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, May 24, 2016. 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	Tommy Roberts
COUNCILORS	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
THOSE ABSENT	Nate Duckett, Councilor

constituting all the 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.

Gene Schmidt, Superintendent of Farmington Municipal Schools, led the Pledge of Allegiance.

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 May 10, 2016 and the minutes of the Special Work Session of the City Council held May 3, 2016.

*WARRANTS PAYABLE for the time period of May 8, 2016 through May 21, 2016, for current and prior years, in the amount of $4,958,243.13.

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

VALEDICTORIAN AND SALUTATORIAN RECOGNITION DAY PROCLAMATION

Mayor Roberts recognized the Class of 2016 Valedictorians and Salutatorians from Farmington High School ("FHS"), Piedra Vista High School ("PVHS") and Navajo Preparatory School ("Navajo Prep") and read a Proclamation declaring May 24, 2016 as "Valedictorian and Salutatorian Recognition Day." He presented FHS Valedictorian Raimi Clark and Salutatorian Emily Bliss, PVHS Valedictorian Kristina Schwab and Salutatorian Eric Ensign and Navajo Prep Valedictorian Leniah Yazzie and Salutatorian Jennifer Etcitty with copies of the Proclamation and asked them to explain what their plans are for college.

REAPPOINTMENTS TO THE LIBRARY BOARD

Mayor Roberts asked the Council's consideration of the reappointments of Richard Gerding, Mary Keller, Daniel Sheesley and Pat Noah as members of the Library Board (terms to May 2020).

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to confirm the reappointments of Richard Gerding, Mary Keller, Daniel Sheesley and Pat Noah as members of the Library Board, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

REAPPOINTMENTS TO THE PLANNING AND ZONING COMMISSION

Mayor Roberts asked the Council's consideration of the reappointments of Joyce Cardon, Cody Waldroup, Kristen Langenfeld, Clint Freeman, Shay Davis and Ryan Brown to the Planning and Zoning Commission (term to May 2018).

Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to confirm the reappointments of Joyce Cardon, Cody Waldroup, Kristin Langenfeld, Clint Freeman, Shay Davis and Ryan Brown to the Planning and Zoning Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

CITY MANAGER BUSINESS

City Manager Rob Mayes presented and read by title Resolution No. 2016-1590 adopting a final budget for Fiscal Year 2017. The title of the resolution being:

> A RESOLUTION ADOPTING AN OFFICIAL FINAL BUDGET FOR THE CITY OF FARMINGTON, NEW MEXICO FOR FISCAL YEAR 2017 AND REQUESTING STATE APPROVAL.

Mayor Roberts pointed out that one of the uncertainties in the proposed budget was whether San Juan County would retain its contractual arrangement with the Farmington Regional Animal Shelter. City Manager Rob Mayes happily reported that the San Juan County Commission voted earlier today to retain the contractual arrangement for one more year, but stated that he will be recommending a renegotiation to the contract to phase-out the 20 percent subsidy that is currently being paid by San Juan County. Noting that this will result in approximately $80,000 less revenue, Mr. Mayes explained that a budget adjustment will have to be considered if the Council decides to approve the renegotiated contract.

Mayor Roberts expressed appreciation to staff, department heads and key budget personnel for implementing a smooth budget process despite the struggling economic conditions.

There being no further discussion, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to passed and adopt Resolution No. 2016-1590, as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1590 was duly passed and adopted.

CITY ATTORNEY BUSINESS

In accordance with the State Open Meetings Act, City Attorney Jennifer Breakell presented and read by title a resolution setting and establishing the regular day, time and place for regular 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.

Following brief consideration, a motion was made by Councilor McCulloch, seconded by Councilor Sharer to establish the regular day, time and place for regular 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 Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

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. Breakell introduced a proposed ordinance dealing with sanitation service. The title of the proposed ordinance being:

AN ORDINANCE AMENDING SECTION 23-2-7 OF THE CITY CODE ESTABLISHING RESIDENTIAL AND COMMERCIAL CHARGES FOR SANITATION SERVICE.

City Manager Rob Mayes asked that staff's request to proceed with publication of a notice of intent to consider adoption of the proposed ordinance be tabled indefinitely in an effort to continue the negotiations on the pending proposal for solid waste collection services.

Thereupon, a motion was made by Councilor Rodgers, seconded by Council McCulloch to table indefinitely staff's request to proceed with publication of a notice of intent to consideration adoption of a proposed ordinance concerning sanitation service, and upon voice vote the motion carried unanimously.

Ms. Breakell presented for discussion a proposed ordinance pertaining to a loan from the New Mexico Finance Authority for improvements to the City's water system. The title of such proposed ordinance being:

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BETWEEN THE CITY AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN $2,448,240, TOGETHER WITH INTEREST, EXPENSES AND ADMINISTRATIVE FEES, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN $816,080, FOR THE PURPOSE OF FINANCING THE COSTS OF A WATER SYSTEM IMPROVEMENT PROJECT; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE NET REVENUES OF THE CITY'S WATER SYSTEM; SETTING AN INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

There being no discussion, Ms. Breakell announced that the proposed ordinance will be presented for final action at the June 14, 2016 regular City Council meeting.

Ms. Breakell also presented a proposed ordinance pertaining to a loan from the New Mexico Environment Department for improvements to the City's wastewater treatment facility and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. She recommended the ordinance, if adopted, be given the number 2016-1287. The title of the ordinance being:

AN ORDINANCE AMENDING ORDINANCE NO. 2015-1274 AND THE LOAN AGREEMENT AND NOTE AUTHORIZED THEREBY, ALL RELATING TO THE WASTEWATER CONSTRUCTION LOAN FROM THE NEW MEXICO ENVIRONMENT DEPARTMENT TO THE CITY OF FARMINGTON FOR THE PURPOSE OF FINANCING THE COST OF BETTERING AND IMPROVING THE CITY'S SANITARY SEWER SYSTEM BY EXTENDING, ENLARGING, BETTERING, REPAIRING AND OTHERWISE IMPROVING THE CITY'S EXISTING WASTEWATER TREATMENT FACILITY; AND OTHERWISE RELATING TO SUCH LOAN, LOAN AGREEMENT, NOTE, PROJECT AND THIS ORDINANCE.

After consideration of Ordinance No. 2016-1287, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1287 was duly passed and adopted.

Lastly, Ms. Breakell presented a proposed ordinance dealing with regular meetings of the Animal Services Advisory Commission and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. She recommended the ordinance, if adopted, be given the number 2016-1288. The title of the ordinance being:

AN ORDINANCE AMENDING CHAPTER 6 OF THE CITY CODE DEALING WITH MEETINGS OF THE ANIMAL SERVICES ADVISORY COMMISSION.

After consideration of Ordinance No. 2016-1288, a motion was made by Councilor Rodgers, seconded by Councilor Sharer that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1288 was duly passed and adopted.

SOLID WASTE COLLECTION AND STREET PAVEMENT IMPACTS/STREET DAMAGE REIMBURSEMENT FEE

Utilizing a Powerpoint presentation, Public Works Director David Sypher explained the reasons why he believes that a sanitation street damage reimbursement fee should be considered since the operation of one garbage truck is the equivalent of 4,135 vehicles averaging 5,000 pounds in weight. He noted that garbage trucks have a gross weight of 60,000 pounds and are classified as heavy trucks and stated that road damage and wear increases rapidly due to their axle weight. Furthermore, he noted that the constant turning action of garbage trucks causes an accelerated and accentuated wear on residential streets. As a result, Mr. Sypher pointed out that the 201 Streets Fund is subsidizing the 604 Sanitation Fund by approximately $3,510,046 per year and he recommended a one-time transfer of $1.2 million from the 604 Fund to the 201 Fund since there is currently a $2.5 million cash balance and the goal is to have 2.5 months of reserves (or $1.25 million). Following brief consideration, it was the consensus of the Council to proceed with the recommended one-time transfer of $1.2 million from the 604 Fund to the 201 Fund for street damage repair.

Mr. Sypher explained that the second recommendation is to consider the adoption of a street damage reimbursement fee, noting that this a growing, nationwide trend in response to cost-of-service accounting between different funds. He recommended that the reimbursement amount be capped at $1.2 million ($4.50 fee for residential customers and $5.00 fee for commercial customers per month) since implementation of the full reimbursement amount ($3.5 million) would result in a rate increase of 58 percent. In response to inquiry from Mayor Roberts, City Manager Rob Mayes contended that he believes that the recommended $1.2 million is a reasonable starting point, but stated that he can see where $4.50 per

month might be too high. Also, he pointed out that staff is simply advising the Council about its ability to impose such a fee, noting that they are not seeking direction at tonight's meeting.

Expressing his thoughts on the matter, Mayor Roberts stated that he sees the primary problem being that the public has not had an opportunity to express their opinions about the proposed fee. He stated that he appreciates the initiation from staff and understands the critical need to find funding to support regular maintenance and repair of City streets. However, he advised that he is a bit hesitant about proceeding with the rate because of the current economy and he likened it to the regulations being proposed by the Bureau of Land Management with regards to the flaring of natural gas. He explained that he can see where the proposed fee would be a good idea if the timing was right, but doesn't support it under the current economic conditions. He also pointed out that the City has 1) raised the electric utility rates within the last three years; 2) increased the water and wastewater rates with three more increments to implemented; and 3) imposed a 2/8 percent gross receipts tax increase which was the first tax increase since 1998. He stated that he would prefer to delay implementation of the proposed fee to see if the economy recovers.

Councilor Rodgers agreed with the Mayor's comments and questioned whether there are other options available to accomplish the same goal. In response, Mr. Mayes stated that it is his opinion that now is the best time to implement the fee because the pavement life assessment was completed two years ago and the economy has not yet recovered. He also pointed out that for every $1 spent for maintenance on a satisfactory street it will cost $5 to $7 to repair the same street if it is in a very poor condition. Mr. Mayes mentioned that two other options are to increase property taxes or establish paving districts which could help repair residential streets.

In response to inquiry from Councilor Sharer, Mr. Sypher restated that the Council would be on the "front edge" but not the "cutting edge" if they chose to impose the proposed street damage reimbursement fee.

Councilor McCulloch pointed out that staff could be directed to proceed with the proposed fee, noting that the Council would still have the opportunity to vote against it if the public were to express resistance.

Mayor Roberts noted that there was little resistance to the implementation of the utility rates and the gross receipts tax increase because staff did a great job of informing the public of the need. He strongly urged staff to employ a customer education effort and suggested that the matter be reconsidered at a future date. In closing, Mr. Mayes confirmed that he needed no further direction from the Council at this point in time.

CLOSED MEETING

A motion was made by Councilor McCulloch, seconded by Councilor Rodgers to close the meeting to discuss request for proposals for solid waste collection 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 Gayla A. McCulloch
Those voting nay:	None
Those absent:	Nate Duckett

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

The Mayor convened the closed meeting at 7:16 p.m. with Councilors Rodgers, Sharer and McCulloch 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 7:48 p.m. with Councilors Rodgers, Sharer and McCulloch being present.

PROPOSAL/SOLID WASTE COLLECTION SERVICES/DIRECTION TO STAFF

City Manager Rob Mayes announced that staff has requested that this item be removed from tonight's agenda because direction from the Council concerning the pending contract negotiations for solid waste collection services was given during the closed meeting.

At the advice of City Attorney Jennifer Breakell, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to table this item, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 7:49 p.m.

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

Approved this 14th day of June, 2016.

Entered in the permanent record book this 15th day of June, 2016.

Tommy Roberts

Tommy Roberts, Mayor

SEAL

ATTEST:

Andrea Jones

Andrea Jones, Deputy City Clerk