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 - J. Request to Negotiate a Contract for Professional Administration of a Municipal D.O.T. Drug & Alcohol Program.
 - K. Resolution #13-14-40, A Resolution Directing the City of Portales Human Resources Office to Implement a Veterans Initiative for the Purpose of Increasing Opportunities for Veterans to Obtain City Employment.
 - L. Other Business/Citizens to be Heard.
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THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, February 18, 2014, at 7:00 p.m., in the Council Chambers in the Memorial Building in full conformity with the rules and regulations. Mayor King called the meeting to order and asked City Clerk Martinez-Terry to call roll. Those present and constituting a quorum were:

MAYOR: Sharon L. King

MAYOR PRO-TEM: Ronald L. Jackson (absent)

COUNCIL MEMBERS: Matthew Tod Hunton Oscar H. 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 Randy Knudson, City Attorney
Carla Weems, Admin. Assistant Pat Gallegos, Police Chief
Gary Nuckols, Fire Chief Susan Baysinger, Public Wks. Proj. Adm.
Dennis Hales, I.T. Director Mike Parkey, General Svcs. Director
Jodi Kibbe, Recreation Director David Meeks, PPD Lt.
Riki Seat, DWI Program Coordinator Bella Loomis, Code Enfcmnt. Ofcr.

OTHERS PRESENT: Christina Calloway, Press Stanley Livengood, Econ. Dev. Dir.
Dahlia Garcia, CPA Amelia Christensen

Mayor King asked Susan Baysinger, Administrator, Public Works Capital Projects, to give the invocation, and John DeSha, Public Works Director to lead the Pledge of Allegiance and the Salute to the New Mexico flag.

(A) MINUTES OF PREVIOUS MEETING(S):**1. Regular Meeting of February 4, 2014.**

Mayor King asked the Council to consider the minutes of Regular Meeting of February 4, 2014. Mayor King asked the pleasure of the Council. *Councilor Parker made the motion to approve the minutes of the regular meeting of February 4, 2013 as presented. Councilor Salguero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(B) PRESENTATION OF 2012-2013 AUDIT

Mayor King asked Marilyn Rapp, Finance Director, to present the audit for 2012-2013. Ms. Rapp introduced Dahlia Garcia, CPA with White+Samaniego+Campbell, LLC, lead auditor, who presented the report. Ms. Garcia began the report by telling the Council that the state auditor has released the audit for 2012-2013. She asked the Council to turn to page 2 of the audit, which is the independent auditor's report that states that the City of Portales has received the best opinion possible in an audit—an unqualified opinion by an auditor. She stated that there was \$2 million dollars taken out of reserves. Ms. Garcia went on to review the statement of assets and debts. She stated that the current assets to debts ratio is 8.5 to 1, which means that our assets will cover our liabilities 8.5 times. She did state that this was a drop from last year, which had a ratio of 10 to 1. She told the Council that this is still very good. She reported that under unrestricted assets, the City had a \$10 million balance—unrestricted balance covers 55% of our expenses for the year. She commented that the unrestricted balance for the previous year was 70%. She reported that revenues were 3% under what we expected. She commented that the biggest change was in salaries and benefits and that the City will need to cut down somewhere else as needed to balance with salaries and benefits. She commented that the City is doing well financially. Ms. Garcia commented that the City does get a half a million dollars in federal funding. She asked the Council to review page 98, which shows the internal controls of the City—no problems in the controls. She asked the Council to review page 100, which is the report on compliance relating to federal funding; and page 101, which showed no deficiencies. She commented that the City's audit is a low-risk audit since there were no findings in the last two years. Garcia directed the Council to look at page 103, no prior findings and no findings in the current audit. She commended the Finance Department for their work and thanked them for their cooperation in getting all documents and reports requested for the audit. There were several questions about the audit by the Council with a question about the difference in actual to budgeted revenues. Finance Director Rapp responded that the staff budgets at zero base and stated that the GRT was a bit lower than hoped. City Manager Redmond commented that the Finance Director was working closely with him to keep the numbers close to the budgeted amounts. Ms. Rapp commented that expenses are always budgeted a bit higher than actual expended, and if funds are not expended, then it is absorbed in the budget. She added that funds were taken out of reserves into capital expenditures. She stated that the City needs to invest in the infrastructure or the City will be in trouble in the future. City Manager Redmond stated that he and Ms. Rapp are looking at the budget on a daily basis. He told the Council that 80% of the budget is salaries and benefits, which leaves little wiggle room for expenses. He stated that staffing is the biggest issue, and that hiring had been frozen except for public safety positions. Redmond stated that the City has applied Band-Aids instead of maintaining its equipment. He commented that municipalities around the state are seeing the problem of lower revenues—that we will see the erosion of the GRT on the local level. He added that this is the issue that impacts the City, but that we cannot address because it is controlled at a higher level. Mayor King asked where the City was in the budget process. Mr. Redmond stated that we are a bit ahead of schedule and that staff will be looking at the budget carefully. Ms. Rapp responded that the interim budget is due by June 1st and that it must be brought to Council prior to being submitted. Mayor King suggested a

workshop on the budget with Council. She asked for suggestions for increasing revenues. Councilor Robinson asked about wording the auditor used regarding increases in salaries and asked where that was reflected in the audit. Ms. Rapp responded that it is not easily seen in the budget and that it is lumped into the total. City Manager Redmond stated that the increases are in benefits and not just salaries. He stated that the \$2 million dollars mentioned by the auditor was invested into the city's infrastructure, and that the City got the benefit from the improvements. Councilor Lovett commented that the city has to be able to cut expenses and asked where we were in revenues against expenses. Ms. Rapp responded that the big issue is the GRT revenues—commenting that revenues versus budget estimates are down 19%. Mayor King asked how expenses look against the revenues. City Manager Redmond answered that the departments are not spending any money in capital outlay and have frozen spending. Ms. Rapp commented that the City is below budget in expenses. Mr. Redmond stated that he was looking at not spending if at all possible. Mayor King asked if there was need for action on the audit. Ms. Rapp asked for Council to accept the audit. Mayor King asked the pleasure of the Council. ***Councilor Lovett made the motion to accept the audit for 2012-2013 as presented. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(C) RATIFICATION OF FINANCE DEPARTMENT'S ACTIONS REGARDING BILLS FOR JANUARY 2014

Mayor King asked Marilyn Rapp, Finance Director, to report on the bills for January 2014. Ms. Rapp told the Council that the Finance/Administration Committee had not been able to meet but that the bills were sent to them for questions or comments. She reported that the bills for January were in the amount of \$1,344,493.40. She stated that the expenditures were necessary for the continued operation of the City and are within budgeted limits. She asked for questions and asked for ratification of the bills.

January 2014

Pooled Cash Fund	999	\$1,344,493.40
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Mayor King asked the pleasure of the Council. ***Councilor Lovett made the motion to ratify the payment of the bills for January 2014 as presented. Councilor Robinson seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(D) PRESENTATION OF NEW RECREATION CENTER

Mayor King asked Councilor Hunton and Ms. Kibbe to present the new recreation center topic. Mr. Hunton told the Council that he had an idea for the Recreation Center to improve the quality of life in the City and to create revenue. He stated that his presentation is to get ideas and plans moving forward for a new Recreation Center. Mr. Hunton directed the Council's attention to the plan shown on the screen for them. He told the Council that an indoor swimming pool is very much needed adding that it could be used year round and have staffing year round. He commented on the creation of jobs in the community. Hunton told the Council that a splash pad could be attached adjacent to the pool with entrance through the pool area to give people the opportunity to be outside. He talked about adding party rooms around the swimming pool for kids to swim and still have a private party, and that these rooms could be used for meeting rooms as well. He commented that a fitness center could be included and could be vital to increasing the GRT. Hunton stated that there would not be competition with existing business by contracting with businesses in the community. He listed multi-purpose courts; a gymnasium for accommodating the sports activities being run by the City; and a skating rink would be a good addition to the recreation center. He stated that the skating rink could be modified for ice skating. He commented

that racquetball courts could be additional services at this center. Hunton proposed that a 6 to 12 lane bowling alley could be added to help generate revenue. He stated that locker rooms would be needed for both the pool and gymnasium. Hunton commented that a snack bar could be added to help turn a profit. He stated that an indoor kid's play area for the kids to share would be a great addition; rock climbing and a skate park would be simple to add. He commented that the skate park could be moved inside to be controlled; video games would be useful around the center; a community computer lab would be useful with state testing to be available for the public. Mr. Hunton commented that a teen center could be a place for teens to gather safely; community theatre could be added and could attract grant funding. He added that a dog park could be included in the plans. He told the Council that the location for the recreation center is proposed as the sports complex on Industrial Drive. He commented that the City currently owns the land, and that it would be a great area for the proposed project. Jodi Kibbe presented the multi-purpose field for soccer and football commenting that the field could be used for tournaments with other communities; tournaments that the City sports programs cannot take advantage of at the current time for lack of facilities. She stated that this part of the project could be phased in with different facilities added in, such as restroom facilities. She told the Council that this would be a way to broaden what the City currently has in place. She stated that a field house was suggested as well. Mr. Hunton showed the Council a top view of the layout of the center and facilities. He stated that these are just ideas to let the Council know of the ideas. Hunton told the Council that the community lacks a recreation destination for families to spend time together. He stated that the City is in desperate need of a facility that children can visit and have a good time. He told the Council that this would slow the leakage of funds out of the community. Councilor Lovett commented that it is good to dream and that this is a project that can be built in the future. Councilor Hunton asked that the City Manager begin looking at such a project. City Manager Redmond stated that the City will need some professional assistance, and that the project needs to be suited to the City. Mayor King told the Council that she thought that maybe this project could be phased in over time. Councilor Parker asked if the City pays for use of the school facilities. City Manager Redmond responded that the City does not pay for use of the facilities. Ms. Kibbe told the Council that transportation is a big issue for the center currently. She stated that sports grants could be accessed to get some of the funding for such a project. Ms. Kibbe told the Council that a gymnasium would greatly benefit the community. Councilor Robinson commented that Ms. Kibbe had given this presentation at the city league sports' in-service meeting last night and that those present were overwhelmingly in favor of the proposal. Robinson stated that he was in favor of the gymnasium part of the proposal. Ms. Riki Seat, DWI Program Coordinator, asked the Council to consider getting input about recreation from the high school group that is showing movies at the high school theatre. Councilor Hunton and Ms. Kibbe ended their presentation. Mayor King asked for 2 or 3 members of the Council to volunteer to serve on a committee to work on the proposed project with Mr. Hunton. Councilors Lovett and Robinson volunteered for the committee.

(E) REQUEST FOR APPROVAL TO PURCHASE PICKUP TRUCK FOR SANITATION DEPARTMENT

Mayor King asked for presentation of the request for approval to purchase a pickup truck for the Sanitation Department. City Manager Redmond asked that this item be tabled. Mayor King asked the pleasure of the Council. *Councilor Hunton made the motion to table the request for approval of purchasing a pickup truck for the Sanitation Department. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(F) RESOLUTION #13-14-38, A RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION FOR AIRPORT AID TO THE NEW MEXICO DEPARTMENT OF TRANSPORTATION – AVIATION DIVISION (NMDOT – AVDIV) AND OBLIGATION OF SPONSOR MATCHING FUNDS, AND AUTHORIZATION TO ACCEPT THE RESULTING GRANT OFFER ONCE TENDERED (AIRPORT ACTION PLAN)

Mayor King asked Mike Parkey, General Services Director, to present Resolution #13-14-38 authorizing submittal of an application for airport aid. Mr. Parkey told the Council that the resolution authorizes submission of an application for airport aid for an airport action plan. He stated that he had been working with the City Manager on revenues and the budget. He told the Council that the airport has no vacancies in its hangars. He commented that he had met with the state and that they are willing to do a 50/50 shared project. Parkey told the Council that an Airport Action Plan would be the first step to getting funds for building hangars. He added that this would be a good way to increase revenues for the City. He added that, although the project is not budgeted for this fiscal year, it could commence in May, but not billed until next year's budget. He asked for approval to submit the application from the Council. He stated that the cost to the city could be up to \$10,000.00. Councilor Lovett commented that this project would assist with the improvements at the new Industrial Park. Councilor Lucero asked how much hangars would cost to rent. Parkey stated that it is \$125.00 a month to rent a hangar. City Manager Redmond stated that this is critical to the use of the airport. He commented that the airport has to be supplemented by the General Fund. Parkey commented that it has been 14 years since an Airport Action Plan has been done, and it is needed to develop the airport. Mr. Redmond stated that it would help in generating funds for the City and that this is the first step in taking advantage of opportunities for funding. Mr. Parkey told the Council that the resolution also obligates City matching funds, and authorizes acceptance of the resulting grant offer once tendered. Mayor King asked the pleasure of the Council. ***Councilor Parker made the motion to adopt Resolution #13-14-38, authorizing submission of the application for airport aid to the NMDOT – Aviation Division; obligating City matching funds; and authorizing acceptance of any resulting grant offers once tendered for an Airport Action Plan. Councilor Thomas 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.***

(G) REQUESTING APPROVAL TO SUBMIT DWI GRANT APPLICATION TO THE DEPARTMENT OF FINANCE & ADMINISTRATION (DISTRIBUTION FUNDS)

Mayor King asked Riki Seat, DWI Program Coordinator, to present the request to submit the DWI Grant application for distribution funds. Ms. Seat told the Council that it is time to submit the request for funding for the program, and that it is no longer competitive. She stated that the state tells the programs how much can be requested. She added that the funding is contingent upon the state not taking away funds from the programs. Ms. Seat asked for approval from the Council. Councilor Lovett asked Ms. Seat if the City would have to put in the difference if the state funding is reduced by a third. Riki Seat responded that the City match is only in-kind. City Manager Redmond commented that this is only the application and that the Council would need to approve any grant received. Mayor King asked the pleasure of the Council. ***Councilor Lovett made the motion to approve the request to submit the grant application for distribution funds from the NM Department of Finance & Administration. Councilor Lucero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(H) REQUESTING APPROVAL TO SUBMIT DWI GRANT APPLICATION TO THE NMDOT (UNDERAGE DRINKING PREVENTION PROGRAM)

Mayor King asked Riki Seat, DWI Program Coordinator, to present the request to submit the DWI grant application to the NMDOT for funding an underage drinking prevention program. Riki Seat asked the Council for authorization to apply for a grant in the amount of \$36,000.00 to fund a prevention program in the schools. She stated that the City's in-kind match will cover the match for this grant. She stated that the funding would be to hire a prevention person to go into the schools to promote the program. Ms. Seat asked for Council approval. Mayor King asked the pleasure of the Council. ***Councilor Lovett***

made the motion to approve the request to submit the grant application for underage drinking prevention funds from the NMDOT. Councilor Robinson seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.

(I) RESOLUTION #13-14-39, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO SIGN AND SUBMIT TO THE NM DEPARTMENT OF TRANSPORTATION FOR THE FY 2014-2015 LOCAL GOVERNMENT ROAD FUND

Mayor King asked Public Works Director John DeSha to present the resolution authorizing the 2014-2015 application to the NMDOT for Local Government Road Funds. Mr. DeSha asked that the Council adopt Resolution #13-14-39 authorizing the City Manager or his designee to sign and submit the application. He told the Council that the City applies for an annual Cooperative project with the NMDOT for street rehab and maintenance. He told the Council that the project area was on 18th Street from U.S. 70 to Avenue O and that the total cost of the project is estimated at \$74,930.22 with the state's share in the amount of \$56,197.66 (75%) and the city's share in the amount of \$18,732.55 (25%). He told the Council that the City's share is done through in-kind contributions of funds, personnel, equipment and materials. He asked the Council to adopt the resolution. Mayor King asked the pleasure of the Council. *Councilor Robinson made the motion to adopt Resolution #13-14-39, authorizing the City Manager or his designee to sign and submit for the Local Government Road Fund. 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.*

(J) REQUEST TO NEGOTIATE A CONTRACT FOR PROFESSIONAL ADMINISTRATION OF A MUNICIPAL D.O.T. DRUG & ALCOHOL PROGRAM

Mayor King asked City Clerk Martinez-Terry to present the request to negotiate a contract for the City's drug screening program. Martinez-Terry told the Council that the contract for professional administration of a Municipal D.O.T. Drug and Alcohol Program is up for renewal. She reported that only one (1) proposal was received for the current provider, Quest Diagnostics, for services to include, testing, record-keeping, and annual management of required information for D.O.T. monitoring of the program. Martinez-Terry asked for negotiation of a contract with Quest Diagnostics. She commented that staff has been working with Quest Diagnostics to get Roosevelt General Hospital as the testing site for pre-employment testing, random testing and post-accident testing. Mayor King asked the pleasure of the Council. *Councilor Parker made the motion authorize negotiation of the contract for drug testing with Quest Diagnostics. Councilor Lucero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(K) RESOLUTION #13-14-40, A RESOLUTION DIRECTING THE CITY OF PORTALES HUMAN RESOURCES OFFICE TO IMPLEMENT A VETERANS INITIATIVE FOR THE PURPOSE OF INCREASING OPPORTUNITIES FOR VETERANS TO OBTAIN CITY EMPLOYMENT

Mayor King asked City Clerk Martinez-Terry to present Resolution #13-14-40, regarding the initiative to increase opportunities for Veterans to obtain City Employment. Martinez-Terry told the Council that Mr. Jim Cassidy, representative of New Mexico Workforce Connections, had approached the City requesting a resolution supporting increasing opportunities for veterans to obtain positions with the City. She told the Council that the resolution directs the HR office to help veterans in applying for city jobs, and if qualified, to afford them the opportunity to interview for the jobs. She asked the Council to adopt the resolution. Councilor Parker asked if qualified veterans were not already given the opportunity to interview. Martinez-Terry responded that it is the City's policy already, but that Mr. Cassidy requested formal action by the Council. Mayor King asked the pleasure of the Council. *Councilor Parker made the motion to*

adopt Resolution #13-14-40, directing the City's HR Office to implement an initiative for increasing opportunities for veterans to obtain City employment. Councilor Lovett 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.

(L) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor King asked for items of other business.

Bid Opening for Wastewater Treatment Plant: Public Works Director DeSha reminded the Council of the bid opening for construction of the Wastewater Treatment Plant set for 4 p.m., tomorrow (Wednesday) February 19 in the City Hall Conference Room.

Testing & Certification by Water & Public Works Employees: Public Works Director DeSha reported that 4 people from his departments had tested for State Water and Wastewater certification and that all of them had passed.

ADJOURNMENT:

There being no further business or comments, Mayor King adjourned the meeting at 8:35 p.m.

Joan Martinez-Terry, City Clerk