

**SOUTHEASTERN NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT, INC. /COG
QUARTERLY BOARD OF DIRECTORS MEETING**

**October 10, 2008
ENMU-Roswell**

MINUTES

I. CALL TO ORDER

The quarterly meeting of the Board of Directors of the Southeastern New Mexico Economic Development District/COG was called to order by Board President Matt White at 10:06 a.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL AND INTRODUCTIONS

The following member governments were represented by directors, alternates or proxies:

MEMBER GOVERNMENTS

Chaves County – Harold Hobson, Commissioner
Lea County – Mike Beverly, County Manager
Lincoln County -- Eileen Sedillo, Commissioner
Otero County – Michael Nivison, Commissioner
Alamogordo – Joe Ferguson, Commissioner
Artesia – Phil Burch, Mayor
Capitan – Sam Hammons, Mayor
Carlsbad – John Beasley, Community Dev. Dir.
Carrizozo – Bob Hemphill, Mayor
Dexter – John Reid, Mayor
Eunice – Matt White, Mayor
Hagerman – Connie Andrews, Councilor
Hobbs – Joe Dearing, City Planner
Hope – Lora Crumrine, Clerk/Treasurer
Jal – P.J. Parker, Grant Administrator
Loving – Pete Estrada, Mayor
Lovington – Leticia Kanmore, C of C Exec. Dir.
Roswell – Steve Henderson, Councilor
Ruidoso – Jim Stoddard, Councilor
Ruidoso Downs – Gary Williams, Councilor
Tatum – Betty Rickman
Tularosa – Ray Cordova, Mayor

NON-GOVERNMENT MEMBERS

Bill Mershon, Otero County Private Sector
Brad Treptow, Lincoln County Private Sector

A quorum was present with 22 of the 26 member governments represented.

Visitors and Guests present:

Senator Tim Jennings
Representative Gloria Vaughn
Zack Dillenback, Financial Advisor—NMFA
Tom Armstrong, Mayor—City of Ruidoso Downs
Cleatos Richards, Public Works Director—City of Ruidoso Downs
Judy Stubbs, NMEDD Representative
Marilyn Burns, Councilor—Town of Tatum
Bill Fulginiti, Executive Director, NM Municipal League
Claire Manatt, Financial Advisor—NMFA
Michele Rebstock, Councilor—Village of Ruidoso
Dianne Brusuelas, Village Clerk—Village of Tularosa
Dan Higgins, Village Manager—Village of Ruidoso
Sonia Raftery, Field Representative, Senator Bingaman
Curtis Schrader, Eunice City Manager
John Underwood

SNMEDD/COG Staff Present:

Hubert Quintana, Executive Director
Dora Batista, Planning & Development
Beth Pappas, Office/Finance Manager
Pansy Moffitt, Office Assistant
Carolyn Arias, Office Manager, SBDC

IV. APPROVE MEETING AGENDA FOR OCTOBER 10, 2008

The agenda for the meeting was included in the board packets mailed to each Director for their review. Steve Henderson made a motion for approval of the agenda. Harold Hobson seconded the motion. Motion carried.

V. APPROVE MINUTES OF JULY 11, 2008

The minutes of the July 11, 2008 quarterly meeting were included in the packets mailed to each Director for their review. A correction to the minutes was made to add P.J. Parker, City of Jal, to the members present. A motion was made by Harold Hobson and seconded by Bob Hemphill to approve the minutes with the correction to be made. Motion carried.

VI. REVIEW AND ADOPT FINANCIAL REPORT & BUDGET ADJUSTMENTS

Hubert Quintana presented the financial report and RPO budget which were included in the packets mailed to each Director prior to the meeting.

A new \$2,500 revenue line item was added for money we received from EDA through NewMARC and the Eastern Plains Council of Governments for web-site development.

Hubert stated the District has expended 67% of the meetings/conferences budgeted expense. This is a result of the District having pre-paid the registration fees for the NADO annual conference, the N.M. Finance Infrastructure conference and the Southwest Region Executive Director's Association conferences. The money for these conferences comes from the \$10,000 legislative appropriation Representative Candy Spence-Ezzell sponsored for the District to be used for scholarship training for board and staff members.

“Capital Outlay/Debt Service” shows expenditures at 6%. Expenses for this line item will increase once the District purchases the new vehicle that was approved by the board at the July board meeting.

Phil Burch made a motion to accept the financial report, and RPO budget. Bob Hemphill seconded the motion. Motion carried.

VII. APPOINT NOMINATING COMMITTEE TO DEVELOP 2009 SLATE OF OFFICERS

2009 Nominating Committee consists of Harold Hobson—Chaves County; Phil Burch—Eddy County; P.J. Parker—Lea County; Bob Hemphill—Lincoln County—and Joe Ferguson—Otero County.

VIII. VILLAGE OF RUIDOSO PRESENTATION ON NEED FOR A WASTEWATER IMPROVEMENTS/CONSTRUCTION GROSS RECEIPTS TAX

John Underwood, former legislator, and lobbyist for the Village of Ruidoso made a presentation on the need for a wastewater improvement/construction gross receipts tax. The Village of Ruidoso and the City of Ruidoso Downs are co-owners of the wastewater treatment plant and there is a continuing problem with the wastewater in the community. The two communities are bonded to capacity. There is a possibility that there may be a new gross receipts tax introduced to state and passed by legislature to allow communities to increase gross receipts tax up to 1%. Money would be used to take care of loans applied through the environmental department. The current wastewater plant was built in 1974 and not much has been done to the plant since. Rio Ruidoso has been designated as a cold water fishery, with the results being the elevating of standards of type of water that be can be put back into the stream. Currently reverse osmosis is the only way to get the limits down to the lowest national limit of must be treated 1ppm Nitrogen and .1ppm phosphorous. The plant's cost to Ruidoso and Ruidoso Downs is approximately \$40 million and must be built by December 2010. A bill was drafted to allow Ruidoso to impose a 1% GRT to pay for revenue bonds to pay for balance of construction costs. An alternative to bill is to amend the current GRT already in place.

IX. DISCUSSION AND ACTION ON OUTSTANDING NATURAL RESOURCE WATERS RESOLUTION

Michael Nivison spoke on the Outstanding Natural Resource Waters (ONRW) and the impact the proposal may have on streams and springs in the District's watershed if the water sources are designated ONRWs. Although the intent is to protect waters from future degradation, an unintended implication of ONRW will allow for third party lawsuits to protect the waters from degradation, potentially limit use of the waters for grazing of livestock and the social, historical and economic viability of some areas of the District. He asked the Board to consider the adoption of a resolution asking the Governor, New Mexico Environment Department and the Water Quality Control Commission to extend the hearing and public input period to insure that reasonable and proper opportunity would be provided for information and informed data to be submitted before any rules and regulations would be approved.

Mike Beverly made a motion to put a resolution together and bring it back at the January Board of Directors meeting. Joe Ferguson seconded it, motion carried.

X. APPOINT COUNTY DELEGATIONS TO THE BOARD OF DIRECTOR'S REVIEW AND UPDATE THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR EACH COUNTY

Hubert suggested that because every county has an economic development group, that the staff will meet with each group and review existing plans for each county to update and prepare CEDS to bring back updates to be adopted at January meeting.

Mike Beverly made a motion to approve appointment, Bob Hemphill seconded it, motion carried.

XI. REPORT ON NEW MEXICO TOWN HALL ON TRANSPORTATION MEETING IN ALBUQUERQUE

SNMEDD participated in a Transportation Town Hall Meeting held August 7-9, 2008. There were 150 statewide attendees, 35 communities, 20 counties represented with 8 representing SERPO to include Alamogordo, Carrizozo, Artesia, Carlsbad, Roswell, Clovis, Cloudcroft, and Eunice. Seven represented SNMEDD. Eleven recommendations were made. The theme for public awareness was to develop a comprehensive plan, public awareness to educate the voting public; partnership theme—to create government partnership for future development; to enable public/private partnerships; theme for transportation revenues for transportation projects—recommendation was to spend transportation revenues on transportation needs and to redirect taxes from transportation projects to the road fund. Short term funding option was to increase infrastructure funding and transit funding. Long term funding options include index taxes to account for inflation, establish permanent transportation fund, and to continue to study funding options. There were three recommendations from group that did not receive consensus: allow allocations from permanent fund; to sell 10 year bonds; and create a general planning office. Recommendations will be prioritized by an implementation team to advance the recommendations to policy makers, the public and community leaders. Focus needs to be on maintaining and improving our existing transportation infrastructure. The implementation team will be meeting before December to finalize

recommendations that could be submitted to the legislature. There is a need to have additional transportation taxes or for reallocate existing taxes. There is a huge short fall between where transportation needs are and the amount of money available to meet the needs. A final report on the recommendations was included in the hand outs.

NewMARC partnered with the NM Department of Transportation to sponsor the Town Hall.

XII. MAYOR WHITE'S REPORT ON NADO ANNUAL CONFERENCE IN ALASKA

Mayor White gave a report on the conference. There were approximately 750 attendees from the United States. Workshops were available for elected officials as well as executive directors. SNMEDD was recognized as one of the strongest COG's in the nation. The COG's are being looked at more and more as partners. Hubert provided a presentation on state associations can build stronger relationships with state government.

XIII. PROGRAM AND ACTIVITY REPORTS:

CDBG/PLANNING/WIA – Dora Batista

- If you have a current CDBG grant and you want to apply for the 2009 CDBG funds, the current grant must be closed by November 14th in order to meet threshold compliance. This means the project has to be complete with close out documents and the project manager has come down to close the project.
- The 2009 application deadline will be December 19, 2008. If you are planning to apply you should have already held your hearings and have already begun work on your application. The applications are lengthy and time consuming

Under Planning.....

- There have been a couple of projects in our area alone that completed their projects and reverted money back to DFA. This money usually goes into planning and the emergency fund. So hopefully there will be more money for planning grants.
- Remember the big push on Asset Management Plans. Planning grants can be obtained for Asset Management Plans if your comprehensive plan is up to date. These plans are where you take inventory of your systems, the life of water/sewer lines and determine when they will need replacement.

Under WIA

The Eastern Board met here in Roswell this past Tuesday. The latest minutes available were passed out in the handouts. They did pass out several financial reports and status reports. There were too many to copy and bombard you with all that paperwork. If you ever want to see those reports I would be happy to copy them for you.

The next meeting will be held in Portales at ENMU December 9th at 8:00 a.m.

Dora congratulated the Village of Loving for recently receiving \$500,000 in Colonias Initiative funds for upgrades to their wastewater treatment Plant. The Colonias Initiative Grants are a set aside from the State that allows Colonias to apply for assistance once a year around March. Dora stated that community designated as a Colonias and are interested in applying should contact her.

SERPO – Mary Ann Burr – Safe Routes to School

- Opened up their 3rd application cycle – **Oct. 3rd through Dec. 15th**.
- Applications are being accepted for both Phase 1 and Phase 2.
- Phase 1 - \$15,000 grants for developing Action Plans.
Phase 2 – [up to \$250,000] for infrastructure and non-infrastructure activities.
- In order to apply for Phase 2, entity must have expended all Phase 1 funds, documented a complete Action Plan, and have a RPO letter (which must be accomplished by the November 18th meeting).
- Training for our area will be held the first week of November (3rd week in Las Cruces and 5th week in Albuquerque).

Next Meeting

- **November 18th** – will focus on transit prioritization.
- There will be 12 presentations made which is an increase of three applications from nine last year.

Roadway and Enhancement

- Call for Projects – **October 15th**.

Roundabout Training

- A training is being planned for mid-January. Location not determined. Closer to the training, will visit with trainer and determine if he can localize some of the training.

New Mexico Infrastructure Finance Conference

- SERPO will participate with a booth for New Mexico Regional Planning Organizations and also attend the conference. Promoting southeastern New Mexico with door prizes such as UFO Museum and Carlsbad (Christmas on the Pecos).

ICIP – Beth Pappas – ICIP plans were due September 30, 2008.

District ICIP activities this quarter included:

- Provided training to Eastern Plains Council of Governments' staff and local governments on preparation of an ICIP, Capital Outlay requests and the CDBG process.
- Met with Lincoln Mutual Domestic Water Consumers Association to prepare their ICIP.
- Attended local government ICIP hearings in Chaves County, Ruidoso, Ruidoso Downs and Alamogordo.

- Conducted an ICIP workshop in San Patricio for the Ambrocio Chavez and Leopoldo Chavez Ditch Associations.
- Conducted an Asset Management and Rate Setting workshop for 26 local governments and water associations. The City of Jal, City of Carlsbad, Village of Loving and City of Lovington attended the workshop held in Cloudcroft.
- The District assisted in preparation and/or technical assistance of ICIP's for seven communities in our District: Carrizozo, Dexter, Hope, Lake Arthur, Tatum, Tularosa, and Loving.
- The District assisted in preparation and/or technical assistance of ICIP plans for eight water associations: Cottonwood Rural Water Assoc., Cumberland Water Users Assoc., Greenfield Domestic Water Users Assoc., Nogal MDWCA, Twin Forks MDWCA, Mountain Orchard MDWUA, La Luz Mutual Domestic Water Assoc. and Alto Lakes Water Co-op.

SBDC PROGRAMS – Carolyn Arias –The SBDC worked with 162 clients the first half of 2008, 1044 total client hours. Capital formation \$4,216,255. Three new businesses creating 17 jobs, 31 jobs retained.

Besides the usual business plans, financial projections and loan applications the SBDC assisted a client with a patent application he submitted to the US Patent Office in August. Helped 3 different clients with the business plan portion of their applications for financial assistance and helped a client with a grant application for funding a social service outreach program.

Said good-bye to Dr. Judy Armstrong, who retired in mid July as President of ENMU-R and welcomed new President Dr. John Madden on August 18.

The Ruidoso office moved into a new office and will be working with the SBA Disaster Relief office to assist this summer's flood victims. Assistance will also be given to the community to evaluate the potential impact that any decision to close the Ruidoso Downs racetrack and Billy the Kid Casino would have on the local economy.

July 2—Gene Simmons, Director, attended the “Smart Growth Coalition” meeting in Ruidoso. It focuses on pro-growth issues and the recruitment of new business.

July 22—Gene Simmons spoke to the Roswell Kiwanis Club about what the SBDC offers, including special programs such as youth entrepreneurship and technology transfer.

July 23-25—Nancy Holland attended a two day workshop at New Mexico State University titled “Entrepreneurship for Teachers”. It utilized material from the Kaufmann Foundation's *Making A Job* curriculum, followed by a full day of training in the methods and resources for infusing economics into middle school courses.

July 21—Gene Simmons attended the NMSBDC Quality Council meeting in Santa Fe.

August 5-6—Carolyn Arias attended a support staff training in Albuquerque, and visited the Los Alamos SBDC.

August 11-13—Gene Simmons attended the Mid-America Lender's conference in San Antonio, Texas.

August 18—Gene Simmons met with New Mexico Secretary of Workforce Solutions, Betty Sparrow-

Doris and Mary Ann Scott in Albuquerque. Ms. Scott is a consultant from M. Scott Inc. and has been contracted to conduct a feasibility study for the NMSBDC regarding ways in which we can provide more diversified services to our clients.

August 26—Janie Gosselin attended a lender forum presented by the SBA and the Capital Certified Development Corporation to commercial lenders from First National Banks throughout southern New Mexico.

September 2-5—Gene Simmons attended the ASBDC (Association of Small Business Development Centers) annual meeting in Chicago, Illinois.

October 1-3—Gene Simmons attended the Governor's Summit on Economic Development in Tucumcari, New Mexico.

DISTRICT ACTIVITY – Hubert Quintana – Last quarter activities are included in the District's Quarterly Report that was distributed to all members.

Hubert announced the up coming SWERDA Conference in Oklahoma City; attending will be Hubert Quintana, SNMEDD Executive Director; Mayor Matt White, City of Eunice; P.J. Parker, Project Coordinator, City of Jal; Beth Pappas, SNMEDD Office/Financial Manager; and Pansy Moffitt, SNMEDD Office Assistant. He also announced the Infrastructure Conference in Albuquerque, October 28-30. Those attending will be Dora Batista, SNMEDD Planning & Project Coordinator; Mary Ann Burr, SNMEDD Transportation Planner; Steve Henderson, Councilor—City of Roswell; Gary Williams, Councilor—City of Ruidoso Downs; and Leticia Kanmore, Executive Director Lovington Chamber of Commerce—City of Lovington.

Hubert also announced Dora will be attending a Housing Summit, November 5-7, 2008 because it ties with the CDBG program. The state of New Mexico will be getting some housing stimulus money from HUD. The majority of money will be going to Albuquerque, Santa Fe, Rio Rancho, Las Cruces, and Farmington to help with some of the foreclosure problems. Rural New Mexico will be getting somewhere between \$10 to \$15 million dollars. It has to be spent within 18 months or it will revert to HUD. It differs from the housing rehab program in a way that the City purchases houses and rehabs and resells to assist first time buyers to get into a home. This enables them to establish their credit, and to save some money for a down payment. It allows people in 120 % median income to get into a house.

Hubert announced the Capital Outlay workshops taking place in the different counties. He offered a power point for those who are fiscal agents for non-profits. It is on Do's and Don'ts local governments need to be aware of on becoming a fiscal agent. It points out the liabilities of becoming a fiscal agent.

We are in the process of working with DFA and EDA for providing teleconferencing capabilities in all 7 EDD/COG offices in the State. This will give our District and every District in the state the opportunity to do teleconferencing. This will save time and money and allow training to be done in our office. We hope to have everything in place by the end of the first quarter of 2009.

XIV. PROGRAM: MR. BILL FULGINITI—EXECUTIVE DIRECTOR NM MUNICIPAL LEAGUE'S LEGISLATIVE PACKAGE—

Mr. Fulginiti emphasized how important it is to have requests signed, they do get rejected without a signature. He touched upon two important items legislative and regulatory.

Legislative—1% GRT for waste water treatment facilities, make sure that all existing authorities have been investigated before you ask state for additional authority. There is 1/2% GRT capacity in Ruidoso and 1/2% GRT capacity in Ruidoso Downs. That would yield \$2.2 million in an annual revenue stream which would be available to pay off a revenue bond. He thinks that the legislature would question that before they give a new 1% GRT. The point is that when something is brought to Santa Fe be prepared to answer what you have and do not have. A lot of the cities enact GRTs and administrative changes over time and they just let them continue. Some are dedicated to projects that have already been completed which would free up additional revenue bond capacity. Look at General Obligation Bond packages. New Mexico does not use GOBs very much; there is probably less than \$350 million in outstanding for all 103 cities combined

There is a move to take away unused Capital Outlay reauthorizations that have been sitting there. There is about 8 to 10 projects in the State that will yield \$100 million in unspent monies. There's about a billion dollars in unspent money total in authorized Capital Outlay projects right now.

Down turn of economy—capacity for severance tax bonds at a billion dollars in the past few years may anticipate to have less \$150 million in severance tax capacity for projects could be less than that because of the drop in oil and gas. General fund will be short. Be realistic about projects submitted.

Regulatory—Effective November 1, 2008 a red flag regulation—victim ID theft. If your entity runs a utility, a Victim ID Program must be in place. Information will be available on the Municipal League web site and a mailing will go out the week of October 13, 2008 to each municipality with more information.

Wastewater treatment certification of operators process was halted. A task force was reinstated and we now have regulations that local governments can live with for all certification of wastewater operators.

There is a presently a problem between CID and Municipal League with building inspectors and inspections as to who is responsible for conducting inspections. A task force is in place to come up with a compromise. If your community does not have the ability to do inspections for all the disciplines under current law than you community will no longer be able to conduct inspections. The State will take it over.

There is a bill to be introduced on the “assumption of causation of disease” for firefighters. A committee is working on legislation to determine what are and are not workman's comp related injuries related to firefighters. The Bill will be presented by the Speaker of the House. If the Bill passes each injured firefighter will need to be screened to make sure he/she does not have the any of the diseases listed. This screening could cost from \$2,500 to \$3,000 per applicant depending on the number of diseases listed in bill. The impact will have a dramatic impact on budgets.

There is a Bill on franchises, to change the current system to do away with franchise system and put a fee structure in its place. The new Bill will do away with the complicated franchise negotiation process. But, anyone seeking a franchise will still have to come to a municipality to obtain a license to do business.

Capital Outlay Gross Receipts Tax—Bill introduced last year for Capital Outlay Gross Receipts Tax For _ %. Requires all other Gross Receipts Taxes must have already be enacted before local governments can have access to the new GRT. Last year it passed in the House unanimously defeated in the Senate. It will be reintroduced again this year.

Senator Jennings will help with trying to get \$600 to \$800 thousand dollars for training and certification for Emergency Medical Services.

Fire Fund hasn't had an increase since 1999. The system is set up for firefighters to receive \$26 million annually for equipment and training. There is an effort to try to get a similar fund established and funded for law enforcement.

XV. CORPORATE SPONSOR ANNOUNCEMENTS AND COMMENTS

There were no Corporate Sponsor comments.

XVI. COMMENTS AND ANNOUNCEMENTS

Judy Stubbs announced that 4 new communities have been certified by the New Mexico Economic Development Department. The new communities in our region are Artesia, Carrizozo, and Eunice. The NM EDD has awarded Recertification for two more years to Alamogordo, Roswell, and Lovington. Cloudcroft has passed a Local Economic Development Act ordinance.

XVII. ADJOURN

There being no further business or discussion the meeting adjourned at 12:30 p.m.

Respectfully submitted,

Approved this _____ day of _____, 2009

Hubert H. Quintana, Secretary

Matt White, President