

**MINUTES OF THE COUNCIL OF THE TOWN OF SILVER CITY  
REGULAR COUNCIL MEETING  
Grant County Administration Center, 1400 Hwy 180, Silver City, NM  
May 13, 2014, 6:00 p.m.**

**Present:**

Michael Shawn Morones, Mayor  
Cynthia Ann Bettison, District 1  
Lynda D. Aiman-Smith, District 2  
Jose A. Ray, Jr., District 3  
Guadalupe "Lupe" Cano, District 4

**Also Present:**

Alex C. Brown, Town Manager-Finance Director  
Anita Norero, Deputy Finance Director  
Ann Mackie, Town Clerk  
Tim Heidrick, Acting Fire Chief  
Ed Reynolds, Police Chief  
Sonya Ruiz, Municipal Judge

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE** – Mayor Morones called the meeting to order at 6:00 p.m.

**2. CEREMONIES** – None.

**3. PROCLAMATIONS** – **“Emergency Medical Services Week” - May 18-24, 2014** - Mayor Morones read the proclamation and presented it to former Mayor James Marshall and the Emergency Medical Service Team of Gila Regional Medical Center. Mr. Marshall thanked the Mayor and Council for honoring the true professionals that provided emergency medical services in the community, and he said it was a service you seldom valued until you needed it. He said his last report for a 12 month period had 4, 410 requests for service and patients that were seen by the Gila Regional Emergency Medical Services.

**“Silver City Area's Second Poet Laureate”** - Mayor Morones read the proclamation and presented it to Elise Stuart, the Silver City Area’s Second Poet Laureate. Bonnie Maldonado, Silver City’s First Poet Laureate, read a poem entitled “The Warrior Trail.” Elise Stuart thanked the Mayor and Council and said it was an honor to be the Poet Laureate, and that she would like to work with the youth with the alternative and public schools with workshops to try to bring some of their poetry out. She said she had great enthusiasm for bringing the power of the written word out into the community. She read a poem about the Gila River.

**4. PUBLIC INPUT** – Tim Heidrick, Acting Fire Chief, provided an update on the Signal Fire. He said they had been active with the team that took over at 6:00 p.m. on May 12, 2014. He said it was a wind driven fire that started a half mile up from Signal Peak Road. He said it was 4,687 acres and that hot shot crews and smoke jumpers did a good job holding it down in the Meadow Creek area. He described how the fire was being fought and that there was a lot of air support. He described the types of crews that were working on the fire and that they were taking advantage of the good weather. Mr. Brown said that as of 5:00 p.m. that Mr. Heidrick had been appointed as the Acting Fire chief and that Jeff Fell was appointed as the Acting Assistant Fire Chief.

Walter “Ski” Szymanski commented on previous public input by Peter Burrows in a recent Council Meeting that requested a voter identification ordinance like the City of Albuquerque. Mr. Szymanski said he was not aware of any voter fraud in Silver City or Grant County so he challenged Mr. Burrows to produce evidence that voter impersonation fraud had affected the outcome of any election in Silver City, Grant County or New Mexico during their lifetimes. He encouraged the Town Council to continue with the voter identification requirements that were currently in place and to reject the voter identification version that Mr. Burrows was advocating. Dr. Art Martinez congratulated those that returned to the Town Council and those that joined the Council or serving in a different capacity. He said he was there on behalf of the Committee to Promote Democracy and that voting was a right and more than a privilege. He commented on voter identification research and that voter fraud was almost nonexistent across the nation, and in Silver City and Grant County. He said the Committee to Promote Democracy did not want voter identification laws anywhere and he explained why.

**5. COUNCIL COMMENTS** – Councilor Aiman-Smith thanked the firefighters and reminded everyone that they needed to change their behavior and response since the climate was changing to be hotter and dryer. Councilor Ray commented on the traffic lights at Memory Lane and Rosedale; how the Aldo Leopold High School was in the process of looking at different sites to build a school; about the motorcycle run that would be held during the Blues Festival; and how everybody should keep their yards clean. Councilor Cano commented on an upcoming Silver Consolidated District School Board Meeting on May 15th and how the Board members and parents were worried about the Silver School District. Mayor Morones said he was on an interview committee for academic letters and got to interview several students at Silver High School; how the students were high character kids and helped him to believe that the world was safe and that there were high caliber kids coming out of their schools; how the Cobre High School Band took the band championship for the 15th year in the last 16 years and how their instructor placed a huge importance on character on the kids; how kids can do wonders when they have active teachers and active parents; and how he appreciated the 500 plus firefighters that were working on the Signal Peak Fire.

**6. CHANGES TO THE AGENDA** – None.

**7. APPROVAL OF THE MINUTES – Regular Meeting on April 21, 2014** - Councilor Bettison moved to approve the minutes of the Regular Meeting of April 21, 2014. Councilor Aiman-Smith seconded. Mayor Morones stated there was a motion and a second to approve the minutes of the Regular Meeting of April 21, 2014. He asked if there was any discussion, and there was none. He asked all those in favor to say aye, and all 4 Councilors voted aye. He asked if any were opposed, and there were none. Motion carried. **Special Meeting on May 1, 2014** - Councilor Bettison moved to approve the revised minutes of the Special Meeting of May 1, 2014. Councilor Aiman-Smith seconded. Mayor Morones stated there was a motion and a second to approve the revised minutes of the Special Meeting of May 1, 2014. He asked if there was any discussion, and there was none. He asked all those in favor to say aye, and all 4 Councilors voted aye. He asked if any were opposed, and there were none. Motion carried.

**8. REPORTS** –

**A. Police Department Report** – Ed Reynolds, Police Chief, reported on the Police Department’s Mission Statement and said their Core Values were to respect life, revere the truth, enforce the law, seek community partnership, honor their police powers, and conduct themselves with dignity. He provided their yearly budget comparison from 2010-2014 and said 90 percent was for salary, wages and benefits and that operations was 10 percent of the budget. He reported that current staffing included 38 sworn and civilian personnel. He described the divisions and units; their comprehensive and advanced training; on grants that were overtime operations; how their goals were to continue their programs which had brought them a measure of success and to develop community oriented policing. There was further discussion about the additional animal control officer position that had been put on hold and how it was difficult to find a qualified person; how the department's Mission Statement and Values should be posted for the Police employees and for the public in the lobby; how the standard and professionalism of the department had been raised by receiving the support of the Town Council and Town Manager; the Anti-Money Laundering Alliance grant that allowed a partnership with other municipalities for overtime operations with the purpose of impacting the money flow from narcotics, etc. that was traveling south to the border; off highway vehicles, 4 wheelers, and golf carts that were on the roadways; and community oriented policing.

Councilor Bettison moved for a short break at 7:00 p.m. Councilor Cano seconded. Mayor Morones asked all those in favor to say aye, and all 4 Councilors said aye. He asked if any were opposed, and there were none. Motion carried. Mayor Morones called the meeting back to order at 7:14 p.m.

**B. Staff Reports** – None.

**9. PUBLIC HEARINGS** - None.

**10. UNFINISHED BUSINESS** - None.

## 11. NEW BUSINESS –

**A. Approval / Disapproval of Notice of Intent Ordinance No. 1228: authorizing the issuance of the Town of Silver City, NM Gross Receipts Tax Improvement Revenue Notes, Series 2014 in two series in an aggregate principal amount not to exceed \$1,500,000 for the purpose to (1) finance acquisition and construction of certain capital improvements for the benefit of the Town and its residents, including but not limited to, public safety equipment and public recreation facilities, and (2) pay costs of issuance of the Series 2014 Notes.** Manager Brown said Notice of Intent Ordinance No. 1228 would start the process for financing projects that were previously talked about for the purchase of 2 ambulances or medic units for the Fire Department; the acquisition of 10 police vehicles; the construction of the concession and restroom area at the Scott Park Sports Complex for the final phase; and the construction of the club house at the golf course. He provided details on grant monies received and the different reasons for each project, etc. He introduced Chris Muirhead, a bond attorney with Modrall Sperling in Albuquerque, NM. Mr. Muirhead provided the financial details of the parameters bond ordinance and said if the ordinance was passed then a resolution would follow with the final terms. There was further discussion and public input was received from Dr. Art Martinez. Councilor Bettison moved to approve Notice of Intent Ordinance No. 1228 authorizing the issuance of the Town of Silver City, New Mexico Gross Receipts Tax Improvement Revenue Notes, Series 2014 in two series in an aggregate principal amount not to exceed \$1,500,000 for the purpose to (1) finance acquisition and construction of certain capital improvements for the benefit of the Town and its residents, including but not limited to, public safety equipment and public recreation facilities, and (2) pay costs of issuance of the Series 2014 Notes; providing that the Series 2014 Notes will be payable and collectible from and secured by a pledge of (1 the gross receipts tax distributed to the Town pursuant to Section 7-1-6.4 NMSA 1978, as amended (The "State-Shared Gross Receipts Tax"); providing for the disposition of the receipts derived from said tax proceeds; providing that certain terms of the notes will be provided in a subsequent resolution; prescribing other details concerning the notes and tax proceeds, including but not limited to covenants and agreements in connection therewith and the form, terms, conditions and manner of execution of the notes; ratifying all action previously taken in connection therewith; and repealing ordinances in conflict herewith. Councilor Aiman-Smith seconded. Mayor Morones said there was a motion and a second to approve Notice of Intent Ordinance No. 1228 as read into the record. He asked if there was further discussion, and there was none. He asked for a roll call vote. Councilor Bettison voted aye; Councilor Aiman-Smith voted aye; Councilor Ray voted aye; and Councilor Cano voted aye. Motion carried.

**B. Approval / Disapproval of Resolution No. 2014-15: a Resolution authorizing the execution and delivery of a Colonias Infrastructure Project Fund Loan/Grant Agreement and Intercept Agreement by and among the NM Colonias Infrastructure Board and the NM Finance Authority and the Town of Silver City, in the total amount of \$361,306 evidencing an obligation of the Town to utilize the loan/grant amount solely for the purpose of financing the costs of construction of a sewer lift station to intercept the sewage flow at F Street and construction of a new pressure sewer line from the lift station along F Street.** Manager Brown said the Town was awarded a grant for the project a year ago, but the grant required the Town to borrow 10 percent of the grant proceeds. He said they had already put \$72,000 into the project for the design and engineering, and they did not need the \$36,000, but they had to borrow it just to get the grant. He said the project was ready to go out to bid and when the construction was complete they planned to repay the \$36,000 immediately. There was further discussion. Councilor Ray moved to approve Resolution No. 2014-15: a Resolution authorizing the execution and delivery of a Colonias Infrastructure Project Fund Loan/Grant Agreement and Intercept Agreement by and among the New Mexico Colonias Infrastructure Board ("CIB") and the New Mexico Finance Authority ("Finance Authority") and collectively with the CIB, the "Lenders/Grantors") and the Town of Silver City (The "Borrower/Grantee"), in the total amount of \$361,306 evidencing an obligation of the Borrower/Grantee to utilize the Loan/Grant amount solely for the purpose of financing the costs of construction of a sewer lift station to intercept the sewage flow at F Street and construction of a new pressure sewer line from the lift station along F Street to pump the sewage up to Market Street where it will then flow by gravity along an upgraded sewer line east on Market Street to B Street and solely in the manner described in the Loan/Grant Agreement; providing for acceptance of a grant amount of \$325,176 and payment of the loan amount of \$36,130 solely from the revenues of the third and fourth one-sixteenth of one percent increments (.125 percent total) of the Borrower/Grantee's Municipal Local Option Gross Receipts Tax enacted pursuant to NMSA 1978, Section 7-19D-11, as amended, and distributed to the Borrower/Grantee pursuant to NMSA 1978, Section 7-1-6.12 and Section 7-1-6.15 as amended; certifying that the Loan/Grant amount, together with other funds available to the Borrower/Grantee, is sufficient to complete the project; approving the form of and other details concerning the Loan/Grant Agreement and

the Intercept Agreement; ratifying actions heretofore taken; repealing all action inconsistent with this Resolution; and authorizing the taking of other actions in connection with the execution and delivery of the Loan/Grant Agreement and the Intercept Agreement. Councilor Bettison seconded. Mayor Morones said there was a motion and a second for approval of Resolution No. 2014-15 as read into the record. He asked if there was any further discussion or questions, and there was none. He asked for a roll call vote. Councilor Bettison voted aye; Councilor Aiman-Smith voted aye; Councilor Ray voted aye; and Councilor Cano voted aye. Motion carried.

**C. Fiscal Year 2014-2015 Budget presentations by Judge Sonya Ruiz and Alex C. Brown, Town Manager-Finance Director, and request for Council's direction.** Municipal Judge Sonya Ruiz presented the budget for Municipal Court and discussed the reasons why she budgeted the required position of Alternate Judge and a part-time temporary position of bailiff that was needed for security reasons. She said that she always sought alternate methods to make the Court stay afloat since it had been underfunded for many years, and she always sought alternate methods to get their equipment purchased or to get contractual services. She said the Court would never be self-sufficient and would never be a money making organization for the municipality, but would work to be fiscally responsible and make sure that no purchases would be made unnecessarily. There was further discussion from the Council and Judge Ruiz answered their questions.

Councilor Bettison moved for a short break at 8:35 p.m. Councilor Ray seconded. Mayor Morones asked all those in favor to say aye, and all 4 Councilors said aye. He asked if any were opposed, and there were none. Motion carried. Mayor Morones called the meeting back to order at 8:43 p.m.

There was further discussion with Judge Ruiz about her budget, personnel requests, security issues, how the Municipal Court's capital security needs could be put on the ICIP (Infrastructure Capital Improvement Plan) list; how they wanted the public, staff, and the Judge at Municipal Court to be safe, etc. Manager Brown presented the Fiscal Year 2015 budget and described the issues that affected the operations that they had no control over. He discussed the hold harmless issues and some options to offset those losses that amounted to 18 percent of the Town's total gross receipts tax revenues; State changes in the benefit programs; health insurance; changes in the Public Employees Retirement Association, etc. He reviewed the methodology that he used to develop the General Fund for Fiscal Year 2015. He reviewed the General Fund expenses in each division and how they would need to find \$43,000 to meet the 1/12th reserve if they added the Municipal Court increases. He asked for their direction and said they were facing a situation where they would really be struggling and that the only way to keep up would be to start imposing taxes. He proposed that they reorganize things to strengthen up the Water and Sewer Fund to make it self-sufficient and to put funds in place to maintain roads properly for the long haul, and this year to keep services from the General Fund at a status quo. There was discussion about coming up with the 1/12th reserve; how supplies and expenses were at a very minimal level; staffing reorganization and taking off the additional animal control officer and 2 police offers that were budgeted previously and frozen; how 5 positions would be frozen and reevaluated in January 2015; improving operations with less staff; planning for retirements; how they may have to take away service to come up with the funds; planning for efficiencies; tourism revenues; the Municipal Court's budget issues; to look at alternatives to increase the security at Municipal Court; and how the bailiff position at Municipal Court may have to be put on hold until January 2015. Manager Brown said the Executive and Finance staff worked with all of the different budgets so he could redistribute some of those expenses to the Water and Sewer Fund and the Sanitation Fund to get them back down to the 1/12th reserve in the General Fund. Mayor Morones said that would be wise and he talked about how some of the other funds were dedicated, etc. There was further discussion about lodgers tax and tourism. Mayor Morones said there was nothing they could cut at that point, but their basic guidance was for Manager Brown to go back and look at whatever efficiencies and whatever technological advantages could be obtained, and see whatever alternatives they had to increase the safety at Municipal Court. Manager Brown said he would let Police Chief Reynolds take the lead on the safety issue at Municipal Court. Judge Ruiz said that would be a first step and that she would like to remain a priority in January for the hiring of a bailiff.

Manager Brown talked about the different funds. He provided details of the Water and Sewer Fund budget and said the Town provided water to approximately 18,000 residents in Grant County. He discussed the different rates and what the revenues were made up of which included 1/8th percent of gross receipts taxes. He recommended that they no longer subsidize the fund with gross receipts taxes, and move part of it into the General Fund and part of it into the Street

Maintenance Fund. He explained why he would propose a rate change over the next year and described the rate changes that were based on the recommendation of the Water Conservation Plan to start meter reading for every 1,000 gallons of water. He said they were \$53,000 above the 1/12th reserve in the Water and Sewer Fund so he could take \$24,000 from it and move it to the General Fund. Mayor Morones said he should consider taking the \$24,000 to meet the other reserve. Manager Brown said the next agenda would include the updated water and sewer rates so it could get in for the June billing.

Anita Norero, Deputy Finance Director, presented the details of the Sanitation Fund budget and said it provided funding for sanitation collection fees, landfill tipping fees, recycling services, and monitoring of the old landfill. She said currently there was a built-in 3 percent increase which would expire after that year and the next year they planned to evaluate it year by year. She said they are projecting a 2 percent increase in revenues; that their transfers out were decreasing significantly because they were paying off some of their debt services; that the increases were for employee wages due to the benefits and the contractual services due to an increase in tipping fees; and that there would also be an increase in capital purchases to replace one of the garbage trucks. Manager Brown asked the Council if they were okay with proceeding in that manner. Mayor Morones asked if they needed a reserve and Manager Brown said Enterprise Funds did not need a reserve at all, but it was built into the ordinance.

Manager Brown discussed the Street Maintenance Fund (currently called the Gas Tax Fund) and said the current primary source of revenue was from the General Fund, and the only other source was from gas taxes. He said they used some of the Water and Sewer Fund because they did a lot of street breaking and patching. He said the previous year only had \$112,000 budgeted from gas tax and they had 76 miles of streets. He said they would continue to use the gas tax, but he also proposed to rededicate the .6 mils currently used to pay the G.O. bonds; to take it and impose it under the operational mils of property tax and dedicate it to the Street Maintenance Fund by adopting a resolution. He also proposed that they rededicate 1/16th of a percent of gross receipts tax that was currently going to the Water and Sewer Fund to the Street Maintenance Fund. He discussed how his proposal would increase the Street Maintenance Fund so they could really do some work on the streets for the Town of Silver City. There was further discussion.

Ms. Norero presented the budget for the Special Revenue Funds which was the Lodgers Tax, and said they are projecting a 2 percent increase for revenue. She said they budgeted \$200,000 for the Lodgers Tax promotions and the Request for Proposal was currently open. She described other budgeted expenses that would be paid from Lodgers Tax revenues. There was further discussion. Manager Brown asked if the Council had any other questions or comments on the budget presentation. Mayor Morones told him to keep working on it and then they would see what they could do about some of the shortfalls.

**D. Approval / Disapproval of Notice of Intent Ordinance No. 1229: an Ordinance amending Town Ordinance No. 722 that was passed, adopted and approved by the governing body of the Town of Silver City, NM on August 30, 1984, relating to the imposition of fourth increment of Municipal Gross Receipts Tax.** Manager Brown described Ordinance No. 722 that was passed in 1984 for 1/4th percent of gross receipts taxes dedicated to the Water and Sewer Fund. He said Notice of Intent Ordinance No. 1229 would amend it to keep 1/8th percent in the Water and Sewer Fund to pay the debt service for the 2011A bonds and split out 1/16th percent for the General Fund and 1/16th for the Street Maintenance Fund. He said they could transfer gross receipts tax revenues between the funds, but he chose to do it by ordinance because they needed to always put 1/16th percent in the Street Maintenance Fund. Mayor Morones said he agreed that they absolutely needed to do something with the streets. Councilor Bettison moved to approve Notice of Intent Ordinance No. 1229 and she read the agenda item description. Councilor Cano seconded. The Mayor asked if there was any further discussion. There was further discussion about how it was not a new tax and that it was the same tax that was imposed in 1984, but it was being rededicated. Mayor Morones said there was a motion and a second to approve Notice of Intent Ordinance No. 1229: an Ordinance amending Town Ordinance No. 722 that was passed, adopted and approved by the governing body of the Town of Silver City, NM on August 30, 1984, relating to the imposition of fourth increment of Municipal Gross Receipts Tax. He asked all those in favor to say aye, and all 4 Councilors said aye. He asked if any were opposed, and there were none. Motion carried.

**E. Approval / Disapproval of Notice of Intent Ordinance No. 1230: an Ordinance amending Chapter 16, Article II (Economic Development Plan), Sections 16-21, 16-68, 16-69 and 16-72 of the Town of Silver City Code of Ordinances.** Mayor Morones said he was the sponsor of Notice of Intent Ordinance No. 1230 and commented on the State's Local Economic Development Act (LEDA) of NMSA 1978. He said that within the last few years the State expanded LEDA to include Arts and Cultural Districts, projects, cultural facilities, etc., with the full understanding that as you spend money in those areas you can clearly build your economy and gross receipts tax base, and that you would indirectly grow jobs through a more vibrant economy. He said it was very important because it would allow the Town to look at building those facilities and to increase their opportunity for economic growth without having to prove how many jobs would actually be created. He said the amendment would allow the Town to both match what the State Statute allowed and also to increase opportunities. He said if they got funding under LEDA grants then the citizens would benefit because they would be bringing money back down from the State to use to their benefit. Councilor Bettison moved to approve Notice of Intent Ordinance No. 1230 and she read the agenda item description. Councilor Ray seconded. There was no further discussion. Mayor Morones said there was a motion and a second for approval of Notice of Intent Ordinance No. 1230: an Ordinance amending Chapter 16, Article II (Economic Development Plan), Sections 16-21, 16-68, 16-69 and 16-72 of the Town of Silver City Code of Ordinances. He asked all those in favor to say aye, and all 4 Councilors said aye. He asked if any were opposed, and there were none. Motion carried.

**F. Appointment to Museum Board.** Mayor Morones said they had an application for the reappointment of Susan Musgrove, and that she was currently the Vice President of the Board and came highly recommended. He said if there was no objection that he would reappoint her. There was no objection and Susan Musgrove was reappointed to the Museum Board.

**12. ADJOURNMENT** – Mayor Morones asked for a motion to adjourn. Councilor Bettison moved to adjourn at 10:22 p.m. Councilor Cano seconded. Mayor Morones stated there was a motion and a second to adjourn. He asked all those in favor to say aye, and all 4 Councilors said aye. He asked if there were any opposed, and there were none. Motion carried.

/s/

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Michael S. Morones, Mayor

Attest:

/s/

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Ann L. Mackie, Town Clerk