



MINUTES OF THE REGULAR RATON CITY COMMISSION
MEETING HELD ON TUESDAY, APRIL 23, 2019 AT 6 PM

I. CALL TO ORDER:

Mayor Segotta called the meeting of the Raton City Commission to order at 6:00 p.m.

II. ROLL CALL/ATTENDANCE:

Answering roll call was: Mayor Neil Segotta, Mayor Pro-tem Linde' Schuster, Commissioners: Lori Chatterley and Don Giacomo. Commissioner Ron Chavez was absent. Also present were City Manager Scott Berry, Clerk/Treasurer Michael Anne Antonucci and 6 visitors.

III. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

IV. RECOGNITION OF VISITORS, CITIZEN OF THE MONTH AND/OR PRESENTATION OF PROCLAMATION, SERVICE AWARD, CONGRATULATIONS, CONDOLENCES, HOLIDAY SCHEDULES AND CITY/MUNICIPAL EVENTS:

- Next Regular Commission Meeting Tuesday, March 12, 2019 at 6pm.
- Proclamation – Run for the Wall Week May 12-18, 2019
- Proclamation – Arbor Day April 26, 2019

V. COMMENTS FROM THE GENERAL PUBLIC:

None.

VI. COMMITTEE REPORTS FROM COMMISSIONERS:

Commissioner Chatterley reported that she attended the NMML District meeting in Las Vegas on April 10th and gave a brief overview on tax reform legislation passed and noted there would be a two year transition before full implementation on taxing remote sellers and internet sales which would be based on the destination zip code. In the meantime, the State of NM will make a distribution to municipalities and counties but the amount for Raton is unknown at this time. She also reported that short term rentals such as Air BNB will no longer be exempt from Lodgers Tax. Commissioner Chatterley was elected to be the NMML District 3 Director. Commissioner Chatterley briefly reported that the FY18 NCNMEDD audit showed that significant progress has been made to clear their findings. The next meeting will be held in Santa Fe on June 21st. Commissioner Chatterley attended a branding meeting on April 8th and reported that Jessica Barfield gave a presentation at a marketing/partnership meeting that was held that morning about the city's marketing efforts. Approximately 25 community members attended this meeting. The branding committee is also working on a scope of work for the next phase of Leighton Moon design services for the next fiscal year. The next branding meeting will be held on May 13th. The

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Beautification Coalition met recently and finalized the summer events calendar which is also on ExploreRaton.com, Facebook and Instagram. Patricia Duran with GrowRaton designed the event flyers for posting. There will also be a Summer of Color kick-off at Ripley Park on May 25th and a free movie "Peter Pan" on May 29th at El Raton. Commissioner Chatterley reported that the Senior Citizens Board meeting was held on April 17th but she was unable to attend.

Commissioner Giacomo reported that the Library Board did not meet this month and that he was unable to attend the RPS meeting.

Mayor Pro-tem Schuster reported that there was a Coal Camp Kitchen grand opening on April 6th and that a fundraising dinner was being planned for June 1st. Mayor Pro-tem Schuster attended the Housing Authority Board meeting held on April 16th and reported that Victor Romero, the new board members, was in attendance. The Housing Authority is gearing up for the Summer Food Program and was also awarded a \$30,000 education grant for the summer program. Mayor Pro-tem Schuster attended the Water Board meeting held on April 16th and reported that Lake Maloya is spilling, the board reviewed the FY20 Budget, Filter Plant reports and will advertise for the General Managers position next month. Mayor Pro-tem Schuster was unable to attend the April Chamber meeting but Dee Burks was present and gave a brief overview of the meeting. Dee also reported that they will be having an outdoor market at the Visitors Center every Saturday and then add the Farmers Market later in the summer. The Chamber will also present its budget to the City Commission next month. Mayor Pro-tem Schuster reported that the Center for Innovation did not have a meeting in April.

Mayor Segotta attended the RPS Board meeting and reported that they approved the audit resolution, that the Hartford Steam Boiler litigation was settled and was a favorable outcome. He also reported that Jessica Gonzales attended the Procurement Officer Training, the Smart Meter replacement is moving forward and that the Twin Eagle issue has still not been resolved. Mayor Segotta reported there was a small fire at the Hoxie Substation due to high winds and that the Genbacher gas generation unit cold start in February was successful and ran for about 10 minutes. The unit will carry about 70% of Raton. RPS continues to battle a leaky roof at the old plant. City Manager Berry stated that he has talked with NMSIF about the roof schedule. Mayor Segotta also thanked everyone for attending the RPS 100th Anniversary celebration at the Convention Center yesterday and reported that approximately 250 people signed the guest book. The next RPS meeting will be held on May 1st. Mayor Segotta reported that the Senior Citizens board met in March and that they have 3 board positions up for renewal and will take applications until April 30th. He also reported that the Raton Center is in need of vehicles and a kitchen remodel. The board is also in the process of comparing food prices and received a presentation from Ben E Keith Foods. The next board meeting will be on May 21st.

Mayor Pro-tem Schuster also reported that she attended the PBW Annual Banquet held at the Raton Museum on April 18th and congratulated Clerk/Treasurer Antonucci who was named the PBW Woman of the Year. She also congratulated Nicolina Villani-Martinez with the Raton Police Department who was the winner of the Young Professional Competition and will compete next month in Santa Fe at the PBW State Conference.

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VII. ACTION ITEMS/ PUBLIC HEARINGS/ORDINANCES/ RESOLUTIONS/ CITY MANAGER'S REPORT- The City Commission may discuss and/or take actions on the following agenda items:

A. *Approval of the April 9, 2019 Regular Commission Meeting Minutes.*

Commissioner Chatterley made a motion to approve the April 9, 2019 Regular Commission Meeting Minutes. Mayor Pro-tem Schuster seconded the motion. The motion passed 4-0 with all voting "aye".

B. *Deliberate and Act on Run for the Wall Parade Route and Road Closure on May 18th.*

City Manager Berry introduced and noted this is an annual event that Raton is fortunate to be on the route. He also stated that emergency services and the street department have reviewed and that the insurance information was also attached. Tim Trujillo, with Independent Riders, announced that there will be a special ceremony for the Vietnam Veterans in honor of the 50th Anniversary of their homecoming. A motion was made by Commissioner Giacomo to approve the Run for the Wall Parade Route and Road Closure on May 18th. The motion was seconded by Mayor Pro-tem Schuster and carried 4-0 with all voting "aye".

C. *Deliberate and Act on Ordinance No. 1003 Authorizing the Execution and Delivery of a Loan Agreement and Intercept Agreement by and Between the City of Raton and NM Finance Authority for Acquisition and Construction of Solid Waste Facilities and Equipment.*

Evan Kist with RBC Capital Markets and Daniel Alsup with Modrall Sperling were both present and gave a brief overview of Raton's outstanding debt and the proposed new money financing for the construction of solid waste facilities and equipment for a principal amount of up to \$650,000 together with interest. Mr. Kist noted that 10% of the loan was eligible for a disadvantage rate and that the City of Raton would pledge the 1/16 Environmental GRT for repayment of the note. There was also a brief discussion on the next item regarding the refunding of the 2 Aquatic Center loans which according to Mr. Kist will save approximately \$308,120 in net present value savings and approximately \$530,000 in gross savings. He also noted that it is beneficial to do a refunding when the savings is at least 3% however in the City's case it is close to 9.6% which is very good. Mr. Kist also stated that the hope and expectation is that it will look even better when the City of Raton locks in rates the week of May 20th. Daniel Alsup then reviewed the schedule on page 9 of the handout and noted that the loan closing would be on June 7th. City Manager Berry stated that the action is to approve Ordinance No. 1003 and then read the title aloud for the benefit of those listening on the radio. A brief discussion followed regarding a question on the final interest rate and loan amount which was clarified by Mr. Alsup. A motion was made by Mayor Pro-tem Schuster to approve Ordinance No. 1003 Authorizing the Execution and Delivery of a Loan Intercept Agreement by and Between the City of Raton and NM Finance Authority for Acquisition and Construction of Solid Waste Facilities and Equipment. The motion was seconded by Commissioner Giacomo and carried 4-0 with all voting "aye".

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- D. *Deliberate and Act on Ordinance No. 1004 Authorizing the Execution and Delivery of a Loan Agreement and Intercept Agreement by and Between the City of Raton and NM Finance Authority for the Purpose of Refunding, Paying and Discharging the Outstanding 2007 and 2009 NMFA Loans for the Raton Aquatic Center.***

City Manager Berry stated that Mr. Kist has reviewed the refunding analysis and the estimated savings to the City of Raton. He then read the ordinance title aloud. Mr. Alsup also explained that the refunding has been consolidated into one ordinance which will be a savings to the City since there will only be one transaction. A motion was made by Commissioner Chatterley to approve Ordinance No. 1004 Authorizing the Execution and Delivery of a Loan Agreement and Intercept Agreement by and Between the City of Raton and NM Finance Authority for the Purpose of Refunding, Paying and Discharging the Outstanding 2007 and 2009 NMFA Loans for the Raton Aquatic Center. The motion was seconded by Commissioner Giacomo and carried 4-0 with a roll call vote of each commissioner voting "yes".

- E. *Public Hearing: FY2020 City of Raton Budget.***

City Manager Berry stated that public input is important and gave a brief overview of budget challenges as a result of a decline seen this fiscal year in the gross receipts distributions which is the City's primary source of revenue and could possibly be attributed to a decline in construction and amended returns. He also noted that personnel costs are the largest recurring expense and that the goal is to maintain basic services at the current levels. City Manager Berry stated that municipalities may see some relief from new tax legislation but will have to wait and see. A brief discussion followed regarding the decline in GRT and the difficulty in getting information from NM Tax and Revenue. Laura Brewer questioned the impact also of the Ute Park Fire. A brief discussion followed regarding the NM Municipal League's efforts to obtain more information from Tax and Revenue. There was also discussion on the increase seen this past year in Lodgers' Tax and Gasoline Tax Distributions. There was no further discussion.

- F. *Deliberate and Act on Community Development Block Grant (CDBG) Project Selection.***

City Manager Berry stated that the City of Raton will prepare an application for the Community Development Block Grant. Jason Phillips was present and gave the Commission a brief overview of the program and proposed projects recommended by those that participated in the public hearings conducted on April 9th and April 16th. He then summarized the eligible activities that have a community wide benefit that can be funded by the program and noted that a project can't be pre-determined. He also provided a project location map for the proposed street improvement projects and copies of the minutes from the hearings. Mr. Phillips also commented that public participation at the hearing was low and that some of the suggestions were not on the ICIP and may not score as well. He also reported that the deadline to apply is June 20th and that the maximum amount the City can apply for is \$750,000 and that there is a 10% match which would be funded utilizing Gas Tax. Mr. Phillips informed the Commission that there will also be a post-selection public hearing once the project is identified. Mayor Pro-tem Schuster stated that the two things she

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hears are downtown walkability and mental health. Mayor Segotta stated that he gets complaints also about wheelchair accessibility. Commissioner Chatterley stated that she did not feel we were ready to proceed with a mental health program but that streets and sidewalks would be easier to proceed with at this time. A brief discussion followed on street priorities and the pending TAP application for the Great Blocks Project. A motion was made by Commissioner Chatterley to designate the downtown area street project as the selection for the CDBG Project Application. The motion was seconded by Commissioner Giacomo and carried 4-0 with all voting "aye".

G. Deliberate and Act on Lodgers/ Tax Non-Promotional Funding Request from Raton Chamber to Paint a Mural in Courtyard at the Raton Visitors Center.

Dee Burks was present and stated that the Chamber has a goal to make the Visitor Center more of a destination and that they want to increase the number of visitors. She also reported that the State removed the Welcome to New Mexico sign on the pass which was a popular place for tourists to take their picture. As a result they are proposing that a mural be painted on the inside courtyard wall which is a secure area that can be locked at night to prevent vandalism. She reported that the Chamber obtained 2 quotes and that Carl Swanson's price of \$5,600 was the lowest. She also noted that if approved it could be completed in 2-3 weeks before Memorial Day. Ms. Burks stated that mural projects trend well on social media also. Discussion followed on the various building issues that will eventually need repair and concern whether or not the mural would have to be painted over in order to make the repairs. A motion was made by Commissioner Giacomo to award \$5,600 for the mural in the Courtyard at the Raton Visitors Center. The motion was seconded by Commissioner Chatterley. Treasurer Antonucci stated that she would need to contact Tax and Revenue to determine if a mural was taxable or would qualify to be tax exempt. The motion carried 4-0 with all voting "aye".

H. Deliberate and Act on Bid Award for Fire Station #1 Upstairs Renovation.

City Manager Berry recommended postponing consideration to allow for further review and recommended scheduling a special meeting early next week. A motion was made by Mayor Pro-tem Schuster to postpone action until a Special Meeting on April 30th at 6 p.m. The motion was seconded by Commissioner Chatterley and carried 4-0 with all voting "aye".

I. Deliberate and Act on Introduction of Ordinance Establishing Rates for Water and Sewer Use from the Municipal System of the City of Raton Amending Ordinance No. 972, Ordinance No. 948, Ordinance No. 894 and Ordinance 684 and Repealing all Ordinances and regulations in Conflict Therewith.

Raton Water Works General Manager Dan Campbell was present and gave an update on the proposed 3% rate increase which he explained is necessary due to increased chemical costs. He reported that the increase on an average bill would increase \$1.36 per month and that the annual increase would be \$16.28. He then reviewed the 2017 NMED rate survey showing that Raton is below the state average which is a result of Raton being able to fund water projects with the supplemental GRT. He also reported that there will be some

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wastewater issues in the future due to discharge regulations. A motion was made by Commissioner Chatterley to Introduce an Ordinance Establishing Rates for Water and Sewer Use. The motion was seconded by Commissioner Giacomo and carried 4-0 with a roll call vote of each commissioner voting "yes".

J. *Deliberate and Act on CYFD FY20 Alternative to Detention Services for JJS Agreement No. 20-690-300-16734.*

Clerk/Treasurer Antonucci announced that the City of Raton has been awarded \$166,714 for the fiscal year 2020 Juvenile Justice Grant which is close to the same amount received last year. She also noted that the grant award includes a 4% administrative fee which CYFD had taken out a few years ago. It also still requires a 40% match which may consist of money, equipment or in-kind services. A motion was made by Commissioner Giacomo to approve the CYFD FY20 Alternative to Detention Services JJS Agreement No. 20-690-300-16734. The motion was seconded by Mayor Pro-tem Schuster and carried 4-0 with all voting "aye".

K. *Deliberate and Act on Audit Firm Recommendation for FY19 Audit.*

Clerk/Treasurer Antonucci reviewed a memo with a recommendation from the audit committee to approve a one year contract with Carr, Riggs & Ingram to perform the City of Raton FY19 audit and financial statement preparation. She noted that the City has completed 5 years with this firm and that they are only eligible to do it one more year and then the City would have to go out for RFP again. Clerk/Treasurer Antonucci further noted that the audit fees include the Lodgers' Tax audit and a Federal Single Audit which is required when Federal expenditures exceed \$750,000 in a fiscal year. Clerk/Treasurer Antonucci stated that the recommendations are due to the State Auditor by May 15th and that a formal contract is generated in the OSA Connect Portal once approval of the firm selection is received. A motion was made by Commissioner Chatterley to approve the Audit Firm Recommendation for FY19 Audit. The motion was seconded by Mayor Pro-tem Schuster and carried 4-0 with all voting "aye".

L. *Deliberate and Act on Resolution 2019-23: FY19 3rd Quarter Financial Reports.*

Clerk/Treasurer Antonucci presented the Commission with the 3rd Quarter financial reports and gave a summary of the ending cash balances in all funds: General Fund \$2,686,154.04; Special Revenue \$2,131,053.01; Capital Projects \$323,059.67; Debt Service \$2,584,122.33; Solid Waste Enterprise \$592,684.42; Trust & Agency \$15,237.19 and Landfill Trust \$351,456.02. She also reported that the April GRT Distribution, representing February sales, was down \$89,514.14 (-3.30%) per budget. She also reported that the fixed asset inventory was completed last week. A motion was made by Commissioner Giacomo to approve Resolution 2019-23: FY19 3rd Quarter Financial Reports. The motion was seconded by Mayor Pro-tem Schuster and carried 4-0 with all voting "aye".

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M. *Deliberate and Act on Resolution 2019-24: FY19 Budget Adjustment #14*

Clerk/Treasurer Antonucci presented the resolution and noted that there were several line item adjustments in the general fund and that she also included the scope change approved to the Better City economic development services contract, an adjustment to apply the small balance of the LEPPF vehicle loan towards future loan payments and adjustment utilizing Lodgers' tax non-promo funds for award to Raton Country Club for irrigation repairs and an increase to the branding project line item to add NMGR for awarded graphic design services. A motion was made by Commissioner Chatterley to approve Resolution 2019-24: FY19 Budget Adjustment #14. The motion was seconded by Commissioner Giacomo and carried 4-0 with all voting "aye".

N. *City Manager's Report*

City Manager Scott Berry gave a report on the following:

- Reported that Airport Taxiway Phase II construction project started 2 weeks ago and noted that the contractor may have soil issues due to weather.
- Reported that there have been a few surprises discovered during the demo, cleanup and excavation at the Filter Plant.
- Reported that H.O. Construction will resume work on the Great Blocks project early next month which is mostly landscaping and fixing street cuts.
- Reported that he will attend the NMFA Board meeting on Thursday regarding consideration of the City's application for Transfer Station financing and refunding of the Aquatic Center Loans.
- Reported that he will attend the Watershed Dam Conference May 1-3.

VIII. ADJOURNMENT:

The meeting adjourned at 8:21 p.m.

ATTEST:


Michael Anne Antonucci, City Clerk

CITY OF RATON


James Neil Segotta Jr., Mayor