

MINUTES OF THE CITY COUNCIL
OF THE CITY OF RUIDOSO DOWNS
CITY COUNCIL CHAMBERS
REGULAR MEETING
AUGUST 10, 2009

The Council of the City of Ruidoso Downs met in regular session on August 10, 2009. Mayor Armstrong called the meeting to order at 5:30 p.m. and asked Peggy LuJane to lead the Pledge of Allegiance. Mayor Armstrong asked Carol Virden, City Clerk/Treasurer to take roll call. The following were present:

Councilor Hood
Councilor Holman

Councilor Williams
Councilor Olivo

Carol Virden, City Clerk/Treasurer informed Mayor Armstrong there was a quorum.

Also present:

Carol Virden, City Clerk/Treasurer
Steve Dunigan, Planning & Zoning Director
Jay Smith, Museum Director
Cleatus Richards, Public Works Director
A.C. Ortiz, Chief of Police
Justin Shaw, Fire Chief
Zach Cook, City Attorney

APPROVAL OF AGENDA

Mayor Armstrong stated next item on the agenda was approval of the agenda.

Mayor Armstrong entertained a motion to approve the agenda.

Councilor Williams moved to approve the agenda. Seconded by Councilor Hood.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF CONSENT AGENDA

Mayor Armstrong stated next item on the agenda was approval of the Consent Agenda.

Councilor Olivo moved to approve the Consent Agenda. Seconded by Councilor Williams.

Councilor Williams said he had a question on page 4 about 29-40-46010 for a bed slide for an Engine 1.

Mayor Armstrong asked Justin Shaw, Fire Chief to explain.

Justin Shaw, Fire Chief said it was a bed slide that goes in the back of our new unit to store gear of operations of fire teams and training. It extends out and locks in place and that way you don't have to crawl into the back of the truck to grab gear. This stores heavy equipment.

Councilor Williams asked if it was a covered compartment type?

Justin Shaw, Fire Chief said the back of the truck was covered with the tunnel coat and the bed slide is in the rear of the truck in the bed.

Councilor Williams asked if that was one of the items that was needed?

Justin Shaw, Fire Chief said yes.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF MINUTES OF REGULAR MEETING OF JULY 27, 2009.

Motion was made by Councilor Olivo and seconded by Councilor Williams to approve the Minutes of the Regular Meeting of July 27, 2009 of the City of Ruidoso Downs.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

APPROVAL OF ACCOUNTS PAYABLES

Motion was made by Councilor Olivo and seconded by Councilor Williams to approve Accounts Payables.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

PUBLIC HEARING

Mayor Armstrong stated next item on the agenda was for Ordinance 2009-09.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF RUIDOSO DOWNS, NEW MEXICO MUNICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009, IN THE PRINCIPAL AMOUNT OF ONE MILLION AND N0/100 DOLLARS (\$1,000,000.00) FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE CITY'S JOINT WATER AND WASTEWATER SYSTEM; PROVIDING FOR THE ISSUANCE AND SALE OF THE BONDS; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE SOLELY FROM THE REVENUES DERIVED FROM THE THIRD AND FOURTH INCREMENTS OF MINICIPAL INFRASTRUCTURE GROSS RECEIPTS TAX IMPOSED BY THE CITY PURSUANT TO SECTION 7-19D-11 NMSA 1978 AND CITY ORDINANCE NO. 2002-09 ADOPTED ON

SEPTEMBER 10, 2002; PROVIDING FOR THE TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, THE METHOD OF PAYING THE BONDS AND OTHER DETAILS CONCERNING THE BONDS, INCLUDING BUT NOT LIMITED TO COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH AND APPERTAINING THERETO.

Mayor Armstrong said Chris Muirhead was here to explain this.

Chris Muirhead said he was with the Modrell Law Firm in Albuquerque. We have been retained to service by council and our role is to make sure that issuance of this debt complies with all applicable state and federal laws for public debt. This ordinance is the primary step that the City will take to issue this bond in the amount of \$1,000,000.00 to the USDA. This, as you all know, is accumulation of the financing for the wastewater treatment facility. This ordinance relates to the USDA aspect of the financing which again is the \$1,000,000.00 loan at 3.75% for a period of 20 years. The important thing to note about the financing is that it is part of the stimulus money and is tied to \$2,900,000.00 in grant funds that are going to be issued to the New Mexico Environment Department and about a \$100,000.00 loan to the New Mexico Environment Department. So, there are two entities that are providing the financing, USDA Rural Development and the New Mexico Environment Department. Again, the \$1,000,000.00 here is necessary to procure that debt to relieve the \$2,900,000.00 in grant funds. The high points on this ordinance and really reading the title on the agenda reaches the high points. He said the key thing to point out is the pledge is limited solely to two increments of municipal infrastructure gross receipts tax. The third and fourth increment which were authorized in Ordinance 2002-09 on September 10, 2002 with a dedication specifically for water or wastewater capital infrastructure improvements. So, the city has identified this gross receipts tax source as the pledge to repay the debt. That is the only legal pledge that the lender, and in this case the USDA, has in terms of repayment should there be a shortfall they can't look at any other gross receipts tax or property taxes or any other revenues of the City. That is really one of the most important things of the ordinances. It does limit it to a specific revenue source. The City had other debt outstanding that was issued for this project as you are all familiar with in the 2007 General Obligation Bonds. Those are ad valorem taxes municipal infrastructure gross receipts tax. The majority of the document sets forth how the bonds operate with USDA's default remedies or the limited to the sole source of the pledge, issuance of the bond, redemption. Another important point is that the bonds can be redeemed at anytime as long as USDA holds them. If the City wants to redeem them at any point the City wants to pay this back it does not have to wait the 20 years and that is without a prepayment penalty or any other premium. There are certain covenants and I will review those with you briefly. They are on page 24 and they start with "Protective Covenants." These are promises that the City is making to USDA.

- A. Use of the bond proceeds of the \$1,000,000.00 for the project.
- B. Will properly pay interest on the performance bond when due.
- C. The City will make payment existence or if it doesn't another municipal entity

will assume the obligation.

- D. City will not impair any contacts that initially correspond with the contract.
- E. Use of bond from the reserve fund, these are two funds created in this document. The bond funding where the gross receipts tax monies will be channeled to make that surplus payment and the debt service reserve fund that is funded over the life of the loan that serves as a term policy should there be a shortfall in revenues to pay debt there is that reserve sitting there. That reserve is also funded from the Municipal Infrastructure Gross Receipts Tax.
- F. The City will not seek to extend its interest payments.
- G. Fidelity Bonds that the municipal officials responsible for treasury are properly bonded.
- H. Keep accurate records which you do an annual audit of the pledged revenues.
- I. Within 270 days each year you will conduct an annual audit.
- J. Other liens of pledged revenues, that there are no other liens or encumbrances on these pledges, which there is not.
- K. The duty to impose this gross receipts tax since it is the sole source of repayment to USDA that you'll keep this gross receipts tax in place for the term of the bond.
- L. and M. are since this is a tax governance related since this is a tax exempt debt there are certain Internal Revenue Code Provisions that apply and basically you are indicating that you will comply with those given the size of the debt and the amount of tax debt that the City issues on an annual basis most anything that applies there is an exemption for the City in terms of reporting and other requirements. The qualified tax exempt obligation relates to the purchaser of the bond issue if that be a financial institution can take a certain deduction against the tax credit.

Chris Muirhead said the final thing to hand out to you real quickly is the breakdown that shows the debt service payment of pledged revenues. This was prepared by the city financial advisor for the councilors. In looking at that it shows you the 20 years principal payment is a flat interest rate over the term of the bond at 3.75%. The interest calculation and then your annual payment of roughly almost \$72,000.00. Then there are two reserve funds, the debt service reserve was created in that document. That's the second line total of \$71,962.00 annually and then the asset reserve, that is a reserve required by the USDA that the city set aside money on an annual basis for a pool of money to replace assets for the short life so that the City hasn't over extended itself and not be able to do updated maintenance on the facility. So it shows a total cash flow requirement of \$82,640.00 dropping down to \$75,444.00 and the debt service reserve fund will be funded after 10 years. The pledged revenues totaling \$103,857.00 shows you should have 1.4 times debt service coverage in any cash flow coverage on so what you're looking for is you want at least a one time coverage of that debt service in reserve and you have over that by about 50%. He said I would be happy to answer any questions. The way the process works from here should you choose to adopt this is we put a publication in for Notice of Adoption for a 30-day period for public comment or objection and then we close at that point in conjunction with the lender. So at some point in late September or early October is when we will close that transaction. This is the only time we would be in front of you for council action. We will not be back for any subsequent resolutions so it is important that if there are questions now is the time to raise them. When it comes down to closing it really comes down to the mayor, Ms. Virden, the City attorney with a closing meeting but it would not be council action.

Mayor Armstrong asked if there are any questions?

Councilor Williams asked if he could go over again the asset reserve.

Chris Muirhead said the asset reserve is a relatively new requirement within the last 18 months from USDA and what it does is the main focus of this program is to get rural utilities upgraded and functioning. So, not only do they want to see improvements made but they want to make sure there is sufficient cash for operation and maintenance and general upkeep. So, this is a reserve that is funded monthly from pledge revenues or other revenues of the city that are legally available for that so that when there are maintenance on the system that is just general wear and tear of short-lived asset there is a pool of money there to upgrade it and security for basically protecting the policy of the program just to make sure these systems remain operational. The debt service reserve is basically put on the insurance policy equal to one annual debt service payment. If you look the \$71,962.00 does tie to the flat amortization on this. The idea is that should there be a shortfall in pledge revenues at the end of the year you know you have an annual debt service worth of funds available for that.

Councilor Williams said just so the citizens that are here understand that this is no cost to them. Chris Muirhead said this is not a lien on the system, this is a gross receipts tax pledge.

Mayor Armstrong asked if there were any other questions?

Mayor Armstrong said I hereby open the Public Hearing for comments and will be accepting in the following order for the Public Hearing Ordinance 2009-09. Interested persons must approach the podium one at a time, state their name and present their testimony. A limit of three minutes will be allowed per person.

Mayor Armstrong asked if there are any persons here to speak in opposition of the action?

There were no persons to speak in opposition of the action.

Mayor Armstrong asked if there are any persons here to speak in support of the action?

There were no persons to speak in support of the action.

Mayor Armstrong said I hereby close the Public Hearing.

Mayor Armstrong stated next item on the agenda was Consider Adopting Ordinance 2009-09.

Mayor Armstrong entertained a motion to adopt Ordinance No. 2009-09.

Councilor Olivo moved to adopt Ordinance No. 2009-09. Seconded by Councilor Williams. Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

UNFINISHED BUSINESS

Mayor Armstrong stated next item on the agenda was to Unfinished Business.

There was no Unfinished Business.

OTHER BUSINESS (items are for discussion only-no action will be taken)

Mayor Armstrong stated next item on the agenda was Other Business and no action would be taken.

Mayor Armstrong stated next item on the agenda was Update on City of Ruidoso Downs Current Projects.

Cleatus Richards, Public Works Director said in addition to the information I passed out under "Streets-Highway 70" we did receive the notes today from the engineer that the approval to proceed to bid has been granted so we will be scheduling bidding on the Highway 70 project. On item two of "Streets" we have filed for an additional \$400,000 to complete that project. If we have a decision on that additional funding prior to receipt of bids we could issue an addendum to have that work. If that is funded we will probably have to bid that as a second increment on the project. It's too large of an add-on to do a change order to add it to the existing project. We are hoping we'll get a rapid turn around on our grant application for additional funds. Additionally under the Nevada Co-Op we have determined we are going to proceed with engineering for that project with the available funds under the Co-Op. There seems to be additional stimulus monies that are being made available for shovel ready projects so our approach is to try to make that project shovel ready and hopefully there will be some additional funds. If not we'll be filing for capital outlay funds in the next legislative session and we'll continue to look for funds so we can proceed also with that project. Under the FEMA projects I have set up a meeting with the Wilson & Company for later this week to issue the task order to get them started on that project. On the Nevada Co-Op I will be meeting with engineers from URS also to initiate a task order to proceed with design for that roadway project. Are there any questions on the other projects that I've listed on my handout?

Mayor Armstrong asked if there were any questions?

Councilor Holman said he had a comment. Under the sewer, under Item #1 & #2, could you explain Item #1 and then I have a question on Item #2.

Cleatus Richards, Public Works Director said on Item #1, Dennis Engineering has been issued a task order to do a design for the total Agua Fria system. We do have some available grant funds and hopefully on completion of the overall design we will have enough to do a reasonable first phase of the Agua Fria sewer system. Again, that's about a million-dollar effort to do the whole of the Agua Fria sewer development and we'll have to do that in increments and we'll be looking for funding either through the legislative process or hopefully stimulus money but again we're trying to get the project to a point where it's engineered and we can consider it shovel ready if additional funding becomes available.

Councilor Holman said it sounds like you're planning some good moves for that area. Cleatus, can you explain under Item #2 this situation that had to do with the sewer line in the subdivision with the home on Griffith because we can understand that the residents in Agua Fria I don't have a lot of contact but I can understand why they are totally frustrated. I think that's pretty easy for most of us to understand. I do realize that the City is limited in some of the areas that the City can get involved in but the situation is just unacceptable over there and I again I know that there's only a certain amount that we can do. What happened here that I've heard is pretty much what I've read in the newspaper, I don't know too much about it, but it sounded like a complicated mess.

Cleatus Richards, Public Works Director said apparently the subdivider made a site arrangement with the property owner on Griffith to allow them to hook into the system. That was never revealed to the City, not permits were ever issued for that effort. We found out about it inadvertently through the admission of the developer. We contacted the developer and the contractor who had done the installation. Our first approach was to have him put back on the septic system but that had been crushed and was no longer available. The developer requested that we consider allowing them to at least finish out a part of the sewer system that would allow that unit to stay connected. We did a camera run on the sewer and we found quite a few problems with it, line separations, improper connections. Jace Ensor who made the connection on the home on Griffith Spring through an agreement with the subdivider made all the necessary repairs and connections and that was with the understanding that that line would not be accepted as part of the City system. It would remain basically a very long private connection. We did not camera the entire sewer system in Escondido, only the portion that serves that unit. So, roughly maybe half of the sewer system has been inspected. We don't know what condition the other parts in but it doesn't affect the ability of this portion to function as an individual private line. It was not accepted by the City as part of our system.

Councilor Holman said, am I reading correctly 'the subdivider can allow residents to hook on to that private line,' is that it?

Cleatus Richards, Public Works Director said no, what connection should have been made to that line until it was completed, inspected, and accepted by the City.

Councilor Holman said but in the meantime the septic system was disposed of so they have connected back on to it and that's the reason?

Cleatus Richards, Public Works Director said the cost of putting the new septic system that would meet the Environment Department requirement exceeded the cost of making the necessary repairs to keep it on the line that they had connected to.

Councilor Holman said part of what my questions are and what I am wondering about and what I just noticed this earlier just before the meeting, a subdivider can't just allow residents to hook on to a private line can they? That doesn't make sense.

Cleatus Richards, Public Works Director said that violates our regulations, yes and no other party can connect on that line. It's strictly a service line for the house that is currently connected. They also proceeded with the understanding that if that development should fail or the financial interests take over the property and determine they want to vacate that line and have a clean piece of property that house will have to go back on the private system if we do not have the sewer system available for it.

Councilor Holman said okay, I was just wondering. It seems like if anything can go wrong over there it does.

Cleatus Richards, Public Works Director said pretty much so sir. And, I believe the Planning Department has issued notice to the subdivider regarding weeds and litter on the property that that needs to be cleaned up. He asked Steve if that has been issued yet?

Steve Dunigan, Planning & Zoning Director said the weeds have been cut yes from our direction through Code Enforcement.

Cleatus Richards, Public Works Director asked Steve if the scattered pipe and other items have been removed?

Steve Dunigan, Planning & Zoning Director said not to our complete satisfaction so we are still working on that.

Cleatus Richards, Public Works Director said so we are trying to clean the property up.

Councilor Holman asked if there are regulations at some point that this can't continue? I've been by there a couple of times and it just doesn't seem like anything is happening and they just have a big vacant area that is torn up and nothing is happening. Are there regulations that will finally put closure to this?

Cleatus Richards, Public Works Director said at the time that subdivision started the subdivision regulations were I think quite inadequate. We have since amended the ordinances. I think we have much better controls on requiring bonding and time schedules for completion of the improvements so that we don't get into this type of thing in the future. This is an example of what happens when you don't have good regulations.

Councilor Williams said the first phase you were discussing about the sewer system in Agua Fria, the amount of money in funding we have available, how far can you accomplish for the first phase?

Cleatus Richards, Public Works Director said that is going to depend on engineering recommendation on how we can serve that area. It's most likely going to have to be an area of Agua Fria that can clearly grab the flow. There's some areas to the east that are probably going to require lift stations to get back into the system and those are going to be much more costly. So,

we're probably start on the north and west side of the subdivision to extend service. How far we'll get there will depend on cost and availability and that we don't know yet.

Councilor Williams so the engineering firm has been given an order to design the system. Have we been give any word on how they're proceeding on that?

Cleatus Richards, Public Works Director said we've had meetings with them and design effort is underway.

Councilor Williams said the issue of Riverside Well, is that complete? It says here we have not been provided all warranties. Now, have we accepted it? Is it now brought on line?

Cleatus Richards, Public Works Director said it can be brought on line. The well was platted, properly tested, the water quality is good, and the state will allow us now to pump water from that well into our system. Close out documents including getting all of your warranties, the as built I understand are completed. We are working on getting the final warranty. Some of them have been submitted but the start date and term of the warranties wasn't clear is the reason submitted and we sent those back for clarification on those points. We still are in an argument on the extent of liquidated damages to be charged and we have probably one or two more meetings that we'll have to have with the contractors before we have final resolution on our side. Whether they accept that or whether they will go to mediation is yet to be determined. As you can see, 72 days at \$1,000 a day, we're looking at some pretty stiff potential liquidated damages that can be charged. We have retained a sufficient amount of the contract amount to cover the full amount of the potential liquidated damages.

Councilor Williams said the FEMA projects that you have for Friedenbloom, Joe Welsh Bridge, and the Highland Lane Street paving, this is all from the flood.

Cleatus Richards, Public Works Director said that's correct.

Councilor Williams said we had received all of the funding at one time.

Cleatus Richards, Public Works Director said well we received some of the funding. As you recall I've continued to say that the funding they have allowed is probably going to be very much inadequate so I'm trying to proceed with the engineers to the point where we have bid documents and preliminary estimates on costs and then we're going to have to open up the debate with FEMA and the state on how to get adequate funding to actually do the projects. I estimate that we're somewhere around a third to a half funded at this point.

Councilor Williams asked how do you feel about getting it fully funded, what's your thought?

Cleatus Richards, Public Works Director said they have processed an appeal that they make available to us and we're certainly going to follow it and how we're going to end up I wish I knew.

Councilor Williams said one more thing. I have this here stating it looks like contacting DOT about some berms on North Central and North Parnell. How is that discussion going, and I hear it's kind of iffy when it comes to their rules and regulations.

Cleatus Richards, Public Works Director said we don't have discussion on that as of yet. We are still pursuing it.

Mayor Armstrong asked if there was any other discussion for Cleatus?

Jay Smith, Museum Director said I just wanted to briefly mention that construction next week will begin on the Johnnie and Marty Cope Learning Center. Just to remind you all that Internet connection to the Smithsonian Institution that we've been talking about providing that meeting service and different things like that to the community and just as a reminder we raised approximately \$80,000 which funds the entire project. All of that funding came privately through donation as well as a challenge from the Hubbard Foundation and our reserves should pay for approximately four full years of operation of that which will take care of quite a bit of our goals on that project. I think it is important to publicly thank Jim Kofakis, who I think is here somewhere, for leading the fund raising effort on that project. Once again Mr. Mayor I'll reiterate all the funding for the project comes from private funds, completely funding the project and paying for four full years of operation so, I thought you ought to know about that.

Mayor Armstrong asked if there was any other discussion on that?

Councilor Hood said I would like to say something. On August 1st we had our annual fundraiser and I want to thank everybody that contributed and bought tickets and everything. We made about \$4,400 for the Meals on Wheels program so I want to thank all the volunteers and once again all the people who donated. Thank you.

Mayor Armstrong said anything else, any other business here?

NEW BUSINESS

Mayor Armstrong stated next item on the agenda was Jack Bremer-Informational Presentation "Angel Food Ministries.

Jack Bremer said good evening and thank you for the opportunity to be here. He said I would like to put off all your worries right off the bat, I'm not asking for a nickel. In fact I'm going to try to save you a little money if you'll work with me. Angel Food Ministry started I think back in 1996. There were 50 families all over the county that started a food co-op to save money on their groceries. This thing has grown to date. It is a non-profit, non-denominational, organization operating in 37 states with the sole purpose of helping people save money on their groceries. I want to declare everybody in Lincoln County eligible to participate in the program. You don't have to be a pauper; you won't have to sign any kind of affidavit. Everybody qualifies to be in this program and I'll tell you what the advantages are. The average box, and there are numerous possibilities. The average box costs about \$30 and we don't make any money. We're out at J Bar J Country Church and we happen to be the host site for this program. Every time we deliver a box

of groceries they put a dollar into our benevolence fund. We take that and purchase boxes for a person who has it a little rough right now and there are a lot of them right now who are having a little financial problems. They'll be better off pretty soon and everything will be better. So, you can order one of these boxes and you can save yourself probably about 50% to 60% off your groceries. In addition to that you're putting a dollar over into a fund that will help some families that really need a little boost right now. Another thing that you can do that will help us, we're always looking for families that in need to eat. It is a very private thing; we try to get them a box of groceries. It happens once a month. For this month the orders have to be in by August 17th and then we distribute those on August 29th. Then what happens is we have a truck show up there at the church and we're all volunteers, we unload the truck and put them inside and get them in some semblance of order and around 1:00 people start showing up and we make distribution of the food. If you want to have a lot of fun sometime come out on a Saturday that we're distributing the groceries. You've never seen so many people having so much fun in all your life. Everybody just really gets into it. You can come watch or you can come out and we'll put you to work. I think it's important that this body understand what we're doing so there's nobody sneaking up asking questions that you don't know the answer to. We're certainly willing to make presentations to groups. At the present time we deliver about 200 boxes a month. We have delivered as many as 400. Another good thing about this program is that we're able to participate in the Food Stamp Program so if you know someone who is on Food Stamps they can at least double their value on Food Stamps. It's a win-win situation for everybody. He then handed out some menus.

Mayor Armstrong asked if this was an application that they would fill out?

Jack Bremer said no, just come pay your money and wait for your groceries.

Mayor Armstrong said okay, so they just have to know the time and when this is happening?

Jack Bremer said there is no application and no qualification. It's too easy really. He said it's really a lot of fun. Last Saturday Judy Beavers was out there and the truck showed up about an hour early and she thought she was going to have to unload the whole thing by herself. He said we managed even though we didn't have a whole lot of people but it didn't take long before a lot of people showed up and we got it unloaded. We even have a plan set up to where we can, even we had 8 inches of snow out there on the ground, we could still deliver and keep everybody dry. He said at this point in time I will answer any questions you might have. We'll even take orders after the meeting if you'd like.

Councilor Hood asked how did that Food Stamps work? Do they bring their Food Stamps?

Jack Bremer said yes. They have a card and we can verify the amount of dollars left on their card. He said if they want a \$30 box and only have \$22 we'll throw in the other \$8. We're not going to let anybody miss out on it. It's a really great opportunity for people who are on Food Stamps. We started to get ready for this thing maybe a year and a half ago. We did a lot of reading. I really got disturbed when I read two different accounts saying that probably 25% of the kids in Lincoln County were going to bed hungry and that's just absolutely not acceptable. The invitation stands to come out on the 29th and see what happens. If you want to place an order you can do that.

Councilor Williams asked if any of this was organic?

Jack Bremer said it was organic. There's one that is allergen-free.

Mayor Armstrong stated next item on the agenda was Consider Approving Agreement between the Humane Society and City of Ruidoso Downs to Provide Kennel Facilities and Humane Care for Animals.

Mayor Armstrong entertained a motion to approve Agreement between the Humane Society and City of Ruidoso Downs to provide Kennel Facilities and Humane Care for Animals.

Councilor Williams moved to approve Agreement between the Humane Society and City of Ruidoso Downs to provide Kennel Facilities and Humane Care for Animals. Seconded by Councilor Hood.

Councilor Williams said when we get to the 300 pet limit what happens? He said I understand you have limitations on what we can bring in but it seems like obviously we've been told that we bring in our fair share.

Mayor Armstrong said I believe we'd be charged, but I'll ask our attorney for his opinion. I believe in the past they would charge you for the price of that animal if you reached your 300 and then went over that.

Councilor Williams asked who would be charged?

Mayor Armstrong said the City of Ruidoso Downs would be charged for the additional animals that would be brought in.

Councilor Williams said he didn't see that.

Mayor Armstrong said it's not, it was in the past. I believe that's the way the Humane Society can handle that.

Councilor Williams asked Peggy LuJane what is your normal haul? What is your high and low?

Peggy LuJane, Animal Control Officer said last month I brought in 54 animals and last month I had a low of about 25.

Mayor Armstrong said we've also looked at how the animals are recorded. I feel that's going to make a great difference on the numbers that are brought in. There was some discussion on are these animals belonging to the residents here? They have to have proof this is happening. If not and they are just left there I believe that all three districts that are paying will be sharing in that cost.

Councilor Williams said so we have a cost of \$27,000 that we're going to be paying and that's for the whole year? And for a whole year we can bring a max of 300 pets? So if she says she's got one month to bring them 54 so we're 1/6th of the way there with eleven months to go in the year.

Mayor Armstrong said there's been some other changes for some of the animals for the felines. Peggy was mandated before to pick up all felines. They numbered quite a bit because there's a lot of a cat out there. We'll be handling them as a nuisance situation only.

Councilor Williams said it says here, "all untagged animals that remain at the animal shelter for a period of 72 hours untagged, or 5 days for tagged, excluding Saturdays, Sundays and holidays, so at the end of this period they will be deemed to be the property of the Humane Society and they can do what they wish."

Mayor Armstrong said that means they get adopted out or they can euthanize them.

Councilor Williams said so, just to get clarification could you speak up a little on that? I just want clarification on the fact that 300 pets for the whole year we're paying \$27,000 in two bi-annual installments. So, again the question is what happens after 300, do we stop, does she stop?

Mayor Armstrong said that's a good question but I don't think we stop. I guess we need to look at it as an option of what does happen? Do we pay for the division of 300 into it? I don't know what that figures out but I think that would be the way that it would be handled.

Councilor Williams said so, with that uncertainty then I don't feel comfortable with this agreement until we get a clarification or a better understanding of what's going to happen if so and so occurs.

Mayor Armstrong said I think it's a very good point. I think we need to look at that.

Councilor Williams said because of my uncertainty of this I would like to modify my motion to postpone discussion and action on the agreement until we get all of our questions answered to our satisfaction. Councilor Hood said he would withdraw his second and would move to second Councilor Williams motion for postponement.

A.C. Ortiz, Chief of Police said in one of the meetings they had with the director Kai Brown, at the same time that we would exceed that 300 animal limit it would be prorated. I'm surprised it's not entered in the contract. I believe she stated it would be prorated.

Councilor Williams said that verbiage would be acceptable so it needs to be added.

Zach Cook, City Attorney told Councilor Williams that 300 agreement no longer flies so we'll probably get with the Humane Society and figure out what happens after the 300 agreement.

Councilor Williams said as long as we can understand because we don't want any additional cost to have to be incurred by the citizens of something we're not too sure about what we're going to do.

Zach Cook, City Attorney asked if Councilor Williams had any other questions on that contract?

Councilor Williams said basically I've read it through and don't see any other changes.

Councilor Holman asked Mayor Armstrong who is going to pursue that for us?

Mayor Armstrong said I thought it was just prorated.

Councilor Williams said on No. 11 Collection and Distribution of Impound Fees: Detailed accounting shall be maintained at all time of impound fees collected pursuant to city ordinances or state law. Where does our ordinance read on impound fees?

Mayor Armstrong said I think it was \$15. Peggy LuJane said it was \$15 for the impoundment fee and then \$5 per day board.

Roll call votes: Councilor Hood, Aye; Councilor Williams, Aye; Councilor Holman, Aye; Councilor Olivo, Aye. Motion carried.

PUBLIC INPUT (All concerns to be addressed only to the Governing Body as a whole with a 3-minute time limit)

Mayor Armstrong stated next item on the agenda was Public Input.

Shirley Collinsworth said I've fought a hard battle for the Senior Center some time ago. I thought it was all settled. I didn't make it to the last meeting and when the paper came out on Friday there was some very false things put on the front page of the paper and one of them included me. That's what I'm here to straighten out right now. Number one is one of the councilmen said there had been no accountability for the funds that were spent at the Senior Center, which is not true at all. The other one said that the lady, which was referring to me, that as the activities director had been for 10+ years, that I was given \$225 a month. I was given \$250 a month and that you allowed \$5,000 a year for the activities and quote, "there has been a discrepancy there" which is slander to me. There is no way there can be discrepancies in this. This is what I get. She asked if she could approach them because she can't make a copy of this. This comes from Carrizozo. She said this is my fund, which I can use to buy activity prizes. This is from the \$1,400 that you stated was still in the account for this year. Today I was given this for \$150 for August to shop with. As of this afternoon I was informed that in Tom Stewart's office that all the files are complete and anyone can come look at them at anytime to show that there has been no discrepancy at anytime. There has never been a dime that has passed through my hands or anyone's hands. I take this to Wal-Mart. I have to shop at Wal-Mart and do it all in one day for all of my monthly prizes.

Mayor Armstrong asked Shirley Collinsworth to take the chair.

Shirley Collinsworth apologized for getting a little irate but this is slander to me because it is against me. This is documented, very much so. There is no money where there has been a

discrepancy in any form. Okay, so this is in the paper and you know who put it in there and I need, I don't just need-I want a correction and apology.

Pam Williams said I am a citizen of Ruidoso Downs. I wish the task of this governing body would live up to its obligations to represent the citizens of this community and forget the power struggle. Live up to your responsibility, be honest, and earn the people's respect. It's not an entitlement. During the June 22nd 2009 council meeting you all agreed to continue to give us our basic council packet and charge \$.25 per page for the complete packet. Someone got their panties in a wad and took control. They decided it was law that we get nothing in print but can apply the day before each meeting to get the full packet by email. The state provides guidelines, these are crowdlines folks. This person is an employee of the city, not a leader, yet you've allowed them to override our decision, your decision, and call it law. I come before this governing body and say shame on you. Thanks for your time. And I have my full presentation if anybody cares and I won't charge you anything.

Windsor Lacewell said I live in the Downs and here a while back a good friend of mine that lives over in Ruidoso told me and was bragging to me about coming over here to the Center here and enjoying a good meal and playing dominos. I said to him, "how much money does Ruidoso send over here to take care of some of the expenses." He looked at me with a smirk on his face and he said, "Windsor, that bunch over there in the Downs is the dumbest, and they are the most egotistical, and they are the most gullible people we have ever known. All we have to do is sit back and let them pay the bills and we reap the benefits." I was reading in the paper here this letter to the editor and it was discussing this thing down here and the article said that the mayor said he didn't know anything about it. Now beings you don't know what's going on here in the Downs and especially down in that 7-acre parcel that is supposed to be set aside for a park and protected by a covenant and the man's word that bid the whole thing you ought to read this letter. You would be informed. Everybody in this room should read that letter. The author of that letter did a lot of research and the research was thorough. That is a mess down there. Nothing is done right. I don't know whether anybody has been checking on that to make sure it was done right. It's a big deal and for nobody to know anything about what's happening I can't understand it. I don't believe it. There's raw sewage in the pipes. That wind blows straight across there to all those people's houses who live on the west side of that. That was mentioned a while ago when that man Cleatus mentioned it. It's a hazard for those kids on bicycles or motorcycles or whatever they've got. Ditches are open, pipes are sticking up, weeds are growing. It is a mess. I realize you are going to say that was done before I took office but you inherited that problem when you took office and the bottom line is what have you done to fix it? It is my opinion you haven't done anything to fix it. You didn't even know it was happening. Now you've got that good lawyer sitting right there and you're paying him \$100,000 a year.

Mayor Armstrong told Windsor Lacewell his three minutes were up.

ADJOURNMENT

There being no further business to attend to Mayor Armstrong entertained a motion to adjourn.

Councilor Hood moved to adjourn at 6:35 p.m. Seconded by Councilor Olivo.

Tom E. Armstrong, Mayor

ATTEST:

Carol Virden, City Clerk/Treasurer