Regular Meeting of the City Council, City of Farmington, New Mexico, held in the Council Chamber at City Hall at 6:00 p.m. on Tuesday, April 9, 2019. The open regular session was held in full conformity with the laws and ordinances and rules of the Municipality.

Upon roll call, the following were found to be present, constituting a quorum:

MAYOR: Nate Duckett
COUNCILORS: Linda G. Rodgers
                  Sean E. Sharer
                  Jeanine Bingham-Kelly
                  Janis Jakino

constituting all members of said Governing Body.

Also present were:

CITY MANAGER: Rob Mayes
ASSISTANT CITY MANAGER: Julie Baird
CITY ATTORNEY: Jennifer Breakell
CITY CLERK: Dianne Smylie

The meeting was convened by the Mayor. Thereupon the following proceedings were duly had and taken:

INVOCATION: The invocation was offered by Pastor David Florez of The Journey Church.

Electric Utility Director Hank Adair led the Pledge of Allegiance.

Due to the length of tonight's agenda, Mayor Duckett asked that consideration of the First Amendment to Letter of Intent between the City and Acme Equities, LLC and Enchant Energy Corporation be heard after consideration of the bid for in-car and body camera systems. There were no objections from the Council.

CONSENT AGENDA: The Mayor announced that those items on the agenda marked with an asterisk (*) have been placed on the Consent Agenda and will be voted on without discussion by one motion. He stated that if any item did not meet with approval of all Councilors or if a citizen so requested, that item would be removed from the Consent Agenda and heard under Business from the Floor.

*MINUTES: The minutes of the Regular Meeting of the City Council held March 26, 2019.

*BID: The Contracts Administrator recommended that the bid for purchase of trucking services (Public Works) be awarded to the lowest and best bidder per category after application of the five percent in-state and Veterans preferences (Envirotech, Inc. = $92,312.50; Sierra Oilfield Services, Inc. = $18,250; Herrera Trucking LLC = $107,500; GBL Trucking LLC = $103,750; and Rosie Atencio Trucking = $103,750). Bids opened March 26, 2019 with five bidders participating.

*WARRANTS PAYABLE for the time period of March 24, 2019 through April 6, 2019, for current and prior years, in the amount of $8,030,595.85.

There being no requests to remove any items, a motion was made by Councilor Sharer, seconded by Councilor Rodgers to approve the Consent Agenda, as presented, and upon voice vote the motion carried unanimously.

RESOLUTION NO. 2019-1706/FAIR HOUSING MONTH

Community Development/Public Works Director David Sypher introduced newly-hired Associate Planner Francisco (Paco) Alvarado. Mr. Alvarado presented Resolution No. 2019-1706 pertaining to fair housing, noting that this is a requirement for participation in the Community Development Block Grant ("CDBG") Program. The title of the resolution being:
A RESOLUTION DESIGNATING THE MONTH OF APRIL, 2019 AS "FAIR HOUSING MONTH."

After consideration of Resolution No. 2019-1706, a motion was made by Councilor Rodgers, seconded by Councilor Sharer that said resolution be passed and adopted as presented. 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, the said motion carried and Resolution No. 2019-1706 was duly passed and adopted.

BID/LEASING SERVICES FOR AN IN-CAR AND BODY CAMERA SYSTEM

Utilizing a PowerPoint presentation, Deputy Police Chief Jessica Tyler reported that staff is unable to purchase replacement parts (such as batteries) for the current L3 in-car and body camera system and stated that staff is recommending that this system be replaced with WatchGuard since it provides high-definition video, redaction and low-light capabilities, a stabilizing platform, integration between the in-car and body cameras, and offers a five year warranty. She pointed out that the WatchGuard system has been tested and approved by the police officers and noted that L3 withdrew from the testing process because they cannot offer a next generation camera system.

Contracts Administrator Rosalyn Potter reported that bids for leasing services for an in-car and body camera system (Police) opened on February 27, 2019 with two bidders participating. She recommended that the bid be awarded to Fleetwood Finance Leasing, LLC as the lowest and best bidder meeting specifications for Option B (a 60-month lease) at a cost of $1,416,991.80. She noted that this amount is for 128 cameras, a new server and disc publisher and all accessories.

City Manager Rob Mayes pointed out that this project is slated to be paid for by revenue generated from the 1/8 percent dedicated Public Safety Tax that took effect in January.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to award the bid for purchase of leasing services for the WatchGuard in-car and body camera system to Fleetwood Finance Leasing, LLC to be paid with monies from the Public Safety Fund, as recommended, and upon voice vote the motion carried unanimously.

FIRST AMENDMENT/LETTER OF INTENT/SAN JUAN GENERATING STATION

City Attorney Jennifer Breakell presented the First Amendment to Letter of Intent between the City and Acme Equities, LLC ("Acme") regarding the intent of Acme to purchase all the acquired assets and assume liabilities for San Juan Generating Station ("SJGS"). She explained that the proposed amendment will assign the rights and obligations of the initial Letter of Intent to Enchant Energy Corporation ("Enchant"), the New Mexico affiliate for Acme. She also pointed out that the exclusivity period is being extended by six months to September 21, 2019 for the purpose of allowing Enchant to hire the engineering firm Sargent & Lundy to prepare an initial feasibility study. She noted that this is the same engineering firm that conducted the feasibility study for carbon sequestration technology on SJGS for Public Service Company of New Mexico. Furthermore, Ms. Breakell reported that Enchant plans to apply for a grant from the U.S. Department of Energy in relation to carbon sequestration technology and that they must also coordinate with the City and the other remaining owners of SJGS for transfer of the interests. She noted that the proposed First Amendment provides an outline of the issues that will be discussed and negotiated in development of a future Purchase Agreement.

In response to inquiry from Councilor Rodgers, Ms. Breakell confirmed that Enchant is responsible for the costs associated with the feasibility study. She also stated that it is her opinion that there is no downside to signing the proposed First Amendment other than it extends the exclusivity period for six months.
Responding to concerns expressed by Councillor Sharer, Ms. Breckell confirmed that the City is under no obligation at this time to sell SJGS and stated that Enchant intends to have the feasibility study completed mid-summer.

At the request of a member from the audience, Mayor Duckett opened the meeting up for public comment, noting that he had intended to allow public comment at the time the Purchase Agreement was presented for consideration.

Joe Rogers, 5480 Escalante Trail, questioned whether the grant application was "chasing federal money" since he is unsure how it will fit into the process of transferring ownership. In response, Ms. Breckell reported that the grant funding is not required for Enchant to complete the feasibility study, but noted that the Department of Energy suggested that they apply because they are supportive of carbon sequestration technology at SJGS. Expanding on her comments, City Manager Rob Mayes explained that Enchant is paying for the initial feasibility study and is hopeful that federal grant funding will help pay for the full-scale engineering study.

Joanne Duckwitz, 724 El Paso Drive, addressed the Council as a member of the Public Utility Commission ("PUC") and questioned whether the proposed First Amendment will prevent the City from considering other offers during the exclusivity period. In response, Ms. Breckell confirmed that it would and Mr. Mayes pointed out that current legislation prohibits operation of the plant without carbon sequestration technology.

Also addressing the Council as a member of PUC, Gordon Glass cautioned the Council about "getting the hopes up" for this community because similar projects within the United States and other countries have failed to come to fruition due to complexity and cost. He is concerned that a lot of effort will be spent on a process that is highly unlikely. In response, Ms. Breckell pointed out that there has been several articles published within the last few days indicating that major oil and gas companies are investing in their own carbon sequestration technology because it has been proven to work and some sources estimate that the costs have plummeted 60 to 70 percent in the last three years.

Mayo Duckett explained that he believes that the City has an obligation to do everything possible to save SJGS or else it will send a message to those workers that "we don't care and your jobs don't matter." He stated that "when he goes to sleep at night, he wants to know that he has done everything that he can" and he pointed out that SJGS is critical to the economy of this area. He acknowledged that the proposal is "gutsy" and he stated that he believes that due diligence is essential even if it is time consuming. Furthermore, he reported that George Sharpe, Investment Manager for Merrion Oil & Gas Corporation and former City Councilor, made a presentation last week at Leadership New Mexico's Local Government Leadership Program on the realities of carbon power, noting that it is the least expensive and most readily available source and will remain in high demand because it affects every aspect of human existence.

There being no further discussion, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to approve the First Amendment of Letter of Intent between the City and Acme Equities, LLC and Enchant Energy Corporation concerning the potential acquisition of all assets and assumption of certain identifiable liabilities of the San Juan Generating Station, and upon voice vote the motion carried unanimously.

APPOINTMENT TO THE LODGERS' TAX ADVISORY BOARD

Mayor Duckett asked the Council's consideration of the appointment of Addie Betancourt as a member of the Lodgers' Tax Advisory Board (term to July 2019).

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to confirm the appointment of Addie Betancourt as a member of the Lodgers' Tax Advisory Board, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

RECOGNITION OF HUMAN RESOURCES DIRECTOR TOM SWENK

City Manager Rob Mayes recognized Human Resources Director Tom Swenk for being named the 2019 New Mexico Human Resources Professional of the Year by NMHRM. He noted that Mr. Swenk has served as the human resources director for the past seven years and has brought in new trainings, restructured the City's pay plan and implemented the national program, "Project Search" which is the first to be
implemented by a municipality. Mr. Swenk stated that Mr. Swenk is a dedicated, people-focused leader who works diligently to strike a balance between the needs of the organization with the needs of the employees and he offered his sincere congratulations.

Mr. Swenk thanked his fellow colleagues in the Human Resources Department and he briefly explained Project Search, noting that a more in-depth presentation is being scheduled for next week’s City Council Work Session.

UPDATE/FOUR CORNERS REGIONAL AIRPORT AND AIRLINE SERVICE

Utilizing a PowerPoint presentation, Airport Manager Mike Lewis reported that the latest report from the New Mexico Department of Transportation indicates that Four Corners Regional Airport contributes nearly $23 million annually to the local economy when airline service is being offered; provides an all-weather, 24-hour facility for aviation activity, including air ambulance and medical transfer flights; supports the mission of all branches of the military; provides a base for Federal Express and United Parcel Service (UPS); offers hangars and services to the locally-based general aviation community; and has 120 acres available on the north side of the runway for construction of an aviation-related business park. In addition, Mr. Lewis stated that Four Corners Regional Airport ranked second in the number of general aviation operations with 11.5 percent of the New Mexico total; is ranked seventh with regard to the number of based aircraft; and provides employment by 14 separate organizations. With regard to airline service, Mr. Lewis reported that in early October, 2017, Great Lakes Airlines notified the City that they would be ceasing operation on October 31. As a result, he and City Manager Rob Mayes hired ArkStar Group to explore the air service options available and by November 15, 2017, the Managing Director of Market Development at SkyWest had depressed serious interest to provide service to the airport be upgraded to a C-11 reference code. In December, 2017, staff initiated discussions with the Federal Aviation Administration Program Manager to revamp the Capital Improvement Plan for the next five years to facilitate improvements that would allow regional jet traffic by extending the safety areas on the runways to 1,000 feet and relocating the taxiways further away from the runways. In July, 2018, a staff was awarded $850,000 from the Small Community Air Service Development Program (SCASDP) to complete the needed improvements which total $23.19 million. He noted that the grant funding will be available for five years and stated that the proposed improvements will be funded by $21,750,000 from the Federal Aviation Administration; $724,688 from the State of New Mexico; and $724,688 from the City of Farmington (an average cost of $145,000 per year). In closing, he noted that he anticipates the improvements to be completed by early 2020, at which time staff will discuss implementing air service with SkyWest.

Councilor Rodgers commended Mr. Lewis for his efforts in securing air service at Four Corners Regional Airport.

BUDGET HEARING #1 - INTRODUCTION OF THE CAPITAL IMPROVEMENT PLAN

City Manager Rob Mayes explained that the purpose for tonight’s discussion is to provide the Council with an opportunity to review the proposed Fiscal Year 2020 ("FY20") Capital Improvement Plan ("CIP") and to provide direction to staff on how to proceed with budgeting the numerous capital projects.

Directing the Council’s attention to pages 4.0 to 4.6 of the agenda materials, Acting Administrative Services Director Teresa Emrich explained the methodology that is used in determining the FY20 projected budget amount be with the proposed capital projects. With regard to Fund 201 (GRT-Streets), she noted that staff is recommending that $670,000 be budgeted for vehicle replacement; $760,000 for storm sewer construction; $750,000 for Broadway Street bridge repairs; $450,000 for Airport Drive bridge repairs; and $1 million for street resurfacing. She noted that $10,780,000 for capital pavement maintenance and $1,520,000 for non-capital pavement maintenance is budgeted in the bond resurfacing project. With regard to Fund 202 (GRT-Parks), Ms. Emrich pointed out that $116,000 has been budgeted for equipment upgrades and vehicles; $136,132 for lighting and field maintenance at the Soccer Complex; $50,000 for equipment upgrades at Pihn Hill Golf Course; and $225,000 to replace the slide at the Aquatic Center. She also noted that $5,000 is budgeted for the Animas River Restoration "Rock Garden" project; $55,000 for vehicles at the Senior Center; and $160,000 for parking lot rehabilitation (northwest side) at the Senior Center Annex building from the 214 Fund (Parks Gifts and Grants). Continuing with the presentation, she reported that $1,084,000 is budgeted
for the Villa View Detention Pond; $1,300,000 for Foothills Drive enhancements; and $881,774 for the 20th Street Sidewalk Improvements project from the 401 Fund (Public Works Capital Grant). With regard to the 403 Fund (2017/2018 Series GRT Projects), Ms. Emrich noted that $434,000 is budgeted for the Among the Waters Trail Development and $4,847,618 for the downtown Complete Streets project. She noted that $40,000 is budgeted for Aircraft Rescue and Firefighting proximity gear and $3,500,000 for runway upgrades and construction in the 409 Fund (Airport Grants) and stated that $245,844 is been budgeted for the downtown Complete Streets project in the 411 Fund (Metropolitan Redevelopment Authority). She also briefly reviewed the 221 (Red Apple Transit Grant), the 223 (Community Development Block Grant), and the 412 (Park Development Fees) Funds.

In closing, City Manager Rob Mayes reported that this is the first step in the FY20 budget process, noting that a more in-depth presentation will be made at a Special City Council Work Session scheduled for 9:00 a.m. on Tuesday, May 7 in the Executive Conference Room.

CITY ATTORNEY BUSINESS

In accordance with the State Open Meetings Act, City Attorney Jennifer Breakeill presented and read by title a resolution setting and establishing the regular day, time and place for City Council meetings. The title of the resolution being:

A RESOLUTION SETTING AND ESTABLISHING A REGULAR MEETING DAY, TIME AND PLACE FOR CITY COUNCIL MEETINGS PURSUANT TO CITY COUNCIL RESOLUTION NO. 2013-1466.

Councilor Jakino briefly left the meeting.

Following brief consideration, a motion was made by Councilor Sharer, seconded by Councilor Rodgers to establish the regular day, time and place for City Council meetings as the second and fourth Tuesdays of each month at 6:00 p.m. in the Council Chamber of the Municipal Building, 800 Municipal Drive, Farmington, New Mexico. The roll was called with the following result:

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

Those voting nay: None

Those absent: Janis Jakino

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and the resolution was duly passed and adopted as presented.

Ms. Breakeill also presented and read by title Resolution No. 2019-1707 authorizing a grant application for street improvements. The title of the resolution being:

A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION TO THE NEW MEXICO FINANCE AUTHORITY FOR FINANCIAL ASSISTANCE FOR STREET IMPROVEMENTS.

Councilor Jakino returned to the meeting.

Utilizing a PowerPoint presentation, Evan Kist, Financial Advisor for RBC Capital Markets, reported that similar information was presented to the Council at a Work Session in January but noted that interest rates have dropped so the bond issue amount will be approximately $500,000 more than initially projected. He reported that the projected bond amount will be $13,105,000 with an approximate interest rate of 3.50 percent and a projected closing date of June 26, 2019. He also pointed out that the bonds will be repaid with a portion (50 percent) of the 1/8 percent gross receipts tax that was implemented in January, or about $1.1 million per year.

Following consideration of Resolution No. 2019-1707, a motion was made by Councilor Rodgers, seconded by Councilor Sharer that said resolution be passed and adopted as presented. 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, the said motion carried and Resolution No. 2019-1707 was duly passed and adopted.

Lastly, Ms. Breakell presented for discussion a proposed ordinance dealing with wireless (small cell) communication facilities. The title of such ordinance being:

AN ORDINANCE AMENDING CHAPTER 22 OF THE CITY CODE BY ADDING A NEW ARTICLE 8 ENTITLED "WIRELESS COMMUNICATION FACILITIES;" PROVIDING DEFINITIONS; PROVIDING FOR PERMITS; AND PROVIDING FOR SEVERABILITY.

There being no discussion, Ms. Breakell announced that the proposed ordinance will be presented for final action at the April 23, 2019 regular City Council meeting.

CLOSED MEETING

A motion was made by Councilor Rodgers, seconded by Councilor Sharer to close the meeting to receive advice from the City’s legal counsel regarding a matter of pending litigation (Case No. 17-00174-UT: Public Service Company of New Mexico’s 2017 Integrated Resource Plan), pursuant to Section 10-15-1H(7) NMSA 1978. 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, the said motion carried.

The Mayor convened the closed meeting at 7:42 p.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, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 8:16 p.m. with all members of the Council being present and there being no further business to come before the Council, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to adjourn the meeting at 8:17 p.m., and upon voice vote the motion carried unanimously.

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 2013-1466, et seq.

Approved this 23rd day of April, 2019.

Entered in the permanent record book this 24th day of April, 2019.

Nate Duckett, Mayor

Andrea Jones, Deputy City Clerk