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 - 1. Action to Enter into Public Hearing to hear Public Comment.
 - 2. Action to Close Public Hearing.
 - H. Action as a Result of the Public Hearing for Ordinance No. 719, An Ordinance Amending Ordinance No. 387, as Amended, of the City of Portales, New Mexico to Alter Official Zoning Map Referred to in Ordinance No. 387 so as to change the Classification of Certain Real Property from its Present Zoning Classification to a New Classification.
 - I. Request to Authorize Mayor's Signature on Litter Control & Beautification Grant Agreement No. 17-418-6002-0036.
 - J. Requesting Approval for 2016 4th of July Fireworks Display on City Property.
 - K. Other Business/Citizens to be Heard.
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THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, May 17, 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 Pro-Tem Miller called the meeting to order in the absence of the Mayor and asked City Clerk Martinez-Terry to call roll. Those present and constituting a quorum were:

MAYOR: Sharon L. King (absent)

MAYOR PRO-TEM: Michael G. Miller

COUNCIL MEMBERS: Veronica A. Cordova Oscar H. Robinson (absent)
Chadrick H. Heflin Antonio O. Salguero (absent)
Jim Lucero Jessica J. Smith (absent)
Dianne Y. Parker

STAFF PRESENT: Sammy Standefer, City Manager John DeSha, Public Works Director
Joan Martinez-Terry, City Clerk Marilyn Rapp, Finance Director
Randy Knudson, City Attorney Dennis Hales, I.T. Director
Veda Urioste, Deputy City Clerk Marta Quiroz, Admin. Assistant
Donna Rutherford, Planning Dir.

OTHERS PRESENT: Anna George, Press Kurt Munz-Raper, Press
Orlando Ortega, RCCDC Teri Burns, NMCCH

Andy Burns, NMCCH
June Merrick
Megan Hamilton

Max Merrick
Cassidy Self

Mayor Pro-Tem Miller asked Marta Quiroz, Administrative Assistant, 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 May 3, 2016.

Mayor Pro-Tem Miller asked the Council to consider the minutes of the Regular Meeting of May 3, 2016. He asked for corrections or action on the minutes. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Parker made the motion to approve the minutes of the regular meeting of May 3, 2016 as presented. Councilor Cordova seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(B) ITEM(S) FROM ADMINISTRATON & FINANCE DEPARTMENTS:

1. Presentation of Preliminary (Interim) Budget FY 2016-2017.

Mayor Pro-Tem Miller asked Marilyn Rapp, Finance Director, and City Manager Standefer to present the Preliminary (Interim) Budget for FY 2016-2017. Mayor Pro-tem Miller told the Council that the budget is a two-part process with a preliminary budget adopted by the end of May and the final budget adopted in July. He called the preliminary budget a "guesstimate" of many things. He added that the final budget will be completed after the books are closed out for the fiscal year. Ms. Rapp told the Council that the Finance/ Administration Committee had reviewed the preliminary budget last week and approved recommendation to the full Council. Ms. Rapp told the Council that revenues are down from the FY 2015-2016 budget. She reported that the City is losing another 6% of food and medical tax distribution for a total of 12%. She reported that franchise taxes are down; ambulance collections are down (this may be caused by the new transport in the city); and Court fines are down about \$20,000 (this is based on the number of tickets and how much they are fined). Marilyn Rapp told the Council that beginning cash is estimated at \$2,300,000; estimated revenues are \$7,217,761; budgeted transfers are \$757,873; and estimated expenditures are \$8,912,043. Ms. Rapp stated that revenues are budgeted low and expenditures are budgeted high. She told the Council that:

- transfers into the General Fund are from Enterprise Funds: Water & Wastewater and Solid Waste;
- net transfers are up (\$165,964);
- transfers to Building, Comp Plan and Unemployment are down a total of \$256,200;
- transfers to Corrections, Library, Streets, PAT, Capital Projects and Airport are up a total of \$90,236.

Ms. Rapp told the Council that General Fund expenditures are \$61,000 greater than in FY 2015-2016. She stated that the increases are in Salaries, Benefits, Travel and Purchased Property services. She stated that there are decreases in Contractual Services, Supplies and other costs. Councilor Lucero asked about a chart or graph with percentages. Ms. Rapp showed the Council a graph with the comparison of budgeted expenditures from FY 15-16 to estimated expenditures for FY 16-17. She commented that the largest increase is in salaries and that the rest is very low. She stated that except for salaries everything is about the same as in the previous budget year. She showed the Council the General Fund Expenditures by departments with the largest departments being the Fire and Police at 47% of the budget and Emergency

Management at 6% of the budget for a total of 53%. She told the Council that the General Fund Reserves must be 1/12th of the budget. She commented that budgeted reserve amounts have been increasing, but that one bad year will clear out the reserves. Ms. Rapp told the Council that the priority is to ensure the sustainability of the City—to look at programs and services; evaluate the levels of required services; consider revenue sources for possible increases and to find ways to contain costs while still providing acceptable levels of service. She told the Council that the General Fund Capital is funded with FY 2015-2016 gross receipts tax “windfall” from construction. She told the Council that \$219,592 was transferred to Fund 301 for the following:

- \$67,000 dispatch radio upgrades;
- \$60,000 police vehicles;
- \$11,592 VOIP equipment lease;
- \$50,000 sprinkler tie-ins for re-use;
- \$16,000 playground equipment;
- \$15,000 electric heater for Parks warehouse.

Ms. Rapp commented that all but \$11,592 can be cut if revenues are down. She reviewed the Capital and Debt Service Funds Recap with the Council explaining that Capital Outlay includes expenditures for vehicles and equipment; Building Fund is for building repair and remodeling; CDBG is required match for application; Comprehensive Plan is to update 5-year comprehensive plan; Funds 402,403,404 and 405 are used for debt service (405 is where the waste water debt service surcharge on water bills is deposited). She told the Council that the Recreation Center debt service is paid from Fund 312 and that the City is paying the Recreation Center loan off 3 years early, but budgeting to continue yearly \$49,025 portion of gross receipts into this fund to pay for large building projects. She stated that the City will transfer \$360,000 reserves from Fund 402 (Sales Tax Revenue Bonds) to Fund 312 to pay for planned future projects including Senior Center roof and the Library roof.

Finance Director Rapp told the Council that the Solid Waste Recap is where garbage collections come from and that revenues are budgeted by 3% less due to loss of commercial customers. She added that Convenience Center fees are increasing for charging county residents. She commented that expenditures are budgeted to increase by 22% for \$217,000 worth of capital in the budget:

- \$20,000 for sewer line to convenience center;
- \$32,000 for six 30-yard roll offs
- \$165,000 for roll off truck.

City Manager Standefer stated that the City is proposing to handle transportation of trash to Clovis. He said that the City can save about \$15,000—figured containers on a 20-year pay off and the truck on a 10-year pay off. He stated that he and staff estimated the cost of fuel high and do not anticipate hiring another employee.

Ms. Rapp told the Council that Water & Wastewater Fund revenues are estimated lower due to Southwest Cannery closing. She stated that the Waste Water plant and re-use grant should be closed by the end of FY 15-16. She stated that expenditures for the Water & Wastewater Fund include the following:

- \$650,000 for well maintenance;
- \$120,000 for lift stations and manholes;
- \$250,000 budgeted for re-use water tie-ins;
- \$16,000 ATV for waste water plant;
- \$50,000 for fencing/roads at the wastewater plant.

Mayor Pro-Tem Miller commented that the CDBG grant application was for funding the lift stations, so that those numbers could be changed.

Ms. Rapp reviewed the Airport Recap for the Council explaining that the transfer in from General Fund increased to \$56,236; the State Airport grants of \$9,000 total (also working on a federal grant), and fuel sales were budgeted to be 33% lower at \$100,000.

Ms. Rapp reviewed the Other Enterprise Funds, which include the Yam Convention Center; Water Conservation Reserves; Water Improvement Reserves; Waste Water Improvement Reserves and Waste Water Treatment Plant Reserves. She explained that:

- Yam Fund collects MainStreet rent and pays maintenance;
- Water Conservation Fund pays Ute Water dues, SCADA improvements; AMR; loop water line debt service;
- Water Improvement Fund is set aside for water system improvements;
- Waste Water Treatment Plant Reserve is for Waste Water Treatment Plant debt;
- Waste Water Replacement Reserve is for Waste Water Treatment Plant repair and replacement reserve.

Ms. Rapp reviewed the Trust and Agency Funds Recap with the Council. She stated that the funds in this group include

- Unemployment Fund to pay unemployment claims;
- GRT (Gross Receipts Tax) Fund is set aside to collect and pay governmental gross receipts tax;
- Criminal Justice is used to collect and pay criminal justice fees;
- Economic Development Fund is used to collect Local Economic Development Tax and to pay out allocations for local economic development projects.

Ms. Rapp told the Council that the recap of all funds are estimates since the books must be closed to get the final figures. Mayor Pro-Tem Miller stated that the Council would have a workshop to review the budget before the final budget is presented for approval. The Mayor Pro-Tem restated the schedule of the process to final the budget.

2. Resolution #15-16-46, Approval of Preliminary (Interim) Budget FY 2016-2017.

Mayor Pro-Tem Miller asked for adoption of Resolution #15-16-46, approving the preliminary budget for FY 2016-2017. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Parker made the motion to adopt Resolution #15-16-46, approving the preliminary budget for FY 2016-2017 as presented. Councilor Heflin seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

3. Ratification of Finance Department’s Actions on Bills for April 2016.

Mayor Pro-Tem Miller asked Finance Director Marilyn Rapp to introduce the bills for April 2016. Ms. Rapp told the Council that the total amount expended in April was \$1,685,561.91. She stated that the Water & Waste Water Fund expended \$175,998.65 for engineering and construction on the water re-use project and the waste water plant. She stated that another consideration was that there were 3 payrolls in April. She commented that the expenditures were necessary for the continued operation of the City and within budgeted limits. She asked for questions and ratification of the bills by the Council.

April 2016

Pooled Cash Fund	999	1,685,561.91
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Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Lucero made the motion to approve the bills for April 2016. Councilor Heflin seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(C) RESOLUTION #15-16-47, A RESOLUTION ADOPTING CHANGES & SUPERSEDING RESOLUTIONS #05-06-39 & #12-13-10, SETTING CITY OF PORTALES UTILITY ADMINISTRATIVE POLICIES

Mayor Pro-Tem Miller asked that Public Works Director John DeSha introduce Resolution #15-16-47, a resolution adopting changes and superseding resolutions #05-06-39 and #12-13-10, setting City of Portales Utility Administrative policies. City Manager Standefer asked that this item be tabled to a later time and asked the Finance/Administration Committee to review the policies prior to presentation to Council for adoption. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Heflin made the motion to defer Resolution #15-16-47 to the Finance/Administration Committee for review. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(D) RESOLUTION #15-16-48, A RESOLUTION PROMOTING WATER CONSERVATION

Mayor Pro-Tem Miller asked that Public Works Director John DeSha introduce Resolution #15-16-47, promoting water conservation. Mr. DeSha told the Council that this resolution comes before them every year to promote water conservation and to assist with the AWWA audit. He asked for adoption of the resolution. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Heflin made the motion to adopt Resolution #15-16-48, promoting water conservation. Councilor Parker seconded the motion. Roll call vote by all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(E) PUBLIC HEARING FOR ORDINANCE NO. 718, AN ORDINANCE TO ANNEX THE PROPERTY TO BE KNOWN AS ENCHANTMENT VINEYARD, OWNED BY MAX H. AND JANICE JUNE MERRICK, INTO THE CITY OF PORTALES, A TRACT OF LAND OUT OF THE NORTHWEST QUARTER OF SECTION 31, T1S R35E, NMPM, ROOSEVELT COUNTY, NEW MEXICO, KNOWN AS INDICATED IN THE SURVEY PLAT

1. Action to enter into Public Hearing to receive comments.

Mayor Pro-Tem Miller asked for action to enter into public hearing to receive comments on Ordinance No. 718, an ordinance to annex the property to be known as Enchantment Vineyard, owned by Max H. and Janice June Merrick, into the City of Portales, a tract of land out of the Northwest Quarter of Section 31, T1S, R35E, NMPM, Roosevelt County, New Mexico, known as indicated in the survey plat. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Parker made the motion to enter into public hearing to receive comments on the ordinance. Councilor Heflin seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

Mayor Pro-Tem Miller asked for comments in favor of the ordinance. Megan Hamilton spoke in favor of the annexation. She stated that she and her family planted 5,000 plants for the vineyard for the planned winery. She said that the reason for this is that the County is dry so the family had to ask for annexation into the City. Orlando Ortega, RCCDC Executive Director, spoke in support of the annexation stating that it is a good fit for the community. He stated that it has been a pleasure working with the Merricks on projects in the community. He commented that this type of project is not new to New Mexico. He said that it is

great to see something like this in the community. Megan Hamilton commented that the investment included the proper equipment and a watering system to conserve water.

Mayor Pro-Tem Miller asked for opposition to the ordinance. There was no opposition.

2. Action to close the Public Hearing.

Mayor Pro-Tem Miller asked for action to close the public hearing on the ordinance. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Parker made the motion to close the public hearing on the ordinance. Councilor Cordova seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(F) ACTION AS A RESULT OF THE PUBLIC HEARING FOR ORDINANCE NO. 718, AN ORDINANCE TO ANNEX THE PROPERTY TO BE KNOWN AS ENCHANTMENT VINEYARD, OWNED BY MAX H. AND JANICE JUNE MERRICK, INTO THE CITY OF PORTALES, A TRACT OF LAND OUT OF THE NORTHWEST QUARTER OF SECTION 31, T1S R35E, NMPM, ROOSEVELT COUNTY, NEW MEXICO, KNOWN AS INDICATED IN THE SURVEY PLAT

Mayor Pro-Tem Miller told the Council that it is time to take action on Ordinance No. 718. He asked for questions from the Council. Councilor Lucero asked about the number of acres involved. Megan Hamilton responded that it is 3.0 acres. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Heflin made the motion to adopt Ordinance No. 718, annexing the property to be known as Enchantment Vineyard into the City of Portales as presented. Councilor Lucero seconded the motion. Roll call vote of all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(G) PUBLIC HEARING FOR ORDINANCE NO. 719, AN ORDINANCE AMENDING ORDINANCE NO. 387, AS AMENDED, OF THE CITY OF PORTALES, NEW MEXICO TO ALTER THE OFFICIAL ZONING MAP REFERRED TO IN ORDINANCE NO. 387 SO AS TO CHANGE THE CLASSIFICATION OF CERTAIN REAL PROPERTY FROM ITS PRESENT ZONING CLASSIFICATION TO A NEW CLASSIFICATION

1. Action to enter into Public Hearing to receive comments.

Mayor Pro-Tem Miller asked for action to enter into public hearing to receive comments on Ordinance No. 719, an ordinance amending Ordinance No. 387, as Amended, of the City of Portales, New Mexico to alter the official zoning map referred to in Ordinance No. 387 so as to change the classification of certain real property from its present zoning classification to a new classification. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Parker made the motion to enter into public hearing to receive comments on the ordinance. Councilor Cordova seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

Mayor Pro-Tem Miller asked City Manager Standefer to state what action is being requested. City Manager Standefer responded that annexations must come in as an R-1A zone, which is the most stringent in zoning classifications. He stated that the Merricks have requested to change the zone to an M-1 zone, which is for light manufacturing. Mayor Pro-Tem Miller asked for comments in favor of the ordinance. Megan Hamilton said that she and her family are proud of the Portales community and need to have the property re-zoned for their planned winery. Orlando Ortega commented that he is in support of the zone change and that there is no hindrance to anyone by this action. Mayor Pro-Tem Miller asked for opposition to the ordinance. There was no opposition.

2. Action to close the Public Hearing.

Mayor Pro-Tem Miller asked for action to close the public hearing on the ordinance. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Cordova made the motion to close the public hearing on the ordinance. Councilor Heflin seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(H) ACTION AS A RESULT OF THE PUBLIC HEARING FOR ORDINANCE NO. 719, AN ORDINANCE AMENDING ORDINANCE NO. 387, AS AMENDED, OF THE CITY OF PORTALES, NEW MEXICO TO ALTER THE OFFICIAL ZONING MAP REFERRED TO IN ORDINANCE NO. 387 SO AS TO CHANGE THE CLASSIFICATION OF CERTAIN REAL PROPERTY FROM ITS PRESENT ZONING CLASSIFICATION TO A NEW CLASSIFICATION

Mayor Pro-Tem Miller told the Council that it is time to take action on Ordinance No. 719. He asked for questions from the Council. There were no questions. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Cordova made the motion to adopt Ordinance No. 719, amending Ordinance No. 387, as amended, of the City of Portales, altering the official zoning map and changing the classification of the property annexed from its present zoning to the new classification. Councilor Heflin seconded the motion. Roll call vote of all Council members present resulted in unanimous support of the motion. No abstentions. Motion carried.***

(I) REQUEST TO AUTHORIZE MAYOR'S SIGNATURE ON LITTER CONTROL & BEAUTIFICATION GRANT AGREEMENT NO. 17-418-6002-0036

Mayor Pro-Tem Miller asked Deputy Clerk Veda Urioste to explain the Litter Control & Beautification Grant Agreement No. 17-418-6002-0036. Ms. Urioste told the Council that the 2016-2017 grant from the New Mexico Clean & Beautiful Program is in the amount of \$6,800. She told the Council that the program helps continue the local program to aid in litter control and beautification projects. She stated that the big expense this year will go towards beautifying the City--\$4,400 of the grant will be spent for 5 dog waste stations, 3 bike racks, Adopt-a-Pot program with MainStreet, and trees for Arbor Day. She told the Council that she had worked with 1st and 2nd graders in spring planting. She stated that some of the money will be spent on graffiti removal and youth and adult subcontracts for projects to beautify the City. She explained the budget for the program. Mayor Pro-Tem Miller asked for questions. Councilor Lucero asked about the need for bike racks. Councilor Parker said it is a shame that money has to be spent on graffiti removal. Mayor Pro-Tem Miller asked the pleasure of the Council. ***Councilor Lucero made the motion to approve the Litter Control & Beautification grant agreement as presented. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(J) REQUESTING APPROVAL FOR 2016 4TH OF JULY FIREWORKS DISPLAY ON CITY PROPERTY

Mayor Pro-Tem Miller asked City Manager Standefer to talk about holding the 4th of July Fireworks Display on City property. City Manager Standefer stated that the City was asked by the Chamber of Commerce to hold the display on City property. He told the Council that a location has been proposed behind the pond at the Softball Complex property, but he stated that staff needed the Council's approval. He stated that the Fire Department plans to back burn the area with Council approval. He added that the Pyrotechnic technician has reviewed the location. He commented that the plan is to open the complex so that people can sit and watch the display. Standefer told the Council that the Portales Police and Fire Departments will take the lead to handle the event. Councilor Lucero said that he was kind of concerned about rattlesnakes in the area. Mr. Standefer commented that back burning the area will help with rattlesnakes. He stated that the

Portales Softball League has been contacted about accommodating the fireworks display. He commented that there will be trial and error this first year. He asked for Council approval. Mayor Pro-tem Miller asked the pleasure of the Council. ***Councilor Heflin made the motion to approve holding the 2016 4th of July Fireworks Display on City property. Councilor Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(K) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor Pro-tem Miller asked for comments from the Council, staff and audience.

Fundraiser for the Recreation Center: City Manager Standefer told the Council that Big Valley Ford along with Ford Motor Company will be hosting a fundraiser for the Recreation Center on June 5th. He stated that for every car test-driven Big Valley will donate \$20 to the Recreation Center. He asked everyone present to test drive a car at Big Valley for the benefit of the Center.

Commendation of Merricks: Councilor Cordova thanked the Merricks for investing in the community.

ADJOURNMENT:

There being no further business, Mayor Pro-Tem Miller adjourned the meeting at 7:35 p.m.

Joan Martinez-Terry, City Clerk