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THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, August 19, 2014, at 6:30 p.m., in the Council Chambers at the Memorial Building, 200 E. 7th Street, Portales, NM 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: Michael G. Miller (absent)

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

STAFF PRESENT: Doug Redmond, City Manager Pat Gallegos, Police Chief
Marilyn Rapp, Finance Director John DeSha, Public Works Director
Joan Martinez-Terry, City Clerk Randy Knudson, City Attorney
Veda Urioste, Deputy City Clerk Christine Mitchell, I. T. Technician
Gary Nuckols, Fire Chief Jamie Rose, Assistant to City Manager
Paul Johnson, Park/Cemetery Supt. Matthew Wilson, Water Superintendent
Riki Seat, DWI Program Director Susan Baysinger, Public Works Proj. Adm.

OTHERS PRESENT: Christina Calloway, Press Dr. Steven Gamble, ENMU President
Ronnie Birdsong, VP Univ. Rel. Amelia Christiansen, HomeSpot/MainStreet
Justin Cole Stanley Livengood, RCCDC Director
Rena Garrett Duane W. Ryan, Director of Broadcasting
Wendel Slone

Mayor King asked Dr. Steven Gamble, ENMU, to give the invocation, and Public Works Director John DeSha to lead the Pledge of Allegiance and the Salute to the New Mexico flag.

(A) MINUTES OF PREVIOUS MEETING(S):

1. Regular Meeting of August 5, 2014.

Mayor King asked the Council to consider the minutes of the Regular Meeting of August 5, 2014. She asked for questions and hearing none she asked the pleasure of the Council. *Councilor Parker made the motion to approve the minutes of the regular meeting of August 5, 2014 as presented. Councilor Hunton seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

PROCLAMATION CELEBRATING 40 YEARS OF KENW-TV

Mayor King called Duane Ryan, ENMU Director of Broadcasting, forward to receive the proclamation celebrating 40 years of KENW-TV. She read the proclamation aloud recognizing 40 years of broadcasting and teaching of broadcasting in the area. She told the group present that Duane Ryan is the only director of broadcasting since the inception of KENW in 1968. She congratulated the university and staff for their service to the area. She proclaimed the month of September 2014 as KENW Broadcasting Month. She asked Mr. Ryan to address the group. Ryan told the Council and audience that he had a dream to start a radio and television program from the ground up when he came to Portales. He commented that “you don’t do it alone and that we had great people over the years helping us.” He stated that the program had 15 people at the start and that about half of them worked 25 years or more. He told the Council and audience that he was grateful to Eastern New Mexico University as being the one that made it all possible. He related that the first President of ENMU was Charles Meister who put up \$2500.00 to build the first radio station that was built in the attic of the Administration Building. Ryan said that they didn’t think it would be nice to broadcast from an attic so they called it the Tower Room of the Administration Building. He commented that they went on the air on October 1st of 1968 and broadcast from the Tower Room until the FCC paid them a visit in 1971 or ’72. The FCC told them that they had to have all the students licensed. He commented that they operated from 7 a.m. to midnight with a student operator every hour. He said that the FCC shut them down, but that they continued with an AM station that played “the good stuff.” He added that the FM station only played classical music. He joked that the students mispronounced the name Chopin to the FCC. He said that in 1973 they wanted to put a TV station on but had to wait for New Mexico State to put theirs on. He said that the President of ENMU was brave enough to let them put the TV station in with grant money. He said that the present President was very supportive of the efforts of the broadcast center and obtained more funding for them than any of the others. He said that the previous Presidents were supportive if they could find the money to do it. He stated that this President has found the money for them. He thanked Ronnie Birdsong and President Gamble for their support. He mentioned Frankye King, the Mayor’s mother, as a supporter of KENW. President Gamble stated that “Duane Ryan is the station.” He stated that it was Mr. Ryan’s inspiration that got the station where it is today. He thanked Duane Ryan for his efforts.

(B) RATIFICATION OF FINANCE DEPARTMENT’S ACTIONS REGARDING BILLS FOR JULY 2014

Mayor King asked Ms. Marilyn Rapp, Finance Director to present the bills for July 2014. Ms. Rapp told the Council that the total paid in the month of July 2014 was \$2,681,557.59. She told the Council that the largest parts of the expenditures were for construction costs and engineering services for the Waste Water Treatment Plant (WWTP) and insurance premiums for liability and workers compensation coverage. She commented that the amounts were within budgeted limits. She asked for questions from the Council; and asked for ratification of the bills.

July 2014

Pooled Cash Fund	999	\$2,681,557.59
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Mayor King asked the pleasure of the Council. *Councilor Robinson made the motion to ratify payment of the bills for July 2014 as presented. Councilor Parker seconded the motion. All Councilors present voted in favor of the motion. No abstentions. Motion carried.*

(C) PUBLIC HEARING FOR ALCOHOL & GAMING – WHOLESALER LICENSE FOR ROOSEVELT BREWING, LLC/ROOSEVELT BREWING COMPANY & PUBLIC HOUSE—JUSTIN COLE, OWNER

1. Action to enter into public hearing for Wholesaler License.

Mayor King stated that this item is for a public hearing for a Wholesaler's License for Roosevelt Brewing, LLC/Roosevelt Brewing Company and Public House. She commented that Justin Cole was present for the public hearing. Mayor King said that Mr. Cole wants to expand his license into a distributor so he can wholesale the beer that he is brewing. She asked for a motion to enter into public hearing to receive comments on the Wholesaler License. *Councilor Parker made the motion to enter into public hearing. Councilor Thomas seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

Mayor King asked for comments or questions from the Council. She then opened it up to the public. There were no comments offered.

2. Action to close the public hearing.

Mayor King asked for a motion to close the public hearing. *Councilor Lucero made the motion to close the public hearing. Councilor Hunton seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

3. Action by Council on Wholesaler License.

Mayor King asked the pleasure of the Council regarding the Wholesaler License presented. *Councilor Thomas made the motion to approve the Wholesaler License for Roosevelt Brewing, LLC/ Roosevelt Brewing Company & Public House. Councilor Hunton seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(D) PRESENTATION OF THE ROOSEVELT COUNTY COMMUNITY DEVELOPMENT CORPORATION (RCCDC) PROGRESS REPORT

Mayor King stated that this item is a presentation on the RCCDC. City Attorney Knudson asked for the presentation by Mr. Stan Livengood be moved down on the agenda. He commented that Mr. Livengood may have thought the meeting was at 7:00 p.m.

(E) REQUEST TO PURCHASE JOHN DEERE 310SK BACKHOE LOADER

Mayor King asked Public Works Director John DeSha to present the request to purchase a backhoe loader. Mr. Desha told the Council that this is a capital purchase request in the Water Department. He stated that this was budgeted for this year. He stated that the main backhoe is a 2003 Terrex showing its age and that it is difficult to get parts since they come from England. He added that the backup to that backhoe is a 1989 John Deere that again is showing its age, but still has good service. DeSha stated that the plan is put the new backhoe in the field and move the old one out to the well field. He commented that the request is to purchase a John Deere 310SK backhoe loader through 4-Rivers Equipment out of Hobbs, New Mexico, which is on a CES (Cooperative Educational Services) purchasing contract for the amount \$87,656.00, which is a

very good price. He commented that the equipment will handle anything the City needs. Mayor King asked for questions. Councilor Robinson commented that, a few meetings ago, the City Manager had presented a request to get technical assistance from the state for equipment. DeSha responded that was an auction that the City is authorized to buy used equipment from the State—typically would be for trucks and pickups. Councilor Thomas asked if the department couldn't do without it. DeSha responded that the City would be better with it adding that when the Terrex went down it took 3 months to get parts. Councilor Thomas asked where the new one was being manufactured. DeSha responded that the new one is a John Deere and that the parts can be obtained locally. Mayor King asked the pleasure of the Council. ***Councilor Thomas made the motion to approve the purchase of the John Deere 310SK backhoe loader for \$87,656.00. Councilor Hunton seconded the motion. All Council members present voted in unanimous support of the motion. No abstentions. Motion carried.***

(F) REQUEST TO AUTHORIZE THE MAYOR'S SIGNATURE ON JUVENILE ADJUDICATION FUND GRANT (JAF) AGREEMENT NO. 15-J-23

Mayor King asked DWI Program Director Riki Seat to present the request to authorize the JAF Grant Agreement No. 15-J-23. Ms. Seat told the Council that she was present to request authorization of the Mayor's signature on the Juvenile Adjudication Fund grant. She commented that she had requested \$15,000 and that the grant was for \$13,500, which is \$1,000 more than was received last year. She stated that the purpose of the grant is to take the Teen Court Attorneys to a retreat in October for team building and that they have four other court associations to partner with them. She asked for their approval. Mayor King asked for questions. Councilor Parker asked if the program had done this in the past. Ms. Seat responded that this is the first year. She added that they hope to make it an annual event to inspire the kids in the program. Councilor Hunton asked if City Attorney Knudson or Doerr had read the agreement. City Attorney Knudson responded that they had read the agreement and that it is a standard agreement. Mayor King asked the pleasure of the Council. ***Councilor Robinson made the motion to authorize the Mayor's signature on the JAF grant agreement No. 15-J-23. Councilor Parker seconded the motion. All Council members present voted in unanimous support of the motion. No abstentions. Motion carried.***

(G) REQUEST TO RENEW NON-EXCLUSIVE USE AGREEMENT WITH PORTALES BOWHUNTERS CLUB FOR 2014-2015

Mayor King asked Jodi Kibbe, Recreation Director, to present the renewal of the non-exclusive use agreement with the Portales Bowhunters Club for 2014-2015. Ms. Kibbe that this is the annual renewal of the agreement with the Portales Bowhunters that allows them to use the back room of the Recreation Center for indoor shooting and piece of land out on the Cacahuete highway for their outdoor shooting. She stated that this is the same agreement as brought to them last year. Mayor King asked why they are charged \$500 for the agreement. Ms. Kibbe commented that the fee was in lieu of having all their members pay for an individual membership to the Recreation Center. City Attorney Knudson commented that this was taken to the Recreational Advisory Board and that this was discussed. Councilor Robinson said that the Bowhunters also put on workshops for the Recreation Center members as part of their agreement. Ms. Kibbe stated that they did put on their workshop last year on a Saturday in November. Mayor King asked the pleasure of the Council. ***Councilor Parker made the motion to approve renewal of the non-exclusive use agreement with the Portales Bow hunters Club as presented. Councilor Robinson seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(H) ITEM(S) FROM PUBLIC WORKS COMMITTEE:**1. Recommendation regarding operations at Convenience Center.****a. Convenience Center Discussion.**

Mayor King asked Councilor Hunton to present the recommendation of the Public Works Committee on operations at the Convenience Center. Councilor Hunton reported that the Committee met last Thursday (August 14, 2014) to discuss the two items that have been discussed for some time. He commented that the Committee's recommendation on the Convenience Center was discussed with the Public Works Director DeSha and City Manager Redmond. He stated that because the County is in an unsettled situation right now, the group decided to leave everything as it is—to stay open 7 days a week and let the City Manager talk with the new County Manager once the County hires one. Councilor Hunton stated that this would give the County an opportunity to see if they will help us and the county residents out. He stated that the Committee recommendation is to leave things as is for a couple of months until the new County Manager is in place. Mayor King asked for comments. Councilor Parker restated the recommendation was to keep the Convenience Center open 7 days a week and that the county residents can continue to take their trash to the center. Public Works Director DeSha responded that there would be no change in operations—business as usual. Councilor Hunton said that the City would continue to keep the log of who brings in trash. Councilor Thomas stated that this would give them a couple of month's grace period to see how things will progress in the near future. Councilor Parker asked how it was working out. DeSha stated that county residents are still asking a lot of questions, because no one has given them any kind of information. He added that, if this is approved, the City will let them know that disposal of county trash will continue for a short period of time to give the county a chance to rethink their decision. Councilor Hunton commented that the hope is that the County will have a new manager within two months. He added that if this did not occur, the issue can be addressed again. Mayor King asked the pleasure of the Council. ***Councilor Lovett made the motion to accept the recommendation of the Public Works Committee to continue to operate the Convenience Center, collect the data, for two months, and wait to negotiate for payment with a new County Manager. Councilor Thomas seconded the motion. All Council members present voted in unanimous support of the motion. No abstentions. Motion carried.***

2. Recommendation regarding Utility Rates.**a. Convenience Center Discussion.**

Mayor King asked Councilor Hunton to present the recommendation of the Public Works Committee on utility rates. Councilor Hunton told the Council that the Public Works Committee had discussed the utility rates going forward because the City will have to see a change with construction of a new Waste Water Treatment Plant (WWTP). He stated that the Committee had previously looked at a \$60.00 increase to our citizens, but that after much discussion, the increase was brought down to \$31.50. He told the Council that the Committee recommended that the City adjust the base rate fees an additional \$31.50 as follows:

- Increase of \$12.50 per month on the base water rate
- Increase of \$15.00 per month on the base sewer rate
- Increase of \$4.00 per month on the base trash rate

Councilor Hunton told the Council that this would make the debt service payment on the loan to build the new WWTP and the increase for running the plant. He added that it would also provide a little extra for the two payments required to be held in the bank within the first six (6) years. Councilor Hunton and Lucero commented that this was for the Waste Water Treatment Plant and Reuse facility. Councilor Hunton stated that this was the recommendation of the Public Works Committee for the water, sewer and trash service per month. Councilor Thomas asked if this had already been started commenting that a couple of years ago, the Council had talked about walking that increase up. He asked if the City was walking that up or was it

jumping up to the higher rate. DeSha responded that it was his understanding that Councilor Thomas' question about the increases actually related to the City's part of the Ute Water Project not for a WWTP. He added that this was because the City had no idea what it would cost. Councilor Thomas responded that he remembered that the Committee had talked about easing into the higher rates. He commented that for a lot of people \$31.00 is a lot of money, but he reminded everyone that we have pretty cheap water as compared to other parts of New Mexico. He stated that he was fine with it—have to do it. Councilor Parker asked when it would become effective. Councilor Hunton answered that it would become effective by January 1st—and the rates have to be changed by ordinance, which was corrected that it was by resolution. Councilors Lucero and Hunton commented that the resolution should be done as soon as possible to give people time to get adjusted to the new rates. DeSha stated that the City would need to do some education about the need and that the Committee had talked about a sample bill that would show what it would look like with the increased rates. Councilor Hunton said that the rate per gallons would also need to be changed to increase the number of gallons for the minimum fixed charge. He commented the minimum could go from 2 thousand gallons to perhaps 4 or 5 thousand gallons. Councilor Parker asked if the Council would have to address such increases in the coming years. DeSha responded that the Council would have to watch as costs go up, but that this would cover the City's obligation for the debt service. He commented that as other costs go up, the rates may have to go up as well to maintain the payments needed to be kept in the bank. Councilor Hunton commented that the rates would have to be looked at again in about 24 to 30 months. Councilor Parker asked if this was for everybody—residential as well as commercial. DeSha responded that it was across the board. DeSha stated that the City does not have a big industrial base in our water customers (maybe six (6) accounts). He added that we may have 300 to 350 commercial customers, and that the commercial customers use less water than the residents. He commented that the Committee looked at making it an even across the board on the base rates and then then go in with the rates on the water consumption, which would affect the customer depending on how they conserve. He explained that as our conservation efforts improve and people use less water we would be in the situation as Albuquerque when they raised their water rates and people used less water they wound up with less money available for their projects. He commented that this is why they attached this to the base rates instead of coupling everything to the consumption. Mayor King said that from all the groups she is on that are addressing the water issues, she guarantees that rates will continue to go up. She added that as long as our water availability keeps falling it will cost more and more. Councilor Parker stated that the Council realizes that fact, but that all of a sudden this is a big jump. Councilor Parker added that the Council understands the reasons, but that the customer will only look at the bill and how much it will affect them. Councilor Hunton stated that part of the education will be on the water bill—which will say “starting January 1st, this is what your rate will be.” Councilor Parker asked if the City would let the customer know why this is happening. Mr. DeSha responded that the information is on the website, Channel 19, anyone that we talk to and that it will be ramped up. Councilor Lucero commented that he understood that staff will continue to research grants that will help mitigate the cost to the customer in the future. He spoke about the reuse component of the project, which will also help conserve drinking water. He added that he doesn't like high rates but that this is the only way that the City can afford to stay in compliance on the WWTP, and continue to have water for the future. Mayor King commented that, as Councilor Thomas said, we have been fortunate that our rates have been so low for so long. Mayor King stated that Councilor Hunton wanted to separate items (a) and (b) as far as taking a vote. Mayor King asked the pleasure of the Council regarding the base rate increase. ***Councilor Hunton made the motion to direct staff to develop a resolution adopting the recommended base rate increase of \$31.50 for the Council to look at next month. Councilor Lucero seconded the motion. All Council members present voted in unanimous support of the motion. No abstentions. Motion carried.***

b. Recommendation of Flat Monthly Fee to the Water Co-op of \$17,500.

Councilor Hunton told the Council that the Public Works Committee also recommended charging the Roosevelt County Water Co-op (RCWC) a flat monthly fee of \$17,500. He commented that this was figured using the RCWC's 1400 customers times the \$12.50 base water rate increase. He stated that the RCWC was in agreement with that. Mayor King asked for questions. DeSha commented that the RCWC had said that

they were comfortable with revisiting that on a yearly basis as their customer base goes up. Councilor Thomas asked if this is a binding contract with the RCWC. He asked if the amount could be increased in the event that some big industry comes into the county. Councilor Hunton commented that the RCWC rates would go up but that this fee is built on a per-account basis. City Manager Redmond stated that the \$17,500 is the base charge on their bill. Councilor Hunton commented that this would go on top of what they already pay—that it is not tied to consumption at all. DeSha told the Council that this increase to the RCWC would generate about \$210,000 a year. Mayor King asked the pleasure of the Council regarding the flat monthly rate increase to the RCWC. ***Councilor Robinson made the motion to adopt the recommendation of the Public Works Committee to charge the flat monthly fee of \$17,500 monthly to the RCWC as presented. Councilor Thomas seconded the motion. All Council members present voted in unanimous support of the motion. No abstentions. Motion carried.***

(D) PRESENTATION OF THE ROOSEVELT COUNTY COMMUNITY DEVELOPMENT CORPORATION (RCCDC) PROGRESS REPORT

Mayor King recognized RCCDC Director Stan Livengood present to give his report. Mr. Livengood told the Council that he would not go over the written report that he had submitted to them. He stated that his contract requires him to speak to the County every two (2) weeks and to keep the Council informed as to what he is doing. He told the Council that the report was an easy way to report on his activity in the first six months. He talked about the excellent collaboration in the community. He gave two examples: 1) one is the Portales Inn project that Steve Crozier is looking at remodeling the hotel and making it 60 apartments. He stated that Mr. Crozier had contacted him last week to state that the scoring criteria set by the NM Mortgage Finance Authority (NMMFA) will be changing, and that this is moving forward albeit slowly. He stated that he worked with the Roosevelt County Chamber of Commerce and the MainStreet Program to send letters to the NMMFA asking them to leave the scoring criteria alone. 2) He reported that a man by the name of Terry O'Donnell is looking at starting a business in Portales—he is an appliance repairman in upper Maine. He is interested in the area because his son lives in El Paso, TX and he wants to be closer to his grandson. He commented that O'Donnell's son suggested that he look at Portales or Clovis and that the Small Business Development Center put O'Donnell in contact with Livengood. He stated that there is an 85% chance of getting him to come to Portales. Livengood told the Council that he took him around the community to make some contacts with landlords that would help him with potential business. He said that his problem is that he has to sell a house and he is in a place where the market is bad and that this is the limiting factor. Livengood explained that his focus is on business assistance. He mentioned that Danny Armijo of the NM Education Extension Partnership is working with Justin Cole with a process analysis to help him improve his efficiency. Livengood commented that he has been talking to USDA Rural Development about assisting with those kinds of projects. He commented that Mr. Armijo will be working with the Roosevelt General Hospital helping them with efficiency study, and he also will be giving some leadership training to Hampton Farms. Mr. Livengood reported that five (5) of their leadership group will be training with Armijo. He stated that he had facilitated a presentation of on a job training incentive program by the NM Economic Development Department at Hampton Farms and to Justin Cole. This was to help people who start a new job—the program helps to pay for training of that employee depending on the difficulty of the job. Livengood mentioned starting a movie theatre feasibility study working with a consultant who runs movie theatres out of Kansas City, Kansas in communities the size of Portales. He added that his long term goals include the industrial park, which he said needs to be completed. He commented that the City should be doing construction of roads at the industrial park. Livengood stated that the EPA studies will cost about \$15,000.00 and that the price for the land needs to be established. He added that the industrial park may need a railway spur for ease in transporting product. He ended his presentation by stating that he had found out that Xcel Energy gives rebates if the user saves electricity. He asked for questions from the Council. Mayor King thanked him for his report.

(I) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor King asked for items of Other Business.

There were no items of Other Business.

ADJOURNMENT:

Mayor King adjourned the meeting at 7:30 p.m.

Joan Martinez-Terry, City Clerk