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THE CITY COUNCIL OF THE CITY OF PORTALES met in regular session Tuesday, January 17, 2012, at 7:00 p.m., in the Council Chambers of the Portales City Hall 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:	Dianne Y. Parker	
COUNCIL MEMBERS:	Alfredo Bachicha, Jr. (absent) Ronald L. Jackson Leo Lovett Oscar Robinson	Antonio Salguero Keith A. Thomas Gary L. Watkins
STAFF PRESENT:	Tom Howell, City Manager Joan Martinez-Terry, City Clerk Steve Doerr, City Attorney Susan Baysinger, Cap. Proj. Admin. Troy Banther, I.T. Tech.	Jeff Gill, Police Chief Marilyn Rapp, Finance Dir. Johnny Desha, Public Wks. Dir. Gary Nuckols, Fire Chief
OTHERS PRESENT:	Alisa Boswell, Press Christina Calloway, Press Brad Watts Jim Landfair	Lonny Phelps Greg Fisher David Essex

Mayor King asked David Essex to give the invocation, and Mayor Pro-Tem Parker to lead the Pledge of Allegiance and the Salute to the New Mexico flag.

(A) MINUTES OF PREVIOUS MEETING(S):

1. Regular Meeting of January 3, 2012.

Mayor King asked for Council to consider and approve the minutes of the Regular Meeting of January 3, 2012 as written and presented. *Councillor Watkins made the motion to approve the minutes of*

the regular meeting of January 3, 2012 as presented. Councilor Lovett seconded the motion. All Council members present voted in favor of the motion. Motion carried. No abstentions.

(B) RATIFICATION OF FINANCE DEPARTMENT'S ACTIONS REGARDING BILLS FOR DECEMBER 2011

Mayor King asked Marilyn Rapp, Finance Director, to report on the monthly bills for December 2011. Ms. Rapp told the Council that the Finance/Administration Committee had met and reviewed the bills for December. She added that they had approved recommending approval by the Council. Ms. Rapp told the Council that the amount of the bills for December 2011 was \$1,714,364.24, which is a little more than normal because we had the Ute Water dues and some work out at the well field. She asked for questions from the Council and for ratification of the bills.

December 2011

Pooled Cash Fund	999	\$1,714,364.24
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Mayor King asked for action from the Council. *Mayor Pro-Tem Parker made the motion to ratify the payment of the bills for December 2011 as presented. Councilor Watkins seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.*

(C) PRESENTATION OF AUDIT FOR FY 2010-2011

Mayor King asked for the audit presentation. Marilyn Rapp, Finance Director, introduced Mr. Brad Watts, lead auditor with White+Samaniaga+Campbell, LLP. She told the Council that copies of the Audit for 2010-2011 were placed at their stations and told them that she had not given to them sooner because it cannot be released until approved by the Council. Mr. Watts began his report by telling that he would go through the audit that they had in front of them to start on page number 2 and stated that he would touch on some of the highlights to be brief. He asked that if they had questions to stop him. He referred the Council to page 2 of the audit, which is the auditor's opinion of the audit. He told the Council that they have issued an unqualified opinion, which is the best opinion possible. He referred the Council to page 98 of the audit, which is the report on internal control over financial reporting and compliance on other matters based on governmental auditing standards. He stated that the City had received an "unmodified opinion" on this section, which is also the best you can receive as well. Mr. Watts asked the Council to look at page 100, report on compliance with OMB Circular A-133, which referred to as a single audit, in which the auditor had selected some of the City's federal programs and test those. He stated that they had also issued an unmodified report (the best report you can receive). He told the Council that there were no findings at all for 2010-2011. He asked the Council to turn to page 103, which shows prior year findings: late audit report that went back to 2006 and a capital asset issue. He told the Council that both were resolved this year. Watts told the Council that the Finance Department had done a great job to make sure that those findings were resolved. He stated that the audit was turned in on time, which was December 1st. He told the Council that page 13 shows governmental activities (general services such as public safety, streets, and general administration) and business type activities (sewer and water, airport). He commented that all assets are shown on this page. He stated that assets in governmental activities increased by \$340,000.00 so the City grew their assets this year. He commented that in the business type activities the City's assets grew \$1.1 million dollars. Watts told the Council that in the lower section of page 13, liabilities were also paid down for the year. He stated that the City had paid down all long-term debt, which is good news. He asked for questions from the Council. He told the

Council that the next page was the statement of activities, which is confusing the way that GASB requires it to be set up because it has expenses and then revenues so he skipped that one and directed the Council to page 18. He commented that page 18 shows the statement of revenues, expenditures and changes in fund balances in governmental funds. He told the Council that this has the General Fund and the other governmental funds, but that the General Fund is the only major fund and that the detail for that is in the back of the financial section. Mr. Watts commented that gross receipts were up about \$100,000.00 over the previous year. He stated that grants have decreased considerably from last year just based on the economy. He stated that the City had decreased expenditures as well. He commented that the City was within budget and that the business type funds had done very well for the year compared to last year. He told the Council that Water & Sewer Fund had ended the year with \$4.5 million dollars; airport was about the same; and that overall the City had \$5 million dollars in revenue last year and that for 2010-2011 had \$6 million dollars in the business type funds. He told the Council that the City had decreased the expenses in the business type funds as well. Watts talked about the increase in capital assets for the year. He directed the Council to page 39 to capital assets that shows that the City has \$10 million dollars in capital assets. He talked about the business type capital assets, of which the airport was the major addition paid for under a grant. He stated that the last thing he wanted to talk about was the schedule of federal awards on page 95 that schedules out the federal grants to the City. He commented that they had tested out the airport grant and that the records were very complete and accurate. He asked for questions from the Council. Mr. Watts praised Finance Director Rapp for recording all activities throughout the year. Mayor King congratulated Ms. Rapp and her staff on a great job. Mayor King asked that the Council accept the audit as presented. ***Councilor Watkins made the motion to accept the audit for 2010-2011 as presented. Mayor Pro-Tem Parker seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(D) PORTALES INDUSTRIAL PARK MASTER PLAN FINAL PRESENTATION

Mayor King asked for the presentation of the Industrial Park Master Plan. Greg Fisher commented that the process to survey the property at the Industrial Park started in May of 2011 when Phelps Engineering was selected for the project. He commented that this was a great opportunity to take advantage of the property. He commented that the RCCDC has about 30 days to complete the process. He added that Portales has the advantage of being on a U.S. highway; low cost of energy, and has access to the railroad. He introduced Mr. Lonny Phelps to give the presentation on the master plan. Mr. Phelps commented that he would give an overview of the information and then respond to questions. He added that he would send an electronic copy to each Councilor for input over the next few days. He gave cursory overview of the plan and presented the statement of need. Phelps told the Council that the project objective is to develop a plan to serve two industrial zones; to survey land use ownership and to leverage existing infrastructure and plan to maximize efficiency through completion of development in 2031. He talked about the process used to gather information; showed the existing conditions of the Portales Industrial Park ownership; the existing utilities as-is in the area being surveyed; drainage map showing the direction the water flows. He talked about "green" drainage sites with simple low cost improvements; mapping of available waste streams; existing users and the wastewater produced by the users. He talked about reuse of wastewater. He showed the transportation corridor and the strength of it. Mr. Phelps presented a preliminary master plan; the access points to owners of the properties and then talked about opportunities for new users—key items being onsite wastewater treatment, initial access road through the site, and drainage ways. Mr. Fisher commented that there is no adverse environmental impact identified in the plan. He commented that it is all spelled out in the study—design and development guidelines to establish an industrial park that businesses will thrive in. Phelps showed the Council a proposed master plan with a roadmap of guidelines to develop the industrial park. He then showed the phasing plan and infrastructure recommendations. Mr. Phelps told the Council that he would be back in February for a final approval of the plan. Councilor Thomas asked Mr. Fisher if the economic well-being of the future of the Portales area depended on such a facility to be able to attract and retain

industry. Greg Fisher responded that the fact that Portales has the advantages of good transportation corridors. Councilor Thomas asked if a facility like the industrial park is vital to Portales' economic growth. Fisher responded that the issue is that we will be able to compete. He added that any federal money would have to be matched but that this could be from LEDA funds and other types of leveraging. He added that Portales should capitalize on the advantages that we have now. Councilor Jackson asked if the property where the power grid would be located is privately owned. Mr. Phelps responded that Jerry Partin, a stakeholder, identified a specific area as a key piece for him to get power into the industrial park and that it was privately owned. Mr. Fisher responded in the affirmative. Councilor Robinson asked about Mr. Fisher's statement that there was no adverse environmental impact at this time. Lonny Phelps responded that an initial environmental review was done, but that a formal Environmental Impact Statement will need to be done. Councilor Robinson asked if the runoff of the milk plant that creates a stench would be included in the environmental impact study. City Manager Howell commented that the odor was probably coming from both the milk plant and Abengoa. Councilor Robinson commented that the smell is adverse. Phelps said he would look into that too. Phelps ended the presentation and told the Council that he would send electronic versions for them to review. Mayor King thanked Mr. Phelps for his presentation.

(E) REQUEST FOR APPROVAL OF APPOINTMENT AND SETTING OF COMPENSATION FOR ELECTION OFFICIALS FOR THE REGULAR ELECTION SCHEDULED FOR MARCH 6, 2012

Mayor King asked City Clerk Martinez-Terry to present the request for appointment of election officials for the regular election set for March 6, 2012. City Clerk Martinez-Terry asked the Council to appoint the election workers listed on the Council Summary for the single Voting Center as established in the Election Resolution. She told the Council that these persons are mostly the same as the ones who worked the Special Election in December. She asked that the Councilors running for re-election look at the list to make sure that they are not related to any of the workers. She told the Council that she would check with the other candidates to insure that no one on the list is related to any of the candidates. She told the Council that the notice included with the summary must be published in the newspaper a couple of times before the election. Mayor King asked about the difference in the listing showing two election judges instead of one. City Clerk Martinez-Terry stated that she had changed that to comply with the election code. Mayor King asked for action from the Council. ***Councilor Jackson made the motion to approve the list of election officials for the March 6, 2012 regular election and the rate of compensation for the workers as presented in the Summary. Councilor Lovett seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(F) DISCUSSION OF TRAFFIC PROBLEMS—J.D. HEISKELL & CO.

Mayor King asked Councilor Robinson to begin the discussion of the traffic problems on Main. Councilor Robinson told the Council and staff that the trucks delivering product to J.D. Heiskell & Company are not following the agreement that the City had with Heiskell to close Commercial Street from Main to Boston. He asked if the trucks were supposed to turn at Avenue C and not onto Main Street. City Manager Howell stated that he would send another letter to the mill operator about the agreement. He commented that a letter had been sent to the mill not too long ago. Councilor Jackson commented that the trucks are tearing up the streets. Councilor Robinson told the Council and staff that he had brought it up because one of his constituents had almost got hit at the intersection of Main and First Street.

(G) AWARD OF CONTRACT FOR THIRD-PARTY REVIEW OF POLICE DEPARTMENT POLICIES & PROCEDURES

Mayor King asked the council if they had reviewed the agreement for a third-party review of the Police Department policies and procedures. She commented that she had hoped that it was emailed to each Councilor; and that she and the City Manager had met to review the contract with the Contractor, Fred and Mark Radosevich. She stated that they had a long discussion of what the Council wants them to do. She added that City Attorney Doerr had written up a contract for the review. Councilor Jackson asked if the meeting with the Council regarding this did not come to pass. Mayor King responded that Councilors were either not available to meet or did not respond so she and the City Manager met with them. She added that they had talked about being present this evening, but they thought that it would be better for the Council to discuss the contract without them being here. City Manager Howell stated that, if the contract is approved, the contractor will come in and talk to the Councilors individually and set time up to get the detail that the Council wants in the review. He commented that the review of the department will be scheduled with the Police Department and the Councilors. Mayor Pro-Tem Parker asked if there was a set time when the review had to be completed. The City Manager responded that the review will be completed by mid-February. City Manager Howell stated that, when the contractor completes the review of the Department, they will make a presentation to the Council. Mayor Pro-Tem asked if something should be added to the contract citing a date of completion. Mayor King asked the Mayor Pro-Tem if she felt that was needed. Mayor Pro-Tem asked if it would be completed by mid-February, then the report could be presented the first of March. Mayor King responded that their plan is to present the report at the second meeting in February. Councilor Jackson asked if the contractor had given an idea of how many hours it would take to get the review done. Mayor King responded that they did not know until they get into the review. She stated that the Contractor will not be duplicating anything the D.A.'s office has done. Councilor Jackson asked if they would be following up with the D.A. The Mayor answered that they would visit with the D.A., but they won't be looking at anything that has been done because it would be a waste of our money for them to do that. Councilor Lovett commented that the scope is similar to what has been talked about. Mayor King asked for action from the Council. ***Mayor Pro-Tem Parker made the motion to approve the contract with Fred Radosevich for the third-party review of Police Department policies and procedures. Councilor Salguero seconded the motion. All Council members present voted in favor of the motion. No abstentions. Motion carried.***

(H) OTHER BUSINESS/CITIZENS TO BE HEARD

Mayor King asked for items of other business.

Mayor King asked the City Clerk about the wording of the question on the ballot for the liquor election. She commented that the question on the ballot was misleading to the voters and that some of them had talked to her about it and stated that they would have voted against the question if they had known that it would include Sunday sale of alcohol in bars as well. The City Clerk responded that she had discovered this very close to the election after she called Alcohol & Gaming to find out what they needed to have if the election passed. She added that she understood that the question on the ballot has to be the same as in the petition submitted by the person who presented the petition. The Mayor and Council expressed their displeasure with the Clerk and concern that the question was misleading to the voters. Alisa Boswell commented that Portales News-Tribune could do a story on the issue for the community.

Alisa Boswell of the Portales News-Tribune introduced Christina Calloway, new reporter, to the Council. Ms. Calloway told the Council that she was happy to be in Portales.

Mayor King told the Council that she, City Attorney Doerr and Councilor Lovett had met with Colonel Peich to get an update on what things that Portales could do for Cannon or things we could improve. She told the Council that the Colonel stated that they still say that the number one concern is for

housing--what they need now is more multi-family rental units. She commented that she had told him that she had heard that what they wanted were jobs for spouses, but the Colonel didn't think that was much of an issue. She stated that CAFB wants more information on events in the community. Alisa Boswell commented that the newspaper was considering going to start an event profile letting people know what the communities have to offer. The Mayor said that she had told him about the websites available and also the City's Facebook page, which they were not aware of and were excited about. She added that the meeting was positive with no real concerns expressed by the Colonel. Mayor Pro-Tem Parker asked about the status of Cannon Meadows. City Manager Howell responded that the owner of the property is fixing up gates because, when he takes it over, he is planning to create a gated community for Cannon personnel. Mayor King asked if it would be for Cannon personnel or for everyone. Howell responded that owner would probably rent to anyone, but that the priority would be for Cannon people.

Mayor Pro-Tem Parker asked about the bird situation downtown. City Manager Howell responded that Dr. Tony Gennaro had worked with the City to discourage the birds from roosting in the trees around the square. Public Works Director Johnny Desha bought 16,000 firecrackers to shoot off to scare the birds away. Councilor Thomas asked about the possibility of putting up netting on the trees as a way to get rid of the birds. Mayor King wondered if netting would make the trees unattractive. Johnny Desha stated that netting does work, but that it is expensive. He expressed concern with the proximity of traffic on Second Street. Councilor Thomas added that the netting would cost \$275.00 per tree, but that the firecrackers are working. Mayor Pro-Tem Parker commended the City crew for cleaning up the sidewalks on Second Street.

Mayor King asked about the status of the affordable housing plan. Ms. Susan Baysinger responded that there will be a follow up meeting with MFA to get final approval of the plan.

Councilor Thomas asked about new equipment for the Recreation Center. City Manager Howell responded that Jodi Kibbe, Recreation Center Director, has already bought some new equipment. He added that the Recreation Center will be holding a junior high dance at the center.

Fire Chief Nuckols recognized his firefighters for preventing a potential fire at the C & S pavilion. He stated that they had employed the ladder truck and put the fire out before it got into the building. Mayor King added that the owner had commended the department.

Marilyn Rapp, Finance Director thanked Susan Baysinger and Kay Shumate and everyone who helped with the audit.

City Manager Howell asked that the Council review the list of the eight priority items placed at their desk for the capital improvements to be submitted to the legislators. He asked that they get any additions to him by the end of the week for inclusion in the letter to the City's legislators. Mayor King commented that Councilor Thomas would be representing the City Council at a state MainStreet meeting about some funding they have available. City Manager Howell told the Council and audience that the Mayor, Council and he would be gone Monday and Tuesday to Santa Fe; and that he would be in Albuquerque on Wednesday for a mandatory insurance/workers comp safety meeting. He told the Council that he would be out of the office the week of the next Council meeting to babysit his grandkids. He reported that he and the Mayor would be meeting with the Governor on Monday at 4 pm. and the Mayor and he would be attending a Ute meeting at noon on Monday.

There were no further items of other business.

(I) EXECUTIVE SESSION/CLOSED EXECUTIVE MEETING:

- 1. Action to Convene in a Closed Session/Meeting to Discuss Matters as Provided for Under New Mexico Statutes Pertaining to Open Meetings Referencing §10-15-1 H.(2), 2008, for Limited Personnel matters; and §10-15-1 H.(8), 2008, Related to Purchase, Acquisition, or Disposal of Real Property or Water Rights.**

Mayor King asked the Council to take action to enter into closed meeting to discuss matters as allowed under the NM Statutes Section 10-15-1 H.(2), 2008, Pertaining to Limited Personnel Matters; and related to purchase, acquisition or disposal of real property or water rights. *Mayor Pro-Tem Parker made the motion to enter into closed session as allowed by the Open Meetings act. Councilor Watkins seconded the motion. All Council members present voted in unanimous support of the motion. Motion carried.*

Mayor King afforded the Council a 7-minute break.

- 2. Action to Convene in Open Session.**

Mayor King asked for action to convene in Open Session. *Mayor Pro-Tem Parker made the motion to convene in open meeting. Councilor Watkins seconded the motion. All Council members present voted in favor of the motion. Motion carried.*

- 3. Action Required as a Result of the Closed Session.**

Mayor King declared that the matters discussed in the closed meeting were limited only to those specified in the motion for closure and as in the notice of the separate closed meeting and stated that no action was taken as a result of the closed session.

ADJOURNMENT:

There being no further business or comments, Mayor King adjourned the meeting at 8:55 p.m.

Joan Martinez-Terry, City Clerk