

CITY COMMISSION MEETING MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
CITY COMMISSION CHAMBERS, 405 W. 3RD St.
WEDNESDAY, MAY 22, 2024

A. CALL TO ORDER:

The meeting was called to order by Mayor Rolf Hechler at 9:51 a.m., who presided and Angela A. Torres, City Clerk-Treasurer, acted as Secretary of the meeting.

B. INTRODUCTION:

1. ROLL CALL:

Upon calling the roll, the following Commissioners were reported present.

Hon. Rolf Hechler, Mayor
Hon. Amanda Forrister, Mayor Pro-Tem
Hon. Destiny Mitchell, Commissioner
Hon. Merry Jo Fahl, Commissioner
Hon. Ingo Hoepfner, Commissioner

Also Present: Angie Gonzales, City Manager
Traci Alvarez, Assistant City Manager
Jay Rubin, City Attorney
Angela A. Torres, City Clerk-Treasurer
Orrin Hechler, Community Services Director
Tyler Knull, Code Enforcement Officer

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

2. SILENT MEDITATION:

Mayor Hechler called for fifteen seconds of silent meditation. He asked that everyone remember Vernell Trujillo who passed away recently. She was a former high school assistant principal. She worked in the school offices for many years. There are not many people in the community who haven't been touched by her service and by the things that she has done for our community. She will be missed. Please keep her and her family in your thoughts and prayers.

3. PLEDGE OF ALLEGIANCE:

Mayor Hechler called for Commissioner Fahl to lead the Pledge of Allegiance.

4. APPROVAL OF AGENDA:

City Attorney Rubin: The public hearing for final adoption of Ordinance No. 754 should have said General Obligation Bonds and the Ordinance No. should be 765 not 754. After conferring with Mr. Muirhead and Ms. Torres, I feel that we can move forward with the item because when it came before you in April, it was correctly identified as Ordinance No. 765 as the General Obligation Bonds, and the publication had the correct language and anybody who would have liked to have read the ordinance between the publication stage and today would have had the opportunity to do that at the City Clerk's Office. The packet has the correct information except for the fact that it has the incorrect ordinance number, but the body of the ordinance itself is correct, so given all of that, I believe you can keep this on the agenda.

Mayor Pro-Tem Forrister moved to approve the agenda with the correction of item F1 for Ordinance No. 765, General Obligation Bonds, as presented by Attorney Rubin. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

C. PRESENTATIONS:

1. HSHS SkillsUSA Proclamation and Certificates.

Commissioner Mitchell presented a proclamation and certificates to the HSHS SkillsUSA team.

2. Lifesaving award presented to Sara Marta.

Sara Marta explained the series of events that took place during the Fiesta parade when she assisted Destiny Sanders who had a seizure while decorating a float for the parade.

Destiny Sanders personally thanked Ms. Marta and all those who helped her in her time of need.

Mayor Hechler presented the Lifesaving award to Ms. Marta and he also recognized Sharon Luna for calling 911.

D. PUBLIC COMMENT (3 Minute Rule Applies):

Becca Eza, MainStreet T or C addressed the Commission with comments related to MainStreet Truth or Consequences updates:

- Cathy Mears Martin has left MainStreet as of a few weeks ago, and I am attempting to fill her shoes. I sent you all an email yesterday with more detailed updates.
- We just finished up our ecommerce trainings with the grant funded program. We had a little over \$10,000 in that grant and we put on 16 workshops geared toward business owners learning about doing their work online, so everything from Facebook to selling on marketplace; optimizing Google and making sure that their business is on Google so that people can easily find them; branding and marketing. We had 16 workshops. Half were in person and half were online. We had about 20 people take advantage of our one on one trainings that we offer. We are just wrapping up the last of that grant right now.
- We were awarded a \$5,000 grant from the New Mexico resiliency alliance that we are going to use for a project called "Show of Hands" which is basically like Shark Tank. We are going to be asking existing businesses that have an existing a new project or new businesses that want to open, to create a business plan that includes a detailed financial breakdown of how they would use the funds. We are going to have a panel of judges choose the 3-5 best plans, and then we are going to have a public session where the public can come in and vote on what they think the best plan for the community would be, which business they feel would be the most successful. The winning business will get \$5,000 toward their business plan, and we hope to raise enough money for the second place business to get about \$1,500. That is in the beginning planning stages. You will hear more about it in the fall.
- We finished up support for Fiesta this year, and we hope to take on a bigger role in supporting and planning Fiesta next year. I am working on a job description for a Fiesta Coordinator. That will be around a \$20/hour a month job. It will be part time for someone who will help with all of the logistics of things, and help us get the ball going next month.
- We are hosting our next business breakfast on July 11th at 8:00 a.m. at the Turtleback Coworking.
- We found a new home for MainStreet. I'm not going to tell you where yet because all of the paperwork hasn't been signed, and I don't want to jinx anything, but we will hopefully be moving in at the beginning of June, and it is downtown.

Ashley Galacia, Swimming Pool Manager addressed the Commission with comments related to the Swimming Pool:

- Everything is okay. Our flowrate problem at the pool is fixed. We are scheduled for our pool party for the Middle School on Friday. I am going to the Middle School before the pool party to do a presentation that they asked me to do regarding the pool rules and stuff like that.

- After I talk to staff this afternoon, there will be a post on Facebook that we will be open this weekend. We are still opening a little bit earlier than Memorial Day. I did however, have a lifeguard call me last night and quit, but I should have enough staff to cover the weekend. We are just going to do an open swim on both days. I don't know the hours yet because I want to confirm with staff that they are available to work before I announce it. There will be a post on Facebook and our website will be updated with the schedule as well.

OJ Hechler, Community Services Director addressed the Commission with comments related to:

- We were awarded a quality of life grant this last year for the Louis Armijo Sports Complex Master Plan. The public input meeting will be tomorrow, May 23rd here in the Commission Chambers. Anybody who would like to attend the meeting to provide some feedback is welcome. The areas will be the Family Park, the Ballfields, and the Rodeo Arena. I have reached out to the Little League. They will have representation, as well as the Soccer League. I have reached out to some members of the community who use the Rodeo Arena and we will have representation from them. We have some of that empty area up above where we had the BMX track. There are some discussions there. There are a lot of things we can put up there so I hope to see everybody there.

Mayor Pro-Tem Forrister: Can they also submit ideas in writing if they are not able to attend the meeting? I have had a few people reach out to me.

OJ Hechler, Community Services Director: Absolutely. I will make sure that our engineers and architects get that information.

Kathleen Sloan addressed the Commission with comments related to:

- This may be answered when H9 (South Central Solid Waste Contract) comes up on the agenda. It says that the rates are going to change based on something about the city's recent solid waste rate study, and I don't understand that since they are a completely different entity. Their revenue is separate from our revenue, so I don't understand why it is being combined or what effect their rate change would have on our solid waste rates or revenue.

E. REPORTS:

City Commission Reports:

Mayor Hechler: I am going to start my report first because we have a special guest here today. We had a great month for the city, and that culminated partly in our success that we had with the recent colonias infrastructure board, and we have a member of the board here with us today, and I thought it would be appropriate to invite her to our Commission Meeting to have her notify us of the award, and tell us a little bit about what is going on.

Rebecca Dow: Thank you, Mr. Mayor and members of the Commission, it is really good news. I think you were fully awarded your request for two different applications that were submitted. One was for \$4.4 million for the water infrastructure repairs, and also \$1.2 million for the wastewater infrastructure improvements and replacements. The Mayor wanted a little bit of background on the Colonias Infrastructure. Those are for southern New Mexico communities only that are close to the border, and there has to be a financial need. Sierra County in its entirety qualifies. So, it was really, really, exciting to see Truth or Consequences receive some of these funds. Last year, none of our applications were approved that were submitted from Sierra County, so this makes me really happy to serve on this board. We evaluate, prioritize and select the sites that get funded, so now what's left to do is go to bonding. That happens in June and I believe the funds will be available, if paperwork is submitted correctly, in October. It is really, really broad, so I hope that you will always apply. I've learned this. Some people are really good at asking, and those are the people who are awarded. It is much broader than water. It can be for water systems, waste water systems, solid waste disposal facilities, flood and drainage control, roads, and even housing infrastructure. The amount of money available has been going up based on bonding when it is good. Sometimes the legislature submits additional funding so this year it was over \$70 million, and there were over 60 applications that were reviewed and almost all of them were funded. You only get a yes if you ask, and it is always a no unless you ask. The hard work was done by the staff and thank you guys for submitting it. It makes us really happy to see you apply for the funding that is requested.

Mayor Hechler: That's \$4.4 million for water infrastructure that we received from Colonias. Add that to the \$16 million that we received earlier in the year, to another \$4.4 million that we received from the Governor and our representatives and our Senator, and then we have the WISPI 1 project which is a \$4.8 million application and a \$2.5 million grant associated with that. That brings us up to over \$30 million of water infrastructure funds that we are going to see over the next couple of years here in our community, so when I say it has been a good month, I think it has been a great month for us and we are moving forward.

Mayor Hechler reported the following:

- I am a member of the South Central Regional Transportation Planning Organization. We had a meeting last Friday. We had an item before the board. We requested \$2 million in funding for Smith Street which is from Date Street to Silver. All of the infrastructure associated with that is about a \$2 million project. It is a \$100,000 grant per say. We asked for that waiver. It looks pretty promising. We haven't received the final word yet, but it looks pretty promising that we may be awarded that as well. I am also the new chairman for that committee. I will be glad to serve in that capacity.
- At my last report we said a lot of thank you's for Fiesta and I know I thanked Destiny, but she really was the catalyst that put this all together. However, I neglected to say some thanks to our city staff, specifically Buster with streets who set up all of the barriers and took them all down. David with facilities who brought us the tables and chairs and took them all back and made sure the

bathrooms were opened and clean and functional for the entire Fiesta event. OJ for his staff and their help setting up the tents and taking them down. We had everything broke down for Fiesta that night or early Monday morning because we had a filming crew in town and they wanted everything taken care of, so it took a lot of hard work from a lot of people. I want to also thank Andy in Sanitation who brought us all of the dumpsters and things of that nature and they came back and emptied them during the middle of Fiesta. Although it is an event put on by volunteers, it truly is a city wide event and it is supported by our city staff. Thank you, Angie and Traci, for making your staff available to us. I really appreciated all of their efforts.

- We had a discussion about Lodgers Tax last week, and the break down of the money. I have a chart that breaks down exactly what the amount of the Lodgers Tax division is, and what's the city's portion, how it is formulated, and what we get. I got a response back from Rebecca Rouse from the Governor's Office. She is the infrastructure specialist that helped us with the city. I submitted her our plan earlier in the year for the \$4.4 million that we are getting from the Governor's Office. She received the plan and forwarded it to DFA and to the Environmental Department. I received an email this morning stating that there seems to be some movement and it looks like our funding is coming so that will be the first thing that we do with the \$4.4 million that is for shovel ready projects that are ready to go as soon as we get that after July. We have done everything on our end to get that done so they can support us. That will get us moving while we are waiting for the additional funding of \$16 million and \$1.6 million. We are working on moving on that as well.
- I noticed some weeds cropping up in the rocks in the area of our roundabouts so I called the contractor. They are going to pull the weeds before they leave the project. They assured me that some of the things that they did to the dirt was treat it with some sort of emulsion to retard the growth of some of those weeds. We called them a couple of months ago and asked them why they didn't put weed cloth down, and they said that they don't do that anymore, but we did try to call them on it. I am going to be very interested to see how that takes because it's very dismaying to me to have a brand new project and we already have weeds. If we don't stay on top of it, it is going to be a lot of extra work. We will try to stay on top of that and make sure that doesn't get to be a problem for us, and if it does get to be a problem for us, we need to figure out whose problem it is. Is it the city's problem or is it the highway departments problem.

Commissioner Fahl reported the following:

- The Turtleback Trail committee meets every month. We are intending to put in for the recreation trails plus funds that will come due this fall. We haven't figured out who is going to apply, but we are going to look at getting some signage for the other side of the river and wake finding signings. I will be meeting with the bureau of reclamation soon to see about the permitting process if we want to put signs in the river. I met with the Sherriff and the emergency management staff at the County and they had a really good suggestion because in an emergency

response, if people are floating on the river, the Fire Department discovered that they don't know where they are at if they are floating, so we thought about putting mile markers or whatever on the river, and the Sherriff suggested to do a coloring marker. We just have to figure out who is going to give us a permit to put them in the river. All of the entities are working towards getting easements for the location of the foot bridges and on the other side of the river. We are still moving forward.

- Quite some time ago we signed a resolution supporting the authorization to use UTV's on the state highway, and the last I heard was that we were working on it, but that was about a year ago, so maybe we can get a more detailed report at some time.
- Rolf, at the next meeting can you talk about whether or not they finished with the Geotechnical that they were going to do at the Lee Belle Johnson Center.

Mayor Hechler: I think that report is done, we just haven't received it yet. I do serve on the committee for the ATV's. There are some things in the mix that I can't discuss right now because we don't want to cause some problems until we get some answers from certain people at the state level. As soon as I am able to give you that information I will.

Commissioner Mitchell reported the following:

- We are starting up Fiesta planning again next month so anybody who is interested, please let us know. We need help. It will be our 75th annual celebration.

Commissioner Hoepfner reported the following:

- It looks like the movie is working out. It is the last week for them. I didn't have any big issues getting around and I do live in the downtown area. I didn't have to go too much out of my way. Moving forward, when we have movie people here again as guests, maybe we should look at the dates of when they require the roads to be closed because this week before memorial weekend the streets are closed in the evenings, and there are businesses here on Broadway who open up in the evenings, and they say, when the roads are closed, who comes to us. It was inconvenient for them, especially because it is Memorial Day weekend, and that is when everybody goes towards the lake, and therefore there are missed opportunities for business. I just want to make sure the roads are open on those special weekends where we get the most revenue.

Mayor Pro-Tem Forrister reported the following:

- There are some things happening this week. The kindergarten graduation is tonight at the Civic Center and then Friday night is our high school graduation and parade. Please come out and support them.
- It is also Memorial weekend so be safe and go have fun.

Commissioner Fahl: I want to give a shout out to the Electric Department for their efforts in hanging the graduation banners. It is so heartwarming to see them. It is so great that they do that for our community.

City Attorney Rubin had no reports.

City Manager Gonzales reported the following:

- The Electric Department had to make a slight change to the area where the banners are usually hung due to the movie.
- The film crew will be filming today from 7pm to 6am. Tomorrow is the last day of filming. They will be filming tomorrow from 5pm to 8pm and 6pm to 6am. There will be a stimulated gun fire. The film location crew that I have been working with, John and Ehrin, are very much appreciative of the community, and they say thank you for letting them be part of the community. We also appreciate them for coming in and letting us be a part of their Eddington community.
- After the film crew leaves, we will be bringing in a construction company to finish McAdoo Street.
- We are so thankful for the help and the funding from the state after all of these years. This has been going for years. I just happen to be sitting here. Thank you to all involved.

F. PUBLIC HEARINGS (5 Minute Rule Applies)

**1. Public Hearing/Discussion/Action: Final Adoption of Ordinance No. 765
General Obligations Bonds.**

Chris Muirhead, Modrall Sperling: I got the cart ahead of the horse just slightly. So, there are two ways you can do the financing through the ordinance. One, you do the ordinance with all of the final terms in it and that is what the city normally does. The other way that the state statute allows is that you can do parameters and then have the mayor accept the rates later. When the schedule was initially going, the idea was going to be to do a delegation and have the mayor accept the rates. This was in conversations with Mr. Valenzuela and the Finance Authority when they'd approve it, but I think the idea was that the Finance Authority was going to approve it in April, now they are going to approve it in May, so the ordinance in my mind, was going to be turned to the delegation when in fact it is actually supposed to have the final terms so I would recommend deterring it for two weeks so that we have the final terms for you at that time. The Finance Authority Board approves it next week, and then we can set interest rates in two weeks and then come back to you with the final ordinance at that time. I apologize for the confusion, but the good news is that you don't have to worry about this today. It will only affect closing for two weeks and you will have the money at the beginning of July for your projects.

Mayor Hechler opened the public hearing and called for anyone to speak on the public hearing topic. He then closed the public hearing as there were no participants.

Mayor Pro-Tem Forrister moved to table the final adoption of Ordinance No. 765 General Obligations Bonds until the next meeting on June 12th. Commissioner Fahl seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

2. Public Hearing/Public Input: Review and Discuss Infrastructure Capital Improvement Projects for the City of Truth or Consequences.

Assistant City Manager Alvarez: The purpose of this public hearing is to receive public input for the Infrastructure Capital Improvement Plan. On Facebook we requested public input, and we put informational flyers out in our various departments. We will compile all of the comments that we do receive. We are receiving some on Facebook. I will bring all of that stuff to you. It won't come back to the Commission until June 26th, so there is plenty of time for some public input for your review and ranking. So far, I haven't received any emails or phone calls regarding any public input. Just some Facebook comments, and we will start gathering all of those.

Public Input:

Kathleen Sloan: I wish that city staff had gone over the Water and Wastewater Asset Management Plans and combined them with road improvements somewhere on the ICIP. I ask that something like that be presented to the public, and that we hold another public hearing since the public does not have enough information to weigh in on the ICIP. I ask that the \$16 million from the Water Trust Board can also be combined if possible, with the water, wastewater and road replacement in priority, and that be presented to the public. We had two engineering reports on the Cantrell Dam, but the final decision that the City Commission made was not made in public. I think they said that the options were essentially to fix Cantrell Dam, but it didn't hold back enough water to make it worth it, and that would have been either \$5 million or \$6 million. The engineer said that the better thing to do would be to increase the arroyo drainage capacity, so I am wondering which it is. I know that was on last years ICIP. I don't know if it is going to be on this years. The vacuum system replacement that has been on the books with the city since 2019. I ask that you replace that vacuum system with a lift station as soon as possible, and you make that a priority. I ask that you replace the headworks at the sewer plant. The headworks that strain the big stuff out has been broken since the 2020 July flood so I ask that you also make that a priority. What happened to that we paid \$100,000 for a drainage plan. Comments were submitted last October, and we haven't heard the results of that or what we are going to do. I'd like an update report on the drainage plan.

Mayor Hechler: One thing that we requested for the Wastewater Treatment Plant was the construction of the Bar Screen which is a 23ft x 16ft monstrosity that goes into the treatment plant itself. I think that is what you were referring to. We asked for funding from the Colonias Infrastructure Board. We received \$305,000 which will be enough for design and engineering. There is an off chance that we may get fully funded for that.

Several of the entities at the Water Trust Board did not have a complete audit, and as a result they were not funded. You can see it in our packet under the mayor's report. If that doesn't come through for some of those entities, we are hoping that we will get the additional funding that we want for that Bar Screen, so that might happen, but it wouldn't happen until September until they were told.

Assistant City Manager Alvarez: This is in reference to the drainage plan. If you recall, a couple of meetings ago I had a proposal in to the Commission with some questions that they had concerning the draft PowerPoint that was presented. The Commission is reviewing what they want to do, and I am just waiting for comments and information back from the Commission to proceed with bringing that back.

Mayor Pro-Tem Forrister: I noticed that we still have police vehicles on there. Is that something that we are going to continue to always leave on there?

Assistant City Manager Alvarez: Yes.

Mayor Hechler: As we are preparing for our infrastructure meeting that's coming down the road, there are a couple of things that I would like for you guys to think about as you are going to make your recommendations down the road. One of them have to do with water/wastewater, and I'm talking about the vacuum systems at Riverside and 3rd Street. I met several times with our water/wastewater manager and that seems to be a pressing issue for our community. I'd like to consider that as one of our major things that we need to deal with. We want to continue with our water line issues. We've had some success this year with funding. That's going to keep us busy for a couple of years, but its still a priority for our community, so that's going to be up there, and we've got to look at that strongly. Tomorrow night we get an opportunity to talk about Louis Armijo Park and what we see at that park. I used Ralph Edwards Park as a template about what can be achieved if we get involved, and that's why we want community involvement tomorrow night for the Louis Armijo Park because think about how that park is going to look 5 years from now if we have a strong effort in that regard. Also think about a recreation center/swimming pool. That's still something that we need to try to do for our community down the road. It's a different funding of sorts so there might be money out there that's available. We will have to be able to look for it, but I would like for us to consider that. We need a new police station, and we need to figure out what we want to do with the police station. We need to figure out if we want to build one, or if we have facilities somewhere that we can move to. That's got to be a priority for us down the road. The downtown drainage improvements are also going to be important for us, and we need to consider those things. That's been an issue for many years, and we never seem to think about it until it rains, and that's all we hear about for the next two weeks. We've got to deal with that down the road somewhere. I would also like to look at the effluent processing for better efficiency. That would really save a lot of maintenance at the golf course and at other facilities that we use effluent water for. That would be a main thing that I would want to consider. That is just food for thought. It's just my thoughts on some of the things I think that we need to concentrate on, so if you guys

would think about some of those things when we have a chance to discuss it, we can deal with those.

No action was taken.

Mayor Pro-Tem Forrister made a motion to move item H9 below item H1 so our guests can leave. Commissioner Fahl seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

G. ORDINANCES/RESOLUTIONS/ZONING:

1. Discussion/Action: Resolution No. 48 23/24 Approval of Audit Results for 2022-2023.

Chris Garner, Pattillo, Brown, & Hill, LLP: Back on December 13th the Mayor and the Mayor Pro-Tem were at the exit conference that we had going over the audit process. The audit was held hostage because of a component unit for quite some time.

He then reviewed a slide of the audit results. *(Complete copy attached hereto and made a part hereof)*. He also explained that we were late for two years in a row because of the Housing Authority. We didn't have that finding last year. He is unsure why they made it a finding this year. That finding was out of the city's control.

Mayor Pro-Tem Forrister: Are there any options we have to get the Housing Authority to get their audit done in time? Are our hands tied?

City Manager Gonzales: We can nag at them. I am already in the process of that.

Chris Garner, Pattillo, Brown, & Hill, LLP: Their audit is actually due two weeks prior to yours, so that there is plenty of time for them to be completed and incorporated into ours.

Commissioner Fahl: Aren't they governed by a board? We should have the members on the board require their staff to get their audit done on time.

City Manager Gonzales: Kimberly and I chatted about a very amicable separation between the City and the Housing Authority. We've been told that we can't, but I am looking into it further.

Chris Garner, Pattillo, Brown, & Hill, LLP: They are a component unit because we have an influence on appointing a board member for them. Our standards that we have to follow because we have that requirement, it has to be included in your audit. If we could somehow remove that responsibility legally, then it could go away.

Mayor Pro-Tem Forrister: That is not something that we want to do. We just want them to comply with our requirements, so we don't get findings.

Mayor Hechler: It comes to light when we have to answer the questions. The \$16 million dollars from the Water Trust Board was in jeopardy because we didn't have a clean audit, and we can't talk about the audit before the audit comes out, and so we can't defend ourselves and we can't say anything, and we were worried about it. Thank God we got some things done. There were 8 entities when I went to the Colonias Infrastructure Board meeting that weren't funded because they didn't have their audit complete. It jeopardizes your money down the road, so that's how important this is, so if we are going to go aggressively after the money that we want for our community, we have to make sure that we have good clean audit reports, and the entities that we support need to step up and support us.

Chris Garner, Pattillo, Brown, & Hill, LLP: I don't think that there is going to be any financial consequence. You just would no longer appoint a board member and that would be your only involvement, so you would no longer have a board member on their board that you appoint, and so you would move on. I don't think that you would hurt the Housing Authority in any way shape or form. I just think, as you mentioned, it did hand cuff you, and you were scared that you were going to lose that \$16 million, and you are seeing some entities that are losing that funding, and you could have been one of them, and its just not worth appointing one board member for the potential affects that they have on you, so that is why it is something that legal should look into.

City Manager Gonzales: Kimberly and I will talk about it and then we will come back to you.

Mayor Pro-Tem Forrister moved to approve Resolution No. 48 23/24 Approval of Audit Results for 2022-2023. Commissioner Fahl seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

H. NEW BUSINESS:

1. Discussion/Action: Approval of Audit Contract FY 2023-24.

City Manager Gonzales: As we just heard, we are mandated by state law that we go through the audit process. There are only so many audit firms that are approved by the State Auditor's Office. The State Auditor's Office makes it very simple. You do two 3 year terms with the auditor. Patillo, Brown and Hill, LLP has been doing the audit, so what we are asking is for you to approve the audit contract for this year that we are in right now, FY 23/24 which started in July, and it will end June 30th. They will come in and start their audit process in June.

Commissioner Fahl moved to approve the Audit Contract FY 2023-24 with Patillo, Brown and Hill, LLP for FY 23/24. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

Item H9 was moved after item H1.

H9. Discussion/Action: Contract between the City of Truth or Consequences and the South-Central Solid Waste Authority.

Patrick Peck, South-Central Solid Waste Authority Executive Director: We are here today to move forward with the contract between the South-Central Solid Waste Authority and the City of Truth or Consequences for the transportation and disposal of solid waste. We have been providing the service for close to a decade. We have a very good relationship with you. This is a government-to-government contract. I've worked with your attorney on the contract. We basically used the same template as before. This is a perpetual contract, but it also has a very favorable termination clause, so if you want to go a different direction you would just have to give us a 6-month notice. To address the public comment regarding the rates, the fees that we charge for our services are expensed to the City of Truth or Consequences. That expense was analyzed by NewGen Solutions. They contacted me on that when we were talking about the contract. I use NewGen for our waste studies and everything else, so I said of course, if that's what the price will be then we will honor those prices, and we won't change your rates or anything like that. This is all a part of that process.

Mayor Pro-Tem Forrister made a motion to approve the contract between the City of Truth or Consequences and the South-Central Solid Waste Authority. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

2. Discussion/Action: Sierra County Swim Team Agreement for the 2024 season.

OJ Hechler, Community Services Director: This is your 2024 Sierra County Swim Team Agreement. It's the same as the previous couple of years. The only changes we added were organized swim lessons will be conducted after the swim team, which we discussed in a meeting. This year I didn't put in an end date to the contract because I wasn't quite sure where we were going to be on that. The start date will be Memorial Day, so the idea is for Destiny and Ashley to be able to work out the times. We discussed it in the meeting. The Swim Team will be allowed to use the swimming pool at a reduced cost at \$910, and in consideration of that they will provide exercise, swim competitions, and organized swim lessons after the swim season. The team will be fully developed with certified junior lifeguards, and the swim team will participate and represent the city at competitive meets throughout the state.

Commissioner Fahl made a motion to approve the Sierra County Swim Team Agreement for the 2024 season. Commissioner Hoepfner seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Destiny Mitchell, Commissioner recused herself from the vote

Hon. Ingo Hoepfner, Commissioner voted aye

Hon. Amanda Forrister, Mayor Pro-Tem voted aye

Hon. Merry Jo Fahl, Commissioner voted aye

Hon. Rolf Hechler, Mayor voted aye

Motion carried with a 4-0 vote and 1 abstention.

3. Discussion/Update: PD Update.

City Manager Gonzales reported the following updates for the Police Department.

Calls for service:

- 434 CFS calls.
- 91 ACO calls.
- 6 SCI (CYFD) calls.
- 2 School Resource Officer calls.
- 34 follow ups.
- 0 DWI/DUI.
- 5 Code Enforcement calls.
- 88 Traffic Stops.
- 35 Citations/warnings (Including handwritten)
- 7 Arrests.

Trainings:

- Deanna and Jamie attended the Law Enforcement Coordinator's Symposium Training.
- Officer Armando Ramirez attended the Homicide Investigation & Crime Scene Management training.

4. Discussion/Action: Approval of Purchase Requisitions over \$20,000.

Assistant City Manager Alvarez reviewed the Purchase Requisitions over \$20,000 provided in the packet.

Mayor Pro-Tem Forrister made a motion to approve the Purchase Requisitions over \$20,000. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

5. Discussion/Action: Variance request at 2090 S. Broadway.

Assistant City Manager Alvarez: These variance items were heard by the Planning & Zoning Commission by public hearing. The first presentation was for the variance request for 2090 S. Broadway which are site built storage units that are being put in on the other side of Tony's restaurant. They've gone through all of their zoning and state permitting approvals as required. It is in a commercial unit. The variance is to request no façade on the metal building. That is the only thing that the applicant is requesting. That was what was presented to the Planning & Zoning Commission, and they had all items in their agenda packet. The variance request, the public hearing, the parcel map, as well as their finding of facts check list which is what you guys have in your agenda packet as well. The Planning & Zoning Commission did not discuss any of the findings of facts. They did focus on lighting, landscaping, fencing, and a security gate, none of which pertain to the variance request as presented. The Chairman did also mention that he felt that there was no financial hardship for this applicant to install the façade, and he didn't wish to set any type of precedent. At that point our Planning & Zoning Commission made a motion. I believe the original motion was to not approve, but it ended in a 2-2 tie vote. 2 voted to approve and 2 voted against it. They were not interested in having any further discussion on that and they moved on to the next item.

City Attorney Rubin: I think from a legal standpoint, one thing I am hoping the discussion will go into will be the findings of facts checklists because that is something that is mandated by our ordinances.

Mayor Pro-Tem Forrister: I was present at this meeting.

Mayor Hechler: I visited the property twice. Yesterday, and this morning, part of the slab is already done. A lot of it is already taken care of. I also looked at the neighborhood. Looking at the finding of facts, and trying to address that, and looking at what is happening there, I noted that the neighbor on one side has a 6-foot white fence already. It is in more of a commercial area than a residential area. I understand what the construction is going to be. I think it is going to be aesthetically appealing for what it is going to be, and I don't have a problem with the variance request. I think they did a thorough job in the submittal of the application and dealing with it, and I think if anything, it is going to enhance the area.

Mayor Pro-Tem Forrister: They are going to build these storage units there anyways. That's not what we get to decide. All we are making a decision on is whether or not they need to add the façade to it. He made it very clear that he is putting stuff in there that will be aesthetically pleasing because it is going to match the building that is next to it.

Commissioner Fahl: In that area a façade would actually look odd. That whole area has more commercial type buildings, so without a façade it will blend right in.

Mayor Pro-Tem Forrister: The Mayor just went through the findings of facts, and I don't see what the problem is. I don't think you can take into consideration a person's last name and tell them that it is not going to be a financial burden, and they should have to do the façade.

Commissioner Hoepfner: I think for me, we need to look at how we want to go forward in the future and take into consideration how things will make our town look. When we allow these because they match the other buildings, we have to take into consideration what beautifies our town. If everybody puts in a metal building because it is a cheaper option, then they will all come to us for a variance request. Dollar General put the façade up because it is a steel building, and I think that everybody should do the same moving forward. I want us to beautify our town and not just say oh yeah, there is a bad looking building next to it so let's just approve the variance request for the façade and not have them do anything to beautify it. That is just encouragement for the neighbor to want to beautify their property if we make them do the façade.

Mayor Pro-Tem Forrister: I don't think we're saying the neighbor's house looks bad. We are saying that it is in a commercial area.

Commissioner Fahl: I think your point is that we need to make it look better. However, we also need to take into consideration that they also have to be part of the neighborhood and not make it look odd in comparison to where you are at.

Commissioner Hoepfner: I see it more as an encouragement when businesses look at our town to move here.

Commissioner Fahl: I think it just depends on the location of where it is at.

Mayor Pro-Tem Forrister: I don't think it is going to look bad. If you go and look at the same exact storage units that are right across from Tractor Supply. They look really nice. They are nice buildings. It's going to be a nice building. We are just allowing them to not have to put fake brick on the front.

Commissioner Mitchell: Going back to revising some of these ordinances, some of these codes can be a bit outdated or can be a little too technical because you are saying, if it is a metal building it is needed. Well, what if they were wooden storage units, then we wouldn't even be talking about this. I think we are arguing semantics here at some point too. I don't think if we grant a variance for him, we are going to have to grant it for everyone. If you look at the Morgan Street stage units, they don't have a façade. I agree that we need more storage.

Mayor Pro-Tem Forrister: That is the reason for a variance, so that we can look at their plans and make sure that they are going to be esthetically pleasing. And you are right, just because we approve one, doesn't mean that we have to approve the other. We don't have to set a precedent.

Commissioner Fahl: I think it is all about the location, and about the surrounding area. The location has a lot to do with how you are going to look at that.

Mayor Hechler: Commissioner Hoepfner, have you had a chance to go by the site and look at it?

Commissioner Hoepfner: Yeah. I also know somebody who lives across from it and that is another point that I wanted to bring up. So, when it comes to public hearings, he has a full-time job. It is for a different reason with him. It isn't about the façade or how the construction itself is. The foundation was not compacted, and he was concerned about that. I feel like we have to start somewhere, and if we always say yes because it fits in the area, there will be no progress in trying to beautify that area.

Mayor Hechler: I agree with you on that aspect, but I also agree that it has to do with the location. If this was in the downtown area, then I would say that we'd have to look at it really hard, but being in the location that it is, and having similar construction in that area, and being that it is going to be aesthetically pleasing, I think that's a good reason to support it. So, for me I feel that it meets the criteria, and the variance request is okay. However, I certainly understand what you are saying. In certain circumstances I would agree with you.

Commissioner Mitchell: We also have to take into consideration that this is directly across from the flea market, and they just have tents and tables on Saturdays.

Mayor Pro-Tem Forrister moved to approve the Variance request at 2090 S. Broadway. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer.

**Hon. Ingo Hoepfner, Commissioner voted nay
Hon. Rolf Hechler, Mayor voted aye
Hon. Destiny Mitchell, Commissioner voted aye
Hon. Merry Jo Fahl, Commissioner voted aye
Hon. Amanda Forrister, Mayor Pro-Tem voted aye
Motion carried with a 4-1 vote.**

6. Discussion/Action: Variance requests at 500 N. Date Street for the placement of Shipping Containers.

Assistant City Manager Alvarez: This was a double variance request. The first variance was because the applicant is requesting to put shipping containers on a commercial lot, and per our Municipal Code, the shipping container has to be with a principal building, and there will be no principal building. What they want to do is put numerous shipping containers on a commercial lot, and turn them into storage units, or use them as storage units. That is the first portion of their variance. The second portion of their variance is

the façade on those because they are also considered a metal building. The Planning & Zoning Commission were made aware of an email that had been given to them from a property owner nearby that had questions and concerns. (*email attached hereto and made a part hereof*). This was the only opposition or questions regarding any of the variances presented at the Planning & Zoning Commission meeting. They didn't discuss any of the findings of facts, once again. They focused on their flooding, the lighting, the drive access to the units, security gates, fencing, locks, landscaping, how the doors would open, security cameras, and graffiti. They discussed a few of the items in the email. However, they didn't feel any of those were of any concern, and no questions, comments, or anything was made pertaining to any type of a hardship, and they decided to approve the variances on a 3-1 vote to allow the shipping containers, and a 3-1 vote to approve no façade. These shipping containers are intended to be used as storage units. The site plan, and the location are included in your packet.

Commissioner Fahl: See, now I think this one is totally different. I am a proponent of supporting people getting shipping containers, but I have a problem with it being downtown. I just don't think that they will add to our commercial district, even if they are brand new. I don't want them to be down there, and even if they would have had a private dwelling, I probably still wouldn't want them there. Especially in that location because it is so visible there. Even if they made a façade, I am still not in favor.

Commissioner Mitchell: I moved here in 1986 and there has been nothing there since I moved here. I think there was a building there originally, but it got torn down, but there are basically stairways into nothing over there. I think it would be nice to see something there.

Assistant City Manager Alvarez: So, unlike the other request, the other storage units are site built, so they have the cement foundation, the clearing, and the landscaping that has to be done per our Municipal Code. These are shipping containers, and I would assume that they would do some type of dirt work or grating, but there are no plans at this point and time to put any type of a foundation down. These will just be taken down there and set down. If they do have plans to do that, they still have to bring that stuff to us.

Mayor Pro-Tem Forrister: This is in a commercial area, so if we deny them to put in the shipping containers, they can go and actually build site built storage units, correct?

Assistant City Manager Alvarez: Yes, correct.

Mayor Hechler: So, if you recall, a couple of meetings ago, we actually approved a shipping container to be placed at a property in that general area, but it was in support of a residence on a private lot, and it had a function other than commercial use or a shipping container, so in that regard I am for that variance. In this regard when all you do is put a bunch of boxes in an open lot and start taking care of business, I think that is a little contrary to what we want to do there. I think that would also devalue the neighborhood. For instance, there is an RV Park right behind there, and some people

go to their storage units at 6:00 in the morning and some go at 10:00 at night, so if you don't have a gate or a fence there, I think it could be a disturbance to the neighborhood. I normally try to find ways to help people if they have a variance request and we want to move forward, but I think that this would be the detriment of other landowners and other people in that area, so I just don't think that I can support it for that reason.

Commissioner Fahl: It would be nice to see something there, like Commissioner Mitchell said, but I don't know if it should be shipping containers.

Mayor Pro-Tem Forrister: I want to support businesses, and it is in a commercial zone, so if they want to make that a storage unit business, they can put in site-built storage units. Correct?

Commissioner Mitchell: So, the issue is that they are shipping containers.

Assistant City Manager Alvarez: The issue is because of our Municipal Code, they have to have a principal building to put in a shipping container, and there will not be a principal building, and they will be putting in more than one shipping container on a lot.

Mayor Pro-Tem Forrister: I get what we are saying, but what happens if they build an office, then they wouldn't have to come back to us for a shipping container?

Assistant City Manager Alvarez: They would still have to come back to us because there is going to be more than one shipping container on the lot. It would all depend on the placement. Our shipping container ordinance specifies the placement of the shipping containers on a commercial property.

Mayor Hechler: Did everyone read the minutes of the Planning & Zoning meeting? (*The Commissioners stated that they did read the minutes*). I think I read it about 3 times, and there were not any clear or concise answers of exactly what the size of these shipping containers were going to be or how many there were going to be. The drawing shows 32 8x10's but the discussion talks about something totally different. There was no discussion about the fence either. Those things should be planned ahead of time before you do all this kind of stuff. All it looks like is that somebody is going to take an empty lot and put a bunch of boxes on it and start renting them out. To me that is not a lot of effort to do something, especially in an area like that. I would like to see a little bit more of a comprehensive plan. I'm not opposed to having storage units in that area, if that's what they are going to build, but I want to see a comprehensive plan, more like the previous one that we just did.

Commissioner Fahl moved to deny the Variance requests at 500 N. Date Street for the placement of Shipping Containers. Commissioner Hoepner seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Rolf Hechler, Mayor voted aye
Hon. Destiny Mitchell, Commissioner voted nay
Hon. Merry Jo Fahl, Commissioner voted aye
Hon. Ingo Hoepfner, Commissioner voted aye
Hon. Amanda Forrister, Mayor Pro-Tem voted nay

Motion carried with a 3-2 vote.

7. Discussion/Action: Special Use Permit -Kennel Permit Annual Renewal at 3500-3710 E. Third.

Assistant City Manager Alvarez: This is just an annual renewal. They were approved a year ago. The applicant has met all requirements. Our Code Enforcement Officer has acted as both Code Enforcement and Animal Control, and they have no issues with the renewal. The public hearing was held on May 13th through the Planning & Zoning Commission. There were no proponents or opponents, and the Planning & Zoning Commission recommended approval.

Commissioner Fahl moved to approve the Special Use Permit - Kennel Permit Annual Renewal at 3500-3710 E. Third. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Merry Jo Fahl, Commissioner
Hon. Ingo Hoepfner, Commissioner
Hon. Rolf Hechler, Mayor
Hon. Destiny Mitchell, Commissioner
Hon. Amanda Forrister, Mayor Pro-Tem recused herself from the vote.
Motion carried with a 4-0 vote with 1 recusal.

8. Discussion/Action: Notice of Award of Engineering Agreement for the City of Truth or Consequences CDBG Project No. 22-C-NR-I-01-G-01 and Contract Approval.

Commissioner Mitchell moved to approve the Notice of Award of Engineering Agreement for the City of Truth or Consequences CDBG Project No. 22-C-NR-I-01-G-01 and Contract Approval. To Wilson & Co. Commissioner Forrister seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

9. Discussion/Action: Contract between the City of Truth or Consequences and South-Central Solid Waste Authority.

Item was moved after item H2.

10. Discussion/Action: Approval of the Records Inventory List for destruction.

City Clerk Torres: Margaret from the Municipal Court has been working on the records destruction for the court records. In your packet is a list of the records she wishes to have destroyed as per the record retention schedule. If approved, we will schedule a date for destruction.

Mayor Pro-Tem Forrister made a motion to approve the Records Inventory List for destruction. Commissioner Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

I. EXECUTIVE SESSION

1. Purchase, Acquisition, or Disposal of Real Property (Armory) pursuant to 10-15-1(H.8).

Mayor Pro-Tem Forrister made a motion to go into executive session at 12:17 p.m. to discuss Purchase, Acquisition, or Disposal of Real Property (Armory) pursuant to 10-15-1(H.8). Commissioner Fahl seconded the motion. Roll call vote was taken by the Clerk-Treasurer. Motion carried unanimously.

Mayor Hechler reconvened the meeting in open session at 1:00 p.m.

Mayor Pro-Tem Forrister certified that only matters pertaining to Purchase, Acquisition, or Disposal of Real Property (Armory) pursuant to 10-15-1(H.8) was discussed in Executive Session and no action was taken in executive session.

J. RETURN TO REGULAR SESSION; ACTION (if any)

1. Purchase, Acquisition, or Disposal of Real Property (Armory) pursuant to 10-15-1(H.8).

No action was taken.

K. ADJOURNMENT:

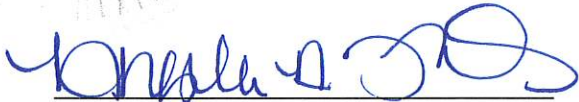
Mayor Hechler adjourned the meeting at 1:02 p.m.

Passed and Approved this 12th day of June, 2024.



Rolf Hechler, Mayor

ATTEST:



Angela A. Torres, CMC, City Clerk



PATTILLO, BROWN & HILL, L.L.P.
Certified Public Accountants & Business Consultants



City of Truth or Consequences

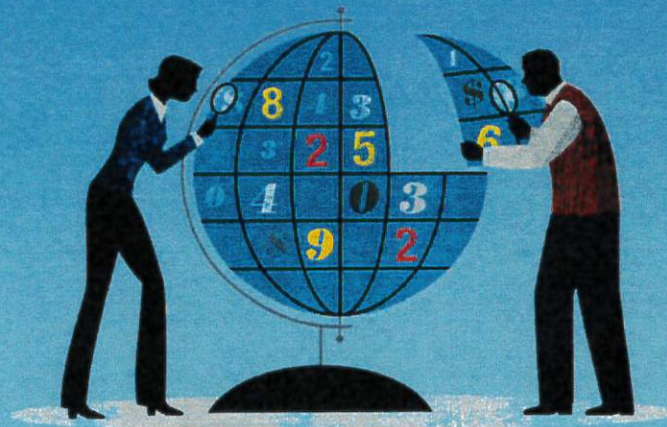
2023 Audit Results

May 22, 2024

Auditor's Report on the Financial Statements

Unmodified Opinion – “Clean Opinion”

- Financial Statements are presented *fairly* in accordance with accounting principles generally accepted in the United States of America.



Other Reports

GAGAS Report on Internal Control
Over Financial Reporting and on
Compliance and Other Matters

Finding

Report on Compliance for Each Major
Federal Program and Internal Control
over Compliance Required by the Uniform
Guidance

UNMODIFIED "CLEAN" OPINION

Communication with Governing Body

Matters to Be Communicated

Difficulties Encountered in Performing the Audit

- The Council should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit.

PBH's Comments

No difficulties encountered during our audit

Communication with Governing Body

Matters to Be Communicated

Significant Audit Adjustments and Unadjusted Differences Considered by Management to be Immaterial

- The Council should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the City's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future financial statements to be materially misstated. the Council should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

PBH's Comments

Cash to accrual adjustments

None

Communication with Governing Body

Matters to Be Communicated

Disagreements With Management

- Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the City's financial statements, or the auditor's report.

PBH's Comments

We had no disagreement with management.

Communication with Governing Body

Matters to Be Communicated

Management's consultation with other accountants

- In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

PBH's Comments

We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.

Current Year Findings

- 2023-001 Cash Disbursement – PO issued after invoice
- 2023-002 Audit Report Submission

Resolved Prior Year Findings

- 2022-001 Procurement - Spent \$192,000 with vendor without going out to bid.

The logo for Pattiolo, Brown & Hill, L.L.P. features the letters 'PB&H' in a large, bold, serif font. The ampersand is stylized with a diagonal slash. The logo is set against a dark blue background that transitions into a lighter blue gradient on the right.

PATTILO, BROWN & HILL, L.L.P.
Certified Public Accountants & Business Consultants

Thank you!