Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, January 15, 2019 at 9:00 a.m. in the Executive Conference Room at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformance with the rules, regulations and ordinances of the municipality.

At such meeting the following were present, constituting a quorum:

**MAJOR**
Nate Duckett

**COUNCILORS**
Linda G. Rodgers
Sean E. Sharer
Jeanine Bingham-Kelly
Janis Jakino

constituting all the members of the Governing Body.

Also present were:

**CITY MANAGER**
Rob Mayes

**CITY ATTORNEY**
Jennifer Breakell

**CITY CLERK**
Dianne Smylie

**DEPUTY CITY CLERK**
Andrea Jones

**ANNUAL AUDIT/COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Administrative Services Director Andy Mason reported that the annual audit process began in June and he introduced Engagement Principal Matt Bone and Engagement Director Laura Beltran-Schmitz of CliftonLarsonAllen LLP. Utilizing a PowerPoint presentation, Ms. Beltran-Schmitz reviewed the scope of the audit and reported that the City’s Fiscal Year 2018 audit resulted in an unmodified or “clean” opinion. She discussed two control deficiencies that were identified concerning the cash receipts and procurement processes and she confirmed that staff will implement improved processes which will then be audited the following year. In response to the Mayor’s inquiry, Mr. Bone stated that the City would receive an “A” letter grade for the Fiscal Year 2018 audit and he stated that it is his opinion that the City is truly blessed to have its financial staff.

At the Mayor’s request, Mr. Mason introduced his financial staff: Controller Brooke Quintana, Enterprise Accountant Sheree Wilson, Staff Accountant II Michelle Bedonia, Staff Accountant II Sarah Talley and Staff Accountant I Ross DeVargas.

Following a round of applause, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to accept the Fiscal Year 2018 annual audit, as presented, and upon voice vote the motion carried unanimously.

**ART IN THE ALLEY PROJECT/HQ BUILDING LOCATED AT 119 WEST MAIN STREET**

Utilizing a PowerPoint presentation, Parks, Recreation and Cultural Affairs Director Shaña Reeves reported that the Art in the Alley project is a large-scale mural project located in the alleys on the north and south sides of Main Street and one alley that runs the length of Miller Street to Auburn Avenue and she pointed out that the Art in the Alley committee has identified 15 to 20 buildings as candidates for murals. She stated that the Merrion Foundation donated $25,000 to fund the project and that the Northwest New Mexico Arts Council (a non-profit organization) is acting as the fiscal agent and pays the artists and purchases the required paint, noting that three murals have been completed to-date. Ms. Reeves provided images of the completed murals and she stated that a mural proposal has been submitted from Ivan Lee for the City’s HQ building located at 119 West Main Street. She provided images of the current state of the HQ building and she displayed Mr. Lee’s proposed mock-up along with samples of his previous artwork. Ms. Reeves emphasized that this mural will be at no cost to the City and she stated that it is the Council’s decision whether to have the mural encompass one or both sides of the building.
Following brief discussion, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to authorize Ivan Lee’s proposed mural on both sides of the City’s HQ building located at 119 West Street, if feasible, and upon voice vote the motion carried unanimously.

UPDATE/ALTERNATIVE RESPONSE UNIT

Police Sergeant Roque Velarde briefly reviewed the Alternative Response Unit ("ARU") pilot program which is focused on “downed subject” calls for service and he discussed the statistical data that was provided to the Council. Sergeant Velarde speculated that the decrease in monthly contacts and transports could be attributed to 1) the change in temperature forcing the subject population to seek shelter, 2) recent changes in court sentencing length and/or 3) the trainability of the subject population. Fire Captain Brandon Heard expressed his agreement with Sergeant Velarde’s speculations regarding the decrease in monthly contact numbers and he announced that the ARU has achieved positive results with positive impacts to the community and the emergency responder groups. He reported that the ARU currently operates Wednesday through Saturday from 8:00 a.m. to 6:00 p.m. and he pointed out that calls for service are much higher on the days that the ARU is not in operation. Sergeant Velarde and Captain Heard discussed the adjustments that are being made to the program as better strategies are identified, such as completing required reports in the field and streamlining certain processes. Fire Chief David Burke announced that the ARU pilot program continues to morph to the needs of the community and he expressed his desire to continue to have the opportunity to move the program forward. He discussed some of the costs associated with the ARU and reported that the data collected will provide guidance on the most efficient use of resources in the future. Chief Burke reported that a new project known as Squad 57 will begin in February and he explained that it will consist of a van transport unit that will operate seven days per week, 10 hours per day and will not provide any medical assessment, noting that it will be operational for up to 56 days. City Manager Rob Hayes clarified that Squad 57 will replace the transportation component that The Salvation Army previously provided as part of their operating contract for The Roof wet shelter. Concluding the update, Chief Burke emphasized that obtaining the ARU and Squad 57 data is critical in order to make informed decisions regarding how to utilize resources most efficiently.

In response to Councilor Rodgers’ questions, Captain Heard provided an explanation of “trainability of the subject population” and Chief Burke reported that the Fire Department has realized an estimated savings of $48,000 in fuel, vehicle maintenance and wages by utilizing the ARU.

Responding to Councilor Sharer’s inquiries, Chief Burke confirmed that operating the ARU seven days per week would be best once the data obtained from the pilot program determines the most efficient use of resources to maintain this service and Sergeant Velarde and Captain Heard both stated that personnel are rotated through the ARU rather than assigning the same officers to the unit.

Councilor Jakino questioned whether any community feedback regarding the ARU has been received and if the ARU has a specific area of focus within the community. In response, Police Lieutenant Casey Malone reported that the Downtown stakeholders have positively commented on how quickly the ARU is able to respond to these types of service calls with much less interruption to the area and Sergeant Velarde stated that the ARU responds to calls throughout the city, noting that they proactively patrol Broadway and Main Street from Southside River Road to Murray Drive.

PRESENTATION/SMALL CELL FACILITIES

Utilizing a PowerPoint presentation, City Attorney Jennifer Breakekk explained that small cell wireless facilities are a type of wireless broadband infrastructure that have antennas that are usually pole-mounted along with accessories located nearby on the ground and she discussed the specific dimensional limits of the equipment. She stated that these facilities increase telecommunication service including 5G service and she provided illustrations of what the typical small cell site entails, noting that they can be unsightly and can create ADA (Americans with Disabilities Act) accessibility issues because they are normally located near a sidewalk. Ms. Breakekk reported that telecommunication providers typically do not co-locate or share equipment and she pointed out that regulations and administrative procedures can be
put into place through the adoption of an ordinance to help protect the City and regulate the small cell facilities. She explained that the Federal Streamline Act was enacted to accelerate broadband deployment across the nation and she stated that the proposed legislation for local government action and caps the compensation payable to local governments by telecommunication providers. Ms. Breckell reported that the Advances Infrastructure Investment Act (House Bill 38) applies to small cell facilities, wireless infrastructure and service providers in New Mexico and she pointed out that the Federal Communications Commission's (FCC) latest order will potentially affect State law, noting that legal counsel throughout New Mexico is trying to determine which law will supersede in the event of a conflict. She reviewed the required timeframes within the different laws and she provided the potential revenue opportunities available to the City with small cell facilities. Concluding her presentation, she recommended that staff be directed to draft a small cell facility ordinance for Council’s consideration and to develop necessary zoning requirements and appropriate rules and regulations for the use of facilities and locations.

Councilor Sharer voiced his support of small cell facilities and emphasized that the City should make the deployment process as “painless as possible” while protecting ourselves as much as possible.

In response to the Mayor’s inquiry regarding increased cancer rates caused by 5G wireless service, Ms. Breckell stated that she would research the matter. Additionally, she pointed out that Federal and State law already allow the installation of 5G wireless service and she reiterated that local governments have been granted some regulation authority.

Responding to Councilor Jakino’s question, Ms. Breckell reported that State law requires some restorative actions in regards to abandoned small cell facilities.

There being no further discussion, it was the consensus of the Council to direct staff to draft a small cell facility ordinance.

PEAVEMENT MANAGEMENT BOND OPTIONS

Public Works Director David Sypher introduced Evan Kist of RBC Capital Markets and utilizing a PowerPoint presentation, he provided a brief review of the Street Maintenance program. He announced that an analytical survey of the pavement conditions is scheduled to be completed every three years and he explained that the data analysis process is a quantifiable and repeatable methodology for future reference. Mr. Sypher provided a pavement life deterioration curve and he reported that the City’s current OCI (Overall Condition Index) rating is 66.16 (Fair), noting that the goal OCI rating of 76 (Satisfactory) is well above the national average. He stated that maintenance of Satisfactory rated pavement versus reconstruction of Very Poor rated pavement is at a cost ratio of 1:7 and he provided a comparison table of the Fiscal Year 2018 projects that included the pavement’s OCI rating, type of repair, funding source and cost. Discussing Scenario 4 that was recommended by the City’s pavement management consultant, Mr. Sypher provided an overall budget and stated that the goals are to achieve an OCI rating of 75 over a 10-year period and to eliminate projects deteriorating into the reconstruction category. He explained that the proposed two to three year program would be funded by issuing approximately $12 million in bonds and would provide the opportunity to reduce and improve the future projected costs. Additionally, he pointed out that the pace of the overall program is affected by funding and the public’s tolerance of road construction throughout the community. Mr. Sypher provided a graph showing the number of miles requiring reconstruction between the various scenarios and he explained that grants and in-house work currently address total reconstruction miles. In addition, City Manager Rob Mayes stated that monies in the 201 Fund will be budgeted on a prioritized basis each year to address high yield and high need projects and he pointed out that this program focuses on the bond project. Mr. Mayes discussed the proposed bond program and pointed out that the bond proceeds and the remaining cash from the newly-implemented 1/8% GRT will fund the first four to five years of the recommended pavement management program. Concluding his portion of the presentation, Mr. Sypher provided the computer-generated proposed 2020 and 2021 street resurfacing projects which include chipseal, microsurfacing and mill inlay.

3
Continuing with the PowerPoint presentation, Mr. Kist provided an overview of the proposed Gross Receipts Tax ("GRT") Bonds, Series 2019 for street paving and road improvements and he pointed out that the New Mexico Finance Authority requires a dual marketing process because the issue amount exceeds $10 million. He reported that the structure of the issuance is fixed rate, tax-exempt financing over 15 years with an estimated all-in true interest cost of 4% and he pointed out that the annual debt service will be approximately $1.1 million, noting that the estimated 1/8% GRT revenues is $2.2 million which provides two times the debt service coverage. Concluding the presentation, he provided a detailed financing schedule with key dates and reported that the projected closing date is June 7, 2019.

For the record, Mr. Mayes stated that staff has diligently attempted to balance the challenges of availability of contractors, the public's tolerance, the 7:1 investment ratio and a conservative approach to create the best funding opportunity and pavement management program. He reported that it is staff’s recommendation to bond half of the new 1/8% GRT revenues and to keep the remaining half of the revenues liquid in order to cover the bond debt service should GRT revenues decline significantly or to help cash-fund other important projects that arise.

Mayor Duckett and Councilors Sharer and Rodgers expressed their support of the conservative approach and the proactiveness toward street maintenance.

PROPOSED ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE CITY OF PARMINGTON, NEW MEXICO MUNICIPAL GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2019, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $12,500,000 FOR THE PURPOSE OF DEFRAYING THE COSTS OF DESIGNING, ENGINEERING, CONSTRUCTING, ACQUIRING AND IMPROVING STREETS AND TRAFFIC IMPROVEMENTS, AND PAYING COSTS OF ISSUANCE OF THE SERIES 2019 BONDS

City Attorney Jennifer Breakell requested permission to publish notice of intent to consider adoption of a proposed ordinance dealing with the issuance, sale and delivery of the Series 2019 New Mexico Municipal Gross Receipts Tax Improvement Revenue Bonds pertaining to street and traffic improvements.

Thereupon a motion was made by Councilor Rodgers, seconded by Councilor Sharer to direct the City Attorney to publish notice of intent to consider adoption of a proposed ordinance in accordance with State Statutes. The roll was called with the following result:

Those voting aye: Linda G. Rodgers  
Sean E. Sharer  
Jeanine Bingham-Kelly  
Janis Jakino

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, said motion carried.

DISCUSSION/SCOPE OF WORK/COMPREHENSIVE PLAN UPDATE REQUEST FOR PROPOSALS

At the request of City Manager Rob Mayes, it was the consensus of the Council to direct staff to proceed with the procurement process for the Comprehensive Plan update in accordance with the scope of work previously distributed to the Council.

APPOINTMENTS TO THE AIRPORT ADVISORY COMMISSION

Mayor Duckett asked the Council’s consideration of the appointment of Theresa Pacheco (moving from the alternate position) and Mark Gordon as members of the Airport Advisory Commission (terms to December 2021).

Thereupon, a motion was made by Councilor Sharer, seconded by Councilor Rodgers to confirm the appointments of Theresa Pacheco and Mark Gordon as members of the Airport Advisory Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.
APPOINTMENTS TO THE SAN JUAN WATER COMMISSION

Mayor Duckett asked the Council’s consideration of the appointments of Jay Burnham as the primary representative and Public Works Director David Sypher as the alternate representative to the San Juan Water Commission.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to confirm the appointments of Jay Burnham as the primary member and David Sypher as the alternate member to the San Juan Water Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

COUNCIL BUSINESS

Tax Rate Change

In response to the Mayor’s inquiry, City Manager Rob Mayes reported that the State of New Mexico Taxation and Revenue Department is responsible for notifying businesses of the new tax rate that went into effect on January 1 and he stated that staff will publish updated information on the City's social media sites to help inform the community.

Foothills Drive Enhancements

Noting that the repainted safety railing is much more pleasing, Mayor Duckett questioned the progress of the centerpiece for the roundabout on Foothills Drive and whether a new large project sign was installed. In response, Public Works Director David Sypher reported that aesthetically attractive boulders are being considered for the centerpiece within the roundabout to prohibit motorists from driving straight through and he stated that a new project sign will not be removed until the total project closeout has occurred. Mayor Duckett also relayed that a few constituents are concerned that the signage entering the roundabout is located too close to the road for motorists with trailers to safely maneuver their way through.

Wayfinding Signage

Councilor Rodgers complimented the new wayfinding signage that has been installed to-date and inquired of the project’s progress. Public Works Director David Sypher announced that the project is on schedule to be completed in April.

CLOSED MEETING

A motion was made by Councilor Rodgers, seconded by Councilor Jakino to close the meeting to discuss request for proposals for utility statement processing and mailing services, pursuant to Section 10-15-1H(6) NMSA 1978. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Jeannie Bingham-Kelly
Janis Jakino

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried.

The Mayor convened the closed meeting at 10:43 a.m. with all members of the Council being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 10:50 a.m. with all members of the Council being present.
PROPOSAL/UTILITY STATEMENT PROCESSING AND MAILING SERVICES

Chief Procurement Officer Kristi Benson announced that proposals for utility statement processing and mailing services (Electric) opened on November 28, 2018 with seven offerors participating. She recommended that the contract be awarded to DataProse, LLC as the top evaluated firm after application of the five percent in-state and Veterans preferences.

Following brief discussion, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to award the contract for utility statement processing and mailing services to DataProse, LLC, as recommended by the Chief Procurement Officer, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to adjourn the meeting at 10:53 a.m., and upon voice vote the motion carried unanimously.

APPROVED this 12th day of February, 2019.

[Signature]
Nate Duckett, Mayor

SEAL

ATTEST:

[Signature]
Dianne Smylie, City Clerk