

TABLE OF CONTENTS FOR COUNCIL MEETING HELD JANUARY 5, 2016:

- A. Minutes of Previous Meeting(s):
 - 1. Regular Meeting of December 15, 2015.
- B. Public Hearing for Ordinance No. 715, An Ordinance Approving an Economic Development Project:
 - 1. Action to enter into Public Hearing to Receive Comments on the Ordinance.
 - 2. Action to close the public hearing.
 - 3. Action on Ordinance No. 716 as a result of the public hearing.
- C. Item(s) from the City Manager's Office:
 - 1. Intergovernmental Agreement between the New Mexico Economic Development Department and the City of Portales.
 - 2. Project Participation Agreement between the City of Portales and Ready Roast Nut Company.
- D. Resolution #15-16-27, A Resolution authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement between the New Mexico Finance Authority ("Finance Authority" or the "Lender/Grantor") and the City of Portales (The "Borrower/Grantee"), in the Total Amount of Five Hundred Sixty Thousand Dollars (\$560,000), Evidencing an Obligation of the Borrower/Grantee to Utilize the Loan/Grant Amount Solely for the Purpose of Financing the Costs of Planning, Design, Permitting, and Completing Environmental Surveys for Water Storage System Improvements to Include Phase I Hwy 70 Johnson Hill Water Tank 1 and Tank 2 Rehabilitation, Phase 2 Replacement of Rotary Park Elevated Water Storage Tank and Phase 3 Lime Street Underground Storage Tank Rehabilitation, and Solely in the Manner Described in the Loan/Grant Agreement; Providing for Payment of the Loan Amount and an Administrative Fee Solely from the Net System Revenues of the Joint Water and Wastewater System of the Borrower/Grantee; Certifying that the Loan/Grant Amount together with Other Funds Available to the Borrower/Grantee is Sufficient to Complete the Project; Approving the Form of and Other Details Concerning the Loan/Grant Agreement; Ratifying Actions Heretofore Taken; Repealing all Action Inconsistent with this Resolution; and Authorizing the Taking of Other Actions in Connection with the Execution and Delivery of the Loan/Grant Agreement.
- E. Selection of FY 2016 Project Based on the Application Eligibility Criteria.
- F. Request for City of Portales to Act as Fiscal Agent to Expend General Obligation Bond Series 2015 Funds in the Amount of \$125,000 through the NM Aging & Long Term Services Department to Purchase and Equip Vehicles for the Community Services Center.
- G. Other Business/Citizens to be Heard.

THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, January 5, 2016, at 6:30 p.m., in the Council Chambers of 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	
COUNCIL MEMBERS:	Matthew Tod Hunton (absent) Leo Lovett (absent) Lenard Michael Lucero Dianne Y. Parker (absent)	Oscar H. Robinson Antonio O. Salguero (absent) Keith A. Thomas
STAFF PRESENT:	Sammy Standefer, City Manager Joan Martinez-Terry, City Clerk Veda Urioste, Deputy City Clerk David Meeks, Police Lieutenant Donna Rutherford, Interim Plan'g Dir.	John DeSha, Public Works Director Steve Doerr, City Attorney Marta Quiroz, Admin. Assistant Susan Baysinger, PW Projects Adm. Christine Michelle, I.T. Technician
OTHERS PRESENT:	Eamon Scarbrough, Press Michelle Madrid, CSC Assistant Dir. Orlando Ortega, RCCDC Exec. Dir. Antonio Ramirez Michelle Lee Bailey	Vonnie Banther, CSC Exec. Dir. Jim Lucero, Ready Roast Nut Co. Jessica J. Smith Mark Roper

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

(A) MINUTES OF PREVIOUS MEETING(S):

1. Regular Meeting of December 15, 2015.

Mayor King asked the Council to consider the minutes of the Regular Meeting of December 15, 2015. She asked for corrections or action on the minutes. Mayor King asked the pleasure of the Council. ***Councilor Robinson made the motion to approve the minutes of the regular meeting of December 15, 2015 as presented. Councilor Lucero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(B) PUBLIC HEARING FOR ORDINANCE NO. 716, AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT PROJECT

1. Action to enter into Public Hearing to Receive Comments on the Ordinance.

Mayor King asked for a motion to enter into Public Hearing to receive comments on Ordinance No. 716, an Ordinance approving an Economic Development project. ***Mayor Pro-Tem Miller made the motion to enter into public hearing to receive comments on Ordinance No. 716. Councilor Robinson seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

Mayor King asked City Manager Standefer if he wanted to present or if he wanted Mark Roper or Orlando Ortega the ordinance. Mr. Standefer invited Mr. Roper and Mr. Ortega to talk about the ordinance. Mark Roper of the NMEDD introduced Tony Ramirez as the NMEDD Regional Representative for eastern New Mexico. He commented that the purpose of the ordinance would allow for an agreement to move \$1.5 million to the City of Portales for improvements to Ready Roast Nut Company. He stated that further actions will be required to progress. Mayor King commented that her understanding of the project was that the City would get the money up front but that Ready Roast would have to request payments. Mark Roper responded that this is part of the agreement. She asked the City Manager if the City had the staff to handle this funding. City Manager Standefer responded that the City staff can handle it. He stated that it would not be a burden. Mayor Pro-Tem Miller clarified that the public should be commenting. RCCDC Executive Director Orlando Ortega spoke in support of the ordinance. Jim Lucero, representing Ready Roast, also spoke in support of the ordinance and asked for questions. Mayor King asked for further comments. There were no further comments

2. Action to close the public hearing.

Mayor King asked for a motion to close the public hearing. ***Mayor Pro-Tem Miller made the motion to close the public hearing. Councilor Thomas seconded the motion. All Councilors present voted in favor of the motion. No abstentions. Motion carried.***

3. Action on Ordinance No. 716 as a result of the public hearing.

Mayor King asked for action on Ordinance 716, An Ordinance approving an economic development project. Councilor Robinson asked about potential jobs—new jobs or just an extension of what is already in place. Jim Lucero responded that it was old jobs at this time. Mayor King asked for clarification of the purpose of the funding. Mark Roper responded that the funds are for infrastructure improvements to the plant such as fencing and other building improvements. Councilor Thomas stated that he understood that the City of

Portales is not responsible for the money. Mark Roper responded that the responsibility belongs to Ready Roast Nut Company and that there is no liability placed on the City of Portales. Mayor asked the pleasure of the Council. ***Mayor Pro-Tem Miller made the motion to adopt Ordinance No. 716 as presented. Councilor Thomas seconded the motion. Roll call vote of all Council members resulted in unanimous support of the motion. No abstentions. Motion carried.***

(C) ITEM(S) FROM THE CITY MANAGER'S OFFICE:

1. Intergovernmental Agreement between the New Mexico Economic Development Department and the City of Portales.

Mayor King asked Mark Roper to talk about the Intergovernmental Agreement (IGA) between the New Mexico Economic Development Department (NMEDD) and the City of Portales. Roper stated that the two documents are required to complete the LEDA funding project for the money to move between the entities. He commented that the IGA is between the NMEDD and the City of Portales for the City to act as fiscal agent for the state's LEDA project; and the Project Participation Agreement (PPA) is between the City of Portales and Ready Roast Nut Company for disbursement of the funds to Ready Roast. Mayor King asked the pleasure of the Council. ***Councilor Thomas made the motion to approve the IGA between the NMEDD and the City of Portales for the City to be fiscal agent for disbursement of the LEDA funds to Ready Roast Nut Company. Councilor Lucero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

2. Project Participation Agreement between the City of Portales and Ready Roast Nut Company.

Mayor King asked City Manager Standefer to present the Project Participation Agreement (PPA) between the City of Portales and Ready Roast Nut Company. Mr. Standefer told the Council that the PPA sets forth the details for disbursement of the funds granted by the NMEDD. He stated that the PPA requires a \$1.5 million letter of credit in the name of the City, which sets the claw back provision on project funding. He added that everything was submitted through general counsel (both sets of attorneys). Mayor King asked for questions. She asked the pleasure of the Council. ***Councilor Robinson made the motion to approve the Project Participation Agreement setting forth the details of the process for disbursement of the funds to Ready Roast Nut Company. Mayor Pro-Tem Miller seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

Mayor King thanked Mark Roper, Secretary Barela and Governor Martinez for assisting the plant to come back into operation in the community.

(D) RESOLUTION #15-16-27, A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER PROJECT FUND LOAN/GRANT AGREEMENT BETWEEN THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY" OR THE "LENDER/GRANTOR") AND THE CITY OF PORTALES (THE "BORROWER/GRANTEE"), IN THE TOTAL AMOUNT OF FIVE HUNDRED SIXTY THOUSAND DOLLARS (\$560,000), EVIDENCING AN OBLIGATION OF THE BORROWER/GRANTEE TO UTILIZE THE LOAN/GRANT AMOUNT SOLELY FOR THE PURPOSE OF FINANCING THE COSTS OF PLANNING, DESIGN, PERMITTING, AND COMPLETING ENVIRONMENTAL SURVEYS FOR WATER STORAGE SYSTEM IMPROVEMENTS TO INCLUDE PHASE I HWY 70 JOHNSON HILL WATER TANK 1 AND TANK 2 REHABILITATION, PHASE 2 REPLACEMENT OF ROTARY PARK ELEVATED WATER STORAGE TANK, AND PHASE 3 LIME STREET UNDERGROUND STORAGE TANK REHABILITATION, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN/GRANT AGREEMENT; PROVIDING FOR PAYMENT OF THE LOAN AMOUNT AND AN ADMINISTRATIVE FEE SOLELY FROM THE NET SYSTEM REVENUES OF THE JOINT WATER AND WASTEWATER SYSTEM OF THE BORROWER/GRANTEE; CERTIFYING THAT THE LOAN/GRANT AMOUNT TOGETHER

WITH OTHER FUNDS AVAILABLE TO THE BORROWER/GRANTEE IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN/GRANT AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THE EXECUTION AND DELIVERY OF THE LOAN/ GRANT AGREEMENT

Mayor King read the title of Resolution #15-16-27 aloud (A Resolution authorizing the Execution and Delivery of a Water Project Fund Loan/Grant Agreement between the New Mexico Finance Authority ("Finance Authority" or the "Lender/Grantor") and the City of Portales (The "Borrower/Grantee"), in the Total Amount of Five Hundred Sixty Thousand Dollars (\$560,000), Evidencing an Obligation of the Borrower/Grantee to Utilize the Loan/Grant Amount Solely for the Purpose of Financing the Costs of Planning, Design, Permitting, and Completing Environmental Surveys for Water Storage System Improvements to Include Phase I Hwy 70 Johnson Hill Water Tank 1 and Tank 2 Rehabilitation, Phase 2 Replacement of Rotary Park Elevated Water Storage Tank and Phase 3 Lime Street Underground Storage Tank Rehabilitation, and Solely in the Manner Described in the Loan/Grant Agreement; Providing for Payment of the Loan Amount and an Administrative Fee Solely from the Net System Revenues of the Joint Water and Wastewater System of the Borrower/Grantee; Certifying that the Loan/Grant Amount together with Other Funds Available to the Borrower/Grantee is Sufficient to Complete the Project; Approving the Form of and Other Details Concerning the Loan/Grant Agreement; Ratifying Actions Heretofore Taken; Repealing all Action Inconsistent with this Resolution; and Authorizing the Taking of Other Actions in Connection with the Execution and Delivery of the Loan/Grant Agreement) to the Council and audience.

The Mayor asked Public Works Director John DeSha to present Resolution #15-16-27 and the action requested to the Council. DeSha told the Council that staff had submitted an initial loan application to the Water Trust Board (WTB) on September 9, 2014 (Resolution #14-15-26) for planning, designing, permitting and completing environmental surveys for water storage improvements on the City's water tanks. He stated that a final application was submitted on April 13, 2015. He reported that the NMFA approved the application on June 26, 2015. DeSha told the Council that the WTB came back with a loan/grant amount of \$560,000 (40% loan amount--\$224,000 and 60% grant amount--\$336,000). He stated that the local match is for \$84,000, which was approved in the FY 15-16 budget. Mayor Pro-Tem Miller asked about the total amount of the project and if there were expectations of funding of the entire project. DeSha responded that the entire project is about \$12 million dollars, but that the improvements can be phased. Mayor King asked about the length of the loan, amount of the annual payments and if rates would have to be increased. (The agreement term is for no less than 20 years.) DeSha responded that the annual loan payments are \$11,000 and that rates would not have to be increased to pay the loan. He added that the loan is designed so that if the City has a bad year the payments for that year will be forgiven without it being added to the end of the loan. Councilor Thomas asked how long the tanks would last after the improvements. DeSha answered that the tanks should last 80 years. Councilor Lucero asked about the amount of sand in the tanks from the initial inspection. Public Works Director DeSha stated that there was not as much sand in the tanks as originally thought. He told the Council that Rotary Park tank will have to be replaced. He asked that the Council adopt the resolution. Mayor King asked the pleasure of the Council. ***Mayor Pro-Tem Miller made the motion to adopt Resolution #15-16-27, authorizing the execution and delivery of a water project fund loan/grant agreement between the NM Finance Authority and the City of Portales in the total amount of \$560,000 for water system improvements to the City's water tanks as presented. Councilor Thomas seconded the motion. Roll call vote of all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(E) SELECTION OF (CDBG) FY 2016 PROJECT BASED ON THE APPLICATION ELIGIBILITY CRITERIA

Mayor King asked City Manager Standefer to present the selection of the CDBG FY 2016 project. Mr. Standefer told the Council that the staff summary was prepared by Ms. Baysinger and that a public hearing

was held on December 23, 2016 to receive suggestions from the public for the CDBG FY 2016 cycle. He told the Council that the staff summary outlined the projects that are eligible for funding according to the application eligibility criteria. He reported that the City's application for funding in the previous year was denied due to last minute changes to the project. He told the Council that his recommendation is to pick out something less complicated. Standefer recommended a project that the City would do regardless of CDBG funding—rehabilitation of 5 lift station throughout the City. He stated that the City has to do this project anyway and that the design money will not be wasted. Councilor Robinson asked if the community as a whole qualified under the low to moderate income requirement. Mr. Standefer responded that he and staff believes that Portales does qualify under the criteria. Councilor Thomas asked if only one project was allowed. Standefer responded that this is correct. Mayor Pro-Tem Miller commented that the CDBG funding process was revamped. City Manager Standefer stated that he would like to get this uncomplicated project done so that City staff can learn more about it for submitting a more complicated project in the future. Mayor Pro-Tem Miller asked how the City would qualify under the low and moderate income criteria. Standefer responded that staff will not know until a project is submitted. Susan Baysinger told the Council that there are two ways to qualify: if it benefits the whole community we go by the fed HUD designation and if it benefits a neighborhood, the City staff would have to do surveys. Ms. Baysinger stated that the method for the survey would be determined. Mayor King asked the pleasure of the Council. ***Mayor Pro-Tem Miller made the motion to approve the City Manager's recommendation to submit a CDBG FY 2016 application for the lift station rehabilitation. Councilor Robinson seconded the motion. All Council members present voted in support of the motion. No abstentions. Motion carried.***

(F) REQUEST FOR CITY OF PORTALES TO ACT AS FISCAL AGENT TO EXPEND GENERAL OBLIGATION BOND SERIES 2015 FUNDS IN THE AMOUNT OF \$125,000 THROUGH THE NM AGING & LONG TERM SERVICES DEPARTMENT TO PURCHASE AND EQUIP VEHICLES FOR THE COMMUNITY SERVICES CENTER

Mayor King asked for Ms. Vonnie Banther, Executive Director of Community Services Center (CSC), to present the request by CSC. Vonnie Banther introduced Michelle Madrid as her assistant. She told the Council that CSC had received \$125,000 of funding through GO Bond funds for vehicles with the County as the fiscal agent. She stated that the county had notified them in November that they were not going to be fiscal agent for the GO Bond funding. Mayor King asked how many vehicles would be purchased. Ms. Banther responded that the funding would purchase 3 vehicles. City Manager Standefer commented that the City would have to have an agreement with CSC before the designation could be approved. He told the Council that the vehicles would belong to the City. He added that the biggest dilemma in the process is the procurement of the vehicles. He commented that Ms. Banther has indicated that she will actively help us complete the project. He asked for their approval of the request. City Attorney Doerr responded, to the question about any issues he might see, by stating that he does not see any issues. Councilor Robinson asked the City Attorney if he would not be able to vote since he was a member of the CSC board. City Attorney stated that this might be a conflict and he would need to declare the conflict, which he just did. Mayor asked about the county being fiscal agent for other things. Vonnie said that the projects that CSC and the County had worked on had been completed. Councilor Thomas asked if there were sufficient staffing to administer the money. Mr. Standefer said that the project could be handled by current staff. Mayor King asked the pleasure of the Council. ***Councilor Thomas made the motion approve the request from CSC for the City to be the fiscal agent for purchasing vehicles as presented. Councilor Lucero seconded the motion. All Council members present voted in support of the motion. No abstentions. Motion carried.***

(G) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor King asked for items of Other Business. Mayor King asked for comments from the Council, staff and audience.

Request for Review of Blizzard Losses: Mayor Pro-Tem Miller asked the City Manager and staff to look into the cost of losses incurred in the blizzard the weekend after Christmas to see if the City could submit them to the state for recovery. He reminded staff that the Governor had declared a state of emergency. City Manager Standefer responded that staff has begun working on this task.

Martin Luther King Jr. Celebration: Councilor Robinson invited everyone to attend the Martin Luther King, Jr. celebration on January 18th, 2016 starting from the MLK tree in City Park to the university. He expressed his delight that the school administrators will be presenting during the celebration.

*Mayor Pro-Tem Miller interjected that he appreciated all the employees and the City Manager for their hard work during the blizzard. City Manager Standefer stated that he didn't have to do much, but mentioned that Public Works DeSha and his departments; and the Police Department and the Fire Department would be recognized for their hard work.

Municipal Day/Chamber Banquet/SMA Workshop: Marta Quiroz, Administrative Assistant, asked that the Councilors let her know who will be attending Municipal Day so she can make arrangements for them. Mayor King commented that Municipal day is January 28th & 29th, 2016; the Chamber Banquet is January 14th and the SMA workshop is that same day. She further commented that what used to be the Clovis/Portales legislative reception is now just the Clovis Chamber event. She commented that the City might want to participate. Mr. Standefer stated that staff would look into it.

Municipal Election 2016 Report: City Clerk Martinez-Terry reported that today was Filing Day for the municipal election and listed the persons declaring for office as Veronica Cordova and Michael Lenard Lucero for Ward A, Jessica J. Smith for Ward B, Michelle Lee Bailey and Chad Heflin for Ward C, and Keith Thomas and Michael James "Jim" Lucero for Ward D. She stated that no candidate had withdrawn their declaration and that Thursday will be the day to draw for position on the ballot.

Report on the Wastewater Plant and Reuse Project: Public Works Director DeSha reported that the wastewater treatment plant is 99.9% complete and the reuse system is about 95% complete. Mayor King asked if all the wells are back up after being knocked up during the storm. Mr. DeSha responded that the wells are back up. Councilor Lucero asked when the reuse water would be available. DeSha said that when as soon as TLC releases the pipeline and the test on the line is completed the plant will go on line. He stated that the line has to be connected to the lines in the parks. Mayor asked if this would entail tearing up streets. DeSha responded that it would not, but that it would entail replacing the connections. City Manager Standefer asked about replacing the heads to get this done. DeSha responded that the heads would be replaced as we maintain the lines. Mayor King asked about an educational piece for the public on reuse, to which Mr. DeSha responded in the affirmative.

ADJOURNMENT:

There being no further business, Mayor King adjourned the meeting at 7:15 p.m.

Joan Martinez-Terry, City Clerk