

**CITY OF TUCUMCARI
MINUTES
February 2, 2010**

The Tukumcari City Commission met for a rescheduled Regular Meeting on Tuesday, February 2, 2010, at 6:00 p.m. in the City Commission Chambers. The January 28, 2010 Regular Meeting was cancelled due to weather. Members present constituting a quorum were Antonio Apodaca, Jim Lafferty, Robert Lumpkin, Jimmy Sandoval, and Jim Witcher.

City staff members present were Bobbye Rose, City Manager; Mike Cherry, Assistant City Manager; Christine Dougherty, City Clerk; Marty Garcia, Finance Manager; Vicki Strand, Deputy Finance Director; Doug Powers, Community Development Director; Clara Rey, Personnel Director; and Jason Braziel, Interim Operations Commander for the Police Department.

Mr. Wesley Stewart, of Temple Baptist Church, gave the invocation and Commissioner Sandoval led the group in the Pledge of Allegiance.

Roll Call

Mayor Apodaca asked for Roll Call:

Sandoval	Lafferty	Apodaca	Lumpkin	Witcher
Yes	Yes	Yes	Yes	Yes

Consideration of Changes or Deletions to Agenda

Mayor Apodaca asked if there were any changes or deletions to the agenda. Ms. Rose stated that Item IX, E should be removed as the bidder withdrew his bid for the property.

Items from Commissioners

Commissioner Sandoval had no comments.

Commissioner Lafferty thanked Mr. Amiel Curnutt for attending the meeting. Mr. Lafferty noted that Mr. Curnutt is a candidate for City Commissioner in District Five.

Commissioner Lumpkin thanked those in attendance for their interest in City business.

Mayor Pro Tem Witcher thanked Mr. Stewart and his wife for attending the meeting and for Mr. Stewart giving the invocation.

Approval of Minutes

Mayor Pro Tem Witcher made a motion to approve the minutes of the January 14, 2010 Regular Meeting with a change to page four to read that Mr. Lafferty's motion regarding Ordinance 1076 include the statement that staff is instructed to bring funding options to

the Commission before the second reading of the ordinance. Commissioner Lumpkin seconded the motion. Roll Call:

Lafferty	Apodaca	Lumpkin	Witcher	Sandoval
Yes	Yes	Yes	Yes	Yes

Approval of Vouchers

Commissioner Lumpkin made a motion to approve the vouchers for payment and Mayor Pro Tem Witcher seconded the motion. Roll Call:

Apodaca	Lumpkin	Witcher	Sandoval	Lafferty
Yes	Yes	Yes	Yes	Yes

Items from Citizens

Mr. Paul Mischuck approached the podium to address the Commission. Mr. Mischuck stated that he is an art student at Mesalands Community College and he thanked the Commission for listening to his concerns. Mr. Mischuck was concerned about the speed of the internet service at the library. He also voiced concern that internet service frequently drops off at the library. Mr. Mischuck also voiced displeasure with the rule that patrons can only use the computer for one hour at a time regardless of the number of people waiting to use computers.

Catherine Bugg approached the Commission to thank the City staff for their recent hard work during the snow storm. Ms. Bugg stated that everyone involved including emergency management, police department, streets department, and the water department caught a lot of flack from citizens and travelers but did a great job. Ms. Bugg wanted the Commission to know how much she appreciated the hard work by City staff.

Ordinances and Resolutions

Mr. Garcia presented Resolution 2010-04, A Budget Amendment Request (BAR). Mr. Garcia explained that the transfers in the BAR do not require DFA approval. He went on to explain that these transfers are within departments. Mr. Garcia stated that as per the new Financial Policy requirements, BAR's must be executed to eliminate any line items that have a negative balance and the budget must be reviewed at mid-year. Mr. Garcia explained that for the first time completing this task, the Department Heads did a good job. Mr. Garcia also stated that the unemployment compensation line items in all departments are showing negative balances and need to be modified.

Mr. Garcia explained that major items that required revision were attorneys' fees which historically run around \$20,000 a year and are already double that this year. Another area of concern is a mistake in the golf equipment and maintenance line item which is usually budgeted at \$5000 and only \$500 was budgeted this year.

Another area of concern is the health insurance line item for the Dispatch Department. When the Dispatch and Police Departments were separated, the budget was not split

properly. Mr. Garcia stated that all that is required for these BAR's is approval by the City Commission.

Ms. Rose stated that she, Mr. Cherry and Mr. Garcia went through the financial statement line by line earlier in the week. She also stated that she feels it is important that Department Heads know their budgets well and how to develop their budgets. Ms. Rose stated that this is a good tool and good starting point for the Department Heads learning process. Ms. Rose stated that she recommends approval of this resolution with the understanding that there will be more modifications to come.

Commissioner Lafferty stated that Mr. Garcia explained that the \$19,000 discrepancy in the health insurance line item was due to either the budget being done incorrectly or that the insurance premiums had been paid out of the wrong line item. Mr. Lafferty questioned that keeping these things in mind, are we not going to have to fix this again with another BAR. Ms. Rose responded that it was possible that another BAR would have to be executed, but that there are lots of errors to fix and this is just a starting point.

Commissioner Lafferty stated that the Convention Center regular salaries number is incorrect and wondered if that should be corrected before the resolution is adopted. Mr. Garcia agreed that it needs to be fixed. Mr. Garcia went on to say that he did not believe there are any other incorrect line numbers and he feels confident the BAR is correct.

Mayor Pro Tem Witcher made a motion to approve Resolution 2010-04; A Budget Amendment Request provided the three line items that are incorrectly listed be modified. Commissioner Lumpkin seconded the motion. Roll Call:

Lumpkin	Witcher	Sandoval	Lafferty	Apodaca
Yes	Yes	Yes	No	Yes

Mr. Garcia then presented Resolution 2010-05, A Budget Amendment Request that increases, decreases or transfers money between funds.

Mayor Pro Tem Witcher made a motion to approve Resolution 2010-05 and Commissioner Lumpkin seconded the motion. Roll Call:

Witcher	Sandoval	Lafferty	Apodaca	Lumpkin
Yes	Yes	Yes	Yes	Yes

City Manager's Report

Ms. Rose asked that Mr. Garcia give the mid-year budget report. Mr. Garcia stated that there is some work to be done to clean up the budget. Mr. Garcia stated that staff is adhering to the Financial Policies and preliminary budgets had been submitted to the Department Heads for their review. Department Heads are to turn their comments on their budgets to the Finance Director by February 15.

Mr. Garcia reviewed the report with the Commission and highlighted the following:

- The cash balance report by fund
- The DFA Quarterly Report

- The Inventory of the Certificates of Deposit
- The Gross Receipts Tax Report
- Blanket insurance premiums paid in November
- Workman's Compensation Insurance paid in the first half of the year
- 46.7% of revenues are left to be collected
- Property Taxes were \$35,000 short in the first half of the year
- The schools have not paid their half of the school resource officers salary
- Gross Receipts are 2% above the three year average
- 50.3% of the total General Fund has been expended
- Only the Recreation Department has negative cash balance but it is due to the pool expenses.

Commissioner Lafferty commented that the Recreation Department salary line item has not been corrected. Mr. Garcia explained that Mr. Simpson is the only full-time employee and some part-time employees are being paid out of the regular salary line. A journal entry will correct this issue. Mr. Garcia commented that income is close to projections.

Ms. Rose stated that staff has been working hard to keep cash balances in the black. Ms. Rose explained that interest income is low and she has instructed Mr. Garcia to review all accounts to ensure that the highest interest is being realized.

Commissioner Lafferty inquired if bidding our banking services has ever been considered. Mr. Garcia stated that he could check into this possibility. Mr. Lafferty also asked if rolling the money into an investment account at night has been considered. Ms. Rose responded that this has been considered but not done. Mr. Lafferty asked if anything needs to be considered in order to make the budget cycle easier. Mr. Garcia stated that each fund should be considered separately. Mr. Garcia stated that he is concerned that the state may take away the hold harmless clause on food and medical services as well as the small cities assistance grant.

Commissioner Lafferty commented that when one knows their income is going to decrease, a cut in spending is usually effected immediately. Ms. Rose stated that costs have been evaluated line by line in each department. Ms. Rose also stated that each position, as it becomes vacant is being evaluated to decide if it needs to be filled. Ms. Rose stated that staff needs to prioritize needs and look at efficiency.

Mr. Garcia explained that the utility fund is going to require some changes so that the \$2 million loan can be funded. Mr. Lafferty stated that he is concerned about utility billing errors. Ms. Rose explained that HDR can conduct a rate study for a cost of \$8000-\$10,000. The EPA might also be able to conduct a rate study for no cost but the results will take longer to receive. Ms. Rose assured the Commission that past due utility balances are being collected. Mayor Pro Tem Witcher inquired if payment plans are being followed. Ms. Rose responded in the positive. Mayor Pro Tem Witcher also asked if a physical inventory has been done. Mr. Garcia responded that the inventory process was discussed today at the Department Head meeting. Ms. Rose added that a physical inventory will be completed by April 12, 2010.

Ms. Rose then explained to the Commission that a bid had been received on a lot the City owns. The bid was withdrawn, however it begs the question; would the Commission like staff to re-advertise the properties they have previously approved for sale that have not sold. Commissioner Lafferty stated that he feels the properties should be advertised again and only bids at or above fair market value should be accepted. Mr. Lafferty went on to say that perhaps the property could revert to the City if the purchaser does not keep it maintained. Mayor Apodaca stated that the issue of re-advertising should appear on the next agenda.

Ms. Rose explained to the Commission that on Wednesday before the recent snow storm, the water department had cut-off water to those customers that had past due balances. Ms. Rose decided that because City Hall was closed Thursday and Friday due to the storm, and those customers did not have the opportunity to pay their unpaid balances, water should be turned back on until the office re-opened.

Ms. Rose asked Mr. Witcher to inform the Commission regarding the purchase the Elks Lodge made on behalf of the Senior Citizens center. Mr. Witcher stated that the Elks Lodge has purchased a pool table for the Senior Center.

Ms. Rose explained that \$94,500 in capital outlay funds are in jeopardy that were earmarked for stove hoods and other code compliance upgrades at the Tucumcari and House Senior Centers.

Ms. Rose also explained that at the last meeting it was brought up that the Commission might want to consider decreasing their salaries in order to make up some of the budget shortfall. Ms. Rose stated that she researched this issue and could not find any reason the Commission could not do this if they chose to do so.

Ms. Rose informed the Commission that Guadalupe County has decided to continue to truck their refuse to the landfill in Vaughn. Ms. Rose explained that efforts are being made to draw more business to our landfill.

Ms. Rose also told the Commission about a \$1,178,375 USDA loan that has been granted to the City for the laboratory and administration building at the Wastewater Treatment Plant. This is part of the stimulus project funding and the City must obligate funds by February 17. Ms Rose stated that she signed a notice of award for \$7,935,696.94 which includes GRT and is contingent upon official notice of award of the \$1,178,375.

Ms. Rose also reported that there will be a pre-bid conference for the Second Street Project on February 9th and the bid opening will occur on February 16th.

Commissioner Lafferty suggested that staff should send a thank you card from the Commission to the Elks Lodge for the donation of the pool table to the Senior Center. Commissioner Lumpkin agreed and suggested that something suitable for framing to be hung in the lodge would be nice. Commissioner Lafferty added that perhaps a plaque on the pool table itself stating that it was donated by the Elks would be appropriate.

Mayor Pro Tem Witcher informed everyone that during the recent snow storm, Ms. Rose slept on a cot in her office at City Hall. Mr. Witcher told Ms. Rose how much her efforts are appreciated.

Bids and Contracts

Ms. Clara Rey presented the Non-Metro Area Agency on Aging Amendment Number One to the Commission. Ms. Rey explained that this amendment reflects the decrease in funding that they knew was coming. Ms. Rey stated that spending had already been cautioned due to this decrease and it decreases the budget by \$5018.

Mayor Pro Tem Witcher made a motion to approve the Non-Metro Area Agency on Aging Contract Amendment Number One and Commissioner Lumpkin seconded the motion. Roll Call:

Sandoval	Lafferty	Apodaca	Lumpkin	Witcher
Yes	Yes	Yes	Yes	Yes

Ms. Rose presented the Memorandum of Agreement between the City of Tukumcari, Quay County, and the Ute Reservoir Water Commission. Ms. Rose explained that this agreement has already been signed by the two other parties. Ms. Rose suggested that on the first page of the agreement under item number one, the second sentence should read “interim structure.” Ms. Rose went on to say that the agreement asks for 500 acre feet of water for the City of Tukumcari and assumes that the City is responsible for the meter reading and billing processes.

Commissioner Lafferty stated that he has met with the Interstate Streams Commission (ISC) and there has been some confusion regarding this agreement. Initially, 400 acre feet in 2006 was requested, however the ISC will honor both contracts. Mr. Lafferty explained that Tukumcari will be the first community to pull water out of the lake to use in a beneficial way.

Ms. Rose went on to say that Public Improvement District Number Two at Ute Lake has agreed to pay \$125 more per acre foot of water which will result in an additional \$62,500 per year if they use all the water they have asked for. Mayor Pro Tem Witcher inquired if the City will have to provide our own meter. Commissioner Lafferty explained that the Office of the State Engineer will inspect the existing meter and approve or disapprove its use. Ms. Rose stated that she recommended approval of this Memorandum of Agreement.

Mayor Pro Tem Witcher made a motion to approve the Memorandum of Agreement between the City of Tukumcari, Quay County, and the Ute Lake Reservoir Water Commission with the addition of the word “interim” on page one as Ms. Rose discussed. Commissioner Lumpkin seconded the motion. Roll Call:

Lafferty	Apodaca	Lumpkin	Witcher	Sandoval
Yes	Yes	Yes	Yes	Yes

Mr. Doug Powers then presented the grant award agreement between the New Mexico Energy, Minerals and Natural Resources Department and the City of Tucumcari. Mr. Powers explained that this grant is for trees that will be planted at the Recreation Center. The grant is for \$5850 and requires a 20% match which the City will meet with in-kind expenses.

Mayor Pro Tem Witcher made a motion to approve the Grant Award Agreement between the New Mexico Energy, Minerals, and Natural Resources Department and the City of Tucumcari. Commissioner Lumpkin seconded the motion. Roll Call:

Apodaca	Lumpkin	Witcher	Sandoval	Lafferty
Yes	Yes	Yes	Yes	Yes

Ms. Rose then presented that Financial Advisory Agreement between RBC Capital Markets and the City of Tucumcari. Ms. Rose explained that the existing contract has expired and the conditions of the new contract are the same with only an extension of the dates. Ms. Rose stated that she recommends approval of this agreement.

Commissioner Lumpkin made a motion to approve the Financial Advisory Agreement between RBC Capital Markets and the City of Tucumcari. Mayor Pro Tem Witcher seconded the motion. Roll Call:

Lumpkin	Witcher	Sandoval	Lafferty	Apodaca
Yes	Yes	Yes	Yes	Yes

Old Business

Ms. Clara Rey presented the Senior Center Budget Amendment Request (BAR). Ms. Rey explained that this BAR will add \$4946 in American Recovery and Reinvestment Act funding to the Senior Center budget making it almost a wash with the money that reverted back to the state.

Commissioner Lumpkin made a motion to approve the Senior Center Budget Amendment Request. Mayor Pro Tem Witcher seconded the motion. Roll Call:

Witcher	Sandoval	Lafferty	Apodaca	Lumpkin
Yes	Yes	Yes	Yes	Yes

Ms. Christine Dougherty presented the candidate for appointment to the Lodgers' Tax Advisory Board to the Commission. Ms. Dougherty explained that Ms. Quarles served on the Lodgers' Tax Board previously and moved away. She has moved back to Tucumcari and a spot is open on the Board for which she qualifies and she has submitted an application to sit on the board again. The Lodgers' Tax Advisory Board recommended that the Commission approve Ms. Quarles appointment.

Commissioner Lumpkin made a motion to appoint Sharon Quarles to serve on the Lodges' Tax Advisory Board. Mayor Pro Tem Witcher seconded the motion. Roll Call:

Sandoval	Lafferty	Apodaca	Lumpkin	Witcher
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Yes

Yes

Yes

Yes

Yes

Mr. Doug Powers presented the Municipal Arterial Program (MAP) and Cooperative project priorities. Mr. Powers explained that his staff met in January and developed four projects for each category that they feel are all worthy projects. The projects are:

Co-Op Projects

1. North Fourth from Campbell to Turner
2. Robison form Eleventh Street to Eighth Street
3. Sixth Street from Gamble to Nobles
4. High from Dawson to Choctaw

MAP Projects

1. Campbell from North Second to Eleventh Street
2. Sunburst Drive and Tiffany Road from Eleventh Street to Flintridge
3. Dehoney from Seventh Street to Rock Island (excluding Second and Third Streets)
4. Rock Island from Main Street to Tucumcari Blvd.

Mayor Pro Tem Witcher commented that he was pleased to see projects throughout the City. Mayor Apodaca inquired how many blocks the Fourth Street project from Campbell to Turner would re-pave. Mr. Powers responded that it was two blocks. Commissioner Sandoval inquired if there were any projects listed on the East side of the City. Mr. Powers responded that there are projects in the proposed MAP project list on the East side of the City.

Commissioner Lafferty asked for clarification on how projects were chosen. Mr. Lafferty noted that on the map provided to the Commission, some streets are listed as fair and old and some others are listed as poor and old. Mr. Lafferty wondered why all the projects listed were not from the poor and old category. Mr. Powers explained that in addition to the condition of the pavement, what lies beneath must be considered. Mr. Powers explained that he consulted with Mr. Charlie Sandoval, Water Superintendent regarding the infrastructure that is beneath each of the streets. Mr. Powers stated that it is not prudent to put new pavement over water lines that will have to be replaced soon because the pavement will just have to be torn up.

Mayor Apodaca asked if Campbell to Turner was a dirt road. Mr. Powers responded in the positive and went on to explain that the exact amount of Co-Op funding is not known ahead of time. Historically, Mr. Powers explained, the City usually receives around \$55,000. Mayor Pro Tem Witcher asked if this is simply a proposal. Mr. Powers responded in the positive. Mr. Powers clarified that what he was asking the Commission to do is choose one MAP project from the list and one Co-Op Project from the list.

Mayor Apodaca stated that North Fourth is utilized quite a bit by citizens as well as truck traffic. Mr. Powers explained that all of the projects on the list represent streets that are in disrepair and that the City has received many complaints regarding each of the areas.

Mayor Pro Tem Witcher stated that he recommends the Campbell Street project. Commissioner Sandoval stated that his concern is the streets on the East side of Date

Street. Mr. Powers explained that the streets in the area Mr. Sandoval is speaking of have deteriorating water lines under them and are also in a flood zone. Those issues greatly increase the cost of a project in the area. Mayor Apodaca stated that Campbell is used very heavily due to citizens using it to avoid the railroad tracks.

Commissioner Lafferty stated that he was concerned that the four top choices for MAP and Co-Op Projects were given to the Commission without the justification for why they were chosen. Mr. Lafferty was also concerned that without justification, the proposal only pitted Commissioners against each other to vie for projects in their districts. Mr. Powers explained that the condition of the pavement as well as the condition of the infrastructure underneath was taken into consideration for the prioritization of the projects. Mr. Powers also explained that many meetings were held with previous City Managers to determine which streets were priority. Mayor Pro Tem Witcher stated that there have been previous instances where new pavement has had to be torn up to deal with water issues underneath and it only costs the City to do this. Mr. Powers went on to explain that basically the infrastructure for the City is 50 years old, it has served the City well but it is time to prioritize projects to cost effectively replace the infrastructure.

Mayor Apodaca stated that projects should be spread around the City so that all citizens realize improvements from time to time. Commissioner Lafferty asked if the number of people being served by each project was considered when developing the list. Mr. Powers stated that in the Co-Op project list, number of people served is a consideration. Commissioner Lafferty asked how street needs in his district, district number five, could be served. Mr. Powers stated that Capital Outlay monies could be utilized for repair in his district. Ms. Rose stated that these needs will also be addressed in the budget process.

Mayor Apodaca asked if the suggestion by Commissioner Lafferty to explore a paving district has been studied. Mr. Apodaca inquired if a study has begun to see if the residents in district five might be interested in starting a paving district. Mr. Powers stated that he has discussed this with the financial advisors. Although Mr. Powers stated that he is not an expert in this area, he believes that everyone in the district would have to contribute in order for that to work. Ms. Rose stated that a study could be conducted, however she has spoken informally to people in that district and they are not in favor of paying for a paving district.

Commissioner Lafferty asked if a project could be sought in order to improve the water lines and paving in district five. Mr. Powers agreed that there are issues that need to be addressed in the district.

Mayor Pro Tem Witcher made a motion to set Campbell as the priority project for both MAP and Co-Op funding. Commissioner Lumpkin seconded the motion. Roll Call:

Lafferty	Apodaca	Lumpkin	Witcher	Sandoval
Abstain	Yes	Yes	Yes	Abstain

Ms. Rose then presented the Tri-Star Inn Liquor License Waiver Request to the Commission. Ms. Rose explained that the establishment is within 300 feet of Mesalands Community College. Ms. Rose explained that she has contacted the Alcohol and Gaming Division and they tell her that the Tri-Star Inn needs to submit their application to them

first and then the City needs to act upon it. Commissioner Lafferty stated that he has spoken to the property owner and he is aware of the process. The property owner stated that the process is long and laborious and he has invested approximately \$300,000 in the property.

Commissioner Lafferty made a motion to ask City staff to move diligently forward to support the business man at the Tri-Star Inn in his efforts to improve an existing business. Commissioner Lumpkin seconded the motion. Roll Call:

Apodaca	Lumpkin	Witcher	Sandoval	Lafferty
Yes	Yes	Abstain	Yes	Yes

Ms. Dougherty presented the 2010 Municipal Election Polling Place Officials to the Commission. Ms. Dougherty explained that one addition needs to be noted; that of Sally Maestas as an Alternate in District Two.

Commissioner Lumpkin made a motion to approve the 2010 Municipal Election Polling Place Officials with the addition of Sally Maestas as an Alternate in District Two. Mayor Pro Tem Witcher seconded the motion. Roll Call:

Lumpkin	Witcher	Sandoval	Lafferty	Apodaca
Yes	Yes	Yes	Yes	Yes

Items From Commissioners

Mayor Pro Tem Witcher thanked all those in attendance for coming to the meeting.

Commissioner Lumpkin thanked all those in attendance for coming to the meeting. Mr. Lumpkin also thanked Mr. Lafferty for his work on the Ute Lake Project and commended his work.

Mayor Apodaca commented that Mr. Lafferty came to the City initially as a volunteer and he has lots of experience and it will be a loss for the City when his term on the Commission ends.

Commissioner Sandoval thanked Mr. Lafferty for his work.

Commissioner Lafferty encouraged everyone to meet the two candidates running for his seat on the Commission so that voters can make logical decisions.

Mayor Apodaca also commented that he recently attended the Eastern Area Workforce Development Board meeting in Santa Fe and he got stuck in Santa Fe due to weather conditions. Mr. Apodaca also commented that Mr. Sherman, the Secretary of Labor did a good job of selling the program.

Adjournment

Mayor Pro Tem Witcher made a motion to adjourn the meeting. Commissioner Lumpkin seconded the motion. Roll Call:

Witcher	Sandoval	Lafferty	Apodaca	Lumpkin
Yes	Yes	Yes	Yes	Yes

The meeting was adjourned at 7:50 p.m.

Antonio Apodaca, Mayor

ATTEST:

Christine Dougherty, City Clerk