. Mayor Pro-Tem Jackson asked the pleasure of the Council. *Councilor Thomas made the motion to authorize filing the proof of claim in the Sunland Bankruptcy. Councilor Lovett seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(G) REQUEST FOR A VARIANCE TO FRONT SETBACK REQUIREMENTS FOR 141 S. HOUSTON—OWNER PERRY THRON

Mayor Pro-Tem Jackson asked Planning Director Sammy Standefer to present the request for a variance to front setback requirements. Standefer told the Council that Perry Thron is present, and that he had requested a variance to the front setback to his property. Standefer directed them to the pictures in their packet. He stated that the Planning Commission had met in a regular public hearing and had approved the variance with conditions that the carport has to remain open on 3 sides and that it is not to exceed 20% of the property. Councilor Robinson commented that he was proud of the work that Mr. Thron has done at this address—that he appreciated the effort. Mayor Pro-Tem Jackson asked the pleasure of the Council. *Councilor Thomas made the motion to accept the recommendation of approval by the Planning Commission for the variance to the front setback requirements at 141 S. Houston. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(H) INFORMATION ITEM ONLY: NOTICE OF INTENT WAS RE-PUBLISHED TO AMEND THE DATE OF THE NOTICE OF INTENT FOR ORDINANCE NO. 709, AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING PROGRAM PURSUANT TO THE AFFORDABLE HOUSING ACT; DEFINING TERMS; ESTABLISHING APPLICATION REQUIREMENTS AND REVIEW CRITERIA; AND ESTABLISHING PROCEDURES TO ADMINISTER AN AFFORDABLE HOUSING PROGRAM

Mayor Pro-Tem Jackson recognized City Manager Redmond to speak about the notification on Ordinance No. 709. City Manager Redmond told the Council that the affordable housing program must be approved by the Mortgage Finance Authority and that the public hearing on the ordinance had to be postponed. The notice of intent was re-published to amend the date of the public hearing on Ordinance No. 709. This ordinance will be heard at the second meeting in January. This is just an information only item, no action required.

(I) NOTICE OF INTENT TO ADOPT ORDINANCE NO. 710, "AN ORDINANCE AMENDING (CHAPTER) SECTION 10.5 OF THE PORTALES CITY CODE"

Mayor Pro-Tem Jackson asked for a report on the changes to the City Code. City Attorney Doerr told the Council that the existing code, which is identified as Section 10.5, was brought to the forefront because the ordinance does not allow affordable housing. He commented that the changes to the ordinance would allow the City to do the work that was directed by the Council; in addition, it would allow the City to work with the University, and would allow the claw back provision. The revised ordinance will be brought to them in February. It will be presented to the Mortgage Finance Authority to get their approval and should be done so in plenty of time to get the Portales Inn project underway. Mayor Pro-Tem Jackson asked the pleasure of the Council. *Councilor Thomas made the motion to approve the notice of intent to adopt Ordinance No. 710, "An Ordinance amending Section 10.5 of the Portales City Code." Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(J) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor Pro-Tem Jackson for items of other business.

Municipal Election 2014: Mayor Pro-Tem Jackson told the Council that he had decided not to run for another term. He commented that he had appreciated the time he had spent on the Council. City Clerk Martinez-Terry reported that declarations had been filed for all open positions on the Council, and that only one Council position was contested—Ward A Councilor position currently held by Councilor Salguero.

Waste Water Treatment Plant: Public Works Director Desha reported that the WWTP project was released for bid and that the invitation for bid was issued and advertised.

Councilor Robinson commented that he hoped that the City follows up with the meeting with the NM Department of Transportation and the State Engineers regarding the lights in the downtown.

ADJOURNMENT:

There being no further business or comments, Mayor Pro-Tem Jackson adjourned the meeting at 8:00 p.m.

Joan Martinez-Terry, City Clerk