CITY COMMISSION
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
Thursday, January 4, 2007

SPECIAL MEETING

Minutes

TIME & PLACE: The Mayor and the City Commission of the City of Truth or Consequences in the County of Sierra and State of New Mexico, met in Special Session in full conformity with the law and ordinances of said Commission in the Commission Chambers of said City, on Thursday, January 4, 2007 at 11:30 A.M., to discuss the following:

1. Discussion/Approval – Resolution #19-06/07 – Authorizing FY 2007 CDBG Project Application

PRESIDING OFFICER: The meeting was called to order by Mayor Montgomery who presided and Mary B. Penner, City Clerk acted as Secretary of the meeting.

ATTENDANCE: Upon calling the roll the following Commissioners were reported present:

Hon. Lori S. Montgomery, Mayor
Hon. Jerry D. Stagner, Mayor Pro-tem
Hon Jimmy L. Rainey, Commissioner
Hon. Evelyn B. Renfro, Commissioner
Hon. Freddie J. Torres, Commissioner

Also present:

Jaime Aguilera, City Manager
Mary B. Penner, City Clerk

QUORUM: There being a quorum present the Commission proceeded with the business at hand.

The following minutes are verbatim transcripts for Resolution #19-06/07: FY 2007 CDBG Project Application.

LM- Lori Montgomery
JS – Jerry Stagner
JR – Jimmy Rainey
ER – Evelyn Renfro
FT – Freddie Torres
JA – Jaime Aguilera
TMR – Tony MacRobert
RC – Raymond Chavez

RESOLUTION #19-06/07: FY 2007 CDBG PROJECT APPLICATION:

JA – I had mentioned at our previous Commission meeting that we were now eligible to apply again through the Community Development Block Grant Program and that our priority was a continuation of the existing grant that we had received for the Ash Street Circuit. As a matter of fact we have, we were required to do another survey of the area that’s being served. I asked Raymond Chavez if he would come up and do a little explanation of the survey, and how he did that. And the reason I’m asking Raymond to do that is because we have had a lot of phone calls into the office
from people who are getting phone calls or who are getting their
doors knocked on from our city employees. And understandably
our citizens are concerned who they are giving this information to
and so they are calling in asking, "does Mr. Chavez work for the
City, or should I have answered these questions."

So Mr. Chavez would you just explain about the survey, that you
are almost complete with.

RC – We are completed with it. We were asked to survey two
hundred and fifty; we got two hundred and fifty about an hour ago,
so we got it completed. We are helping Mr. MacRobert with it.

Our main help was Jimmy here; he did most of the walking around
and did most of the walking surveys. We also got help from the
Electric Department, had two gentlemen. We also had help from
one person from the Library, and one person from Municipal Court
who also helped with the phone surveys.

Everybody was pretty much very cooperative in almost all the
neighborhoods. We just had a few that didn’t want to do it. We
had six days to do it and we got it done in four days so I think we
did pretty good.

LM – Good job, thank you.

JA – And the purpose for this meeting is to obviously allow any
further public input, but then also to allow the, or to ask the
Commissioners to approve the resolution allowing us and SCCOG
our partners in the project, to apply on our behalf. I think Tony
McRobert is here to tell you a little bit about the process.

TMR – I don’t know how much you all know about the CDBG
process, and it is from Housing Urban Development, it’s a small
cities grant program.

We began the project in the middle of the Ash Circuit Rebuilt
Project in where the City had a loan and then we came back with
four hundred and fifty thousand, which of course five percent was
local cash match of the cities.

We have completed that phase of it which allows the City of T or C
to go ahead and apply for the “07 project.

Now my understanding is we are going to be doing from the Veater
Street area and the Clancy, and I have a mapping of the area. But
what are you looking at as far as how much to apply for?

JA – It’s five hundred thousand dollar is the estimate that we have
from our electric company.

TMR – That’s correct, and that the maximum that an entity can
apply for. Which leave the local match cash at twenty-five
thousand for the five percent rate.

The other thing that I wanted to bring up, and this is dealing with
Great Southwestern Construction, which they’ve done a fine job I
must say. However, when we began the process we began in the
middle so there are a lot of documents that we did not have to be in
compliance with the Department of Finance and Administration,
and we’re still working on that. As matter of fact I just completed
the employee interviews with two of the employees with Great
Southwestern, and according to the State wage rates there were not in compliance so he contacted the engineer to inform them of that and that it is in the contract documents, and he stated they weren't going to be held liable but according to the documents they will be held liable, so what he is doing today is demanding an amended payroll report from Great Southwestern so they can just basically get it paid up because they don't want anything held up and this will definitely hold up the grant application the process, so I just wanted to make that clear for the City, and they are definitely on that.

He stated furthermore as they well know CDBG has been of a great asset with the fire department and electrical and they are just going to continue on with this next phase and they will do the best they possibly can, and if there is any suggestions on any other things passed 2007... you know... they can take that up into discussion at the public meetings/Commission meetings that they all have, and I think unless they have any questions that is kinda the meet of it right there.

ER – On the wages that you said that the CDBG came in... Great Southwestern was already in progress working on the project.

TMR – That's correct.

ER – And the CDBG kicked in.

TMR – That’s correct.

ER – Was the Great Southwestern ever advised?

TMR – Exactly they were advised because they signed the documentation for the State wages rates in the beginning of the project. Now what they have to do with CDBG is they have to come up with 2, the Davis-Bacon Act, federal wages rates and the State wage rates. Okay, the federal wage rate... the State wage rates happen to be the prevailing wage rates here, so they were well aware of it... had it been the federal they may have caused a hang up right there.

FT – What happens if they don't comply... if we loose this grant will they be liable.

TMR – They'll have to be liable and that's the reason there is bonding... associated with the grant in the documentation, because at this point once he submits the letter department of labor will go after them... and they really don't want to get into that point I wouldn't think. It's not pretty because the thing is... and there was two, so that means everyone was under paid, so they are looking at many thousands of dollars that will have to be restituted.

JR – I have a question... you got into the Ash Street circuit about mid way through the construction.

TMR – Correct.

JR – The Bacon Law that you are talking about that should only affect the 2nd part, or the amount of money that was given to... under the CDBG grant, it's not the complete project.

TMR – That's correct if the Davis-Bacon Act would have been the prevailing wage rate, still all in all at the beginning of the contract
with the City it still was the DOL State wage rate that prevailed, and you are correct on that.

ER – Does anybody have the authority to check these payroll records... it seems to me like we use to way back when check into this and make sure that they were complying with the...

TMR – As a matter of fact Shawna Anderson with Great Southwestern, she is the payroll administrator she has signed off the statement of compliance, however they weren’t in compliance, so what I’m having to do is submit a copy of the documentation that I have... you know in request with that and of course submit a copy to DFA, so they can see that the effort is being made and the City is hot going to be held accountable.

ER – But my question was...the COG or the City...nobody got any copies of any... of the payroll documentations or anything that they could see that they weren’t complying.

TMR – As a matter of fact I did, and that’s where I did make the findings... you know.

LM – After the fact... after the fact.

TMR – After the fact of course.

LM – I would almost think though...the wage rates are mandatory on companies irregardless of whether it’s a grant or if it’s a loan, it doesn’t matter if a project is over a certain $ amount they have to follow the department of labor laws one way or another, so I think its irrelevant whether or not it was attached to the CDBG grant or not so this company when they bid any company that bids a project of this magnitude knows that if it’s a certain $ amount they have to pay the prevailing wage rates... so it’s a mute point almost to attach it to the grant so...okay.

FT – So it would still hold up our grant wouldn’t it.

LM – I don’t think it would hold up our grant right now.

TMR – No that’s the reason why they are going to be doing what they’re doing, and I’m in direct communication with Gerald Garcia the project manager with DFA and he wants to get this application through... and he sees all the work that Ray Chavez and Jimmy has put in to it so...

LM – I would almost think that once the issue is brought to the attention to the department of labor, the department of labor picks up with the company leaving every other entity out of it to make sure that the wages are corrected.

TMR – Exactly because the final one who signed was the contractor on that. And what I have here is the grant application and will need three signatures.

LM – Is there anything thing else they need answered, or any other comments or questions, and thanked Tony. She also asked if there were any public comments regarding this or any future CDBG projects.

“Commissioner Renfro moved approval of Resolution #19-06/07 – authorizing FY 2007 CDBG Project Application.”
Seconded by Commissioner Rainey.
Motion carried unanimously.

ADJOURNMENT: There being no further business to come before the Commission the meeting was adjourned.

APPROVAL: PASSED AND APPROVED this 13th day of February 2007, on motion duly made by Commissioner , seconded by Commissioner and carried.

LORI S. MONTGOMERY, MAYOR

MARY B. PERKER, CITY CLERK