

**CITY OF TUCUMCARI
CITY COMMISSION
Work Session Notes
September 10, 2015**

The Tucumcari City Commission met in a special work session on Thursday, September 10, 2015 at 5:00 p.m. in the City Commission Chambers. Members present were John Mihm, Ruth Ann Litchfield, Rick Haymaker. Robert Lumpkin and Amy Gutierrez were absent.

City staff members present were: Jared Langenegger, City Manager; Doug Powers, Assistant City Manager; Sharayah Sisneros, Executive Assistant; and Angelica Gray, City Clerk.

Guest: Patrick Vanderpool, Director of Economic Development.

Discussion regarding painting the exterior of City Hall

City Manager Jared Langenegger presented this item to the commission. The paint outside of City Hall is getting worn and needs to be redone. Chris was able to get estimates for painting; using the City staff the price is pretty reasonable. He is asking the Commission for recommendations on the color. He suggested maybe a color similar to the old paint.

The Commission came to an agreement on the color “Brown Hen” for the exterior body of the building.

Economic Development Corporation’s Quarterly Report

Economic Development Director, Patrick Vanderpool presented this item to the Commission. He wanted to make note of, because of the LEDA projects from last year there will be some project opportunities and we need to look at the financing opportunities for projects other than LEDA. LEDA still needs to be a tool in the toolbox but not the only tool. This is where the discussion started about creating a small business finance team, which is in place, and they looked into many projects. He stated that there are many folks that have really good business ideas and they have the work ethic to get the project done, they just don’t have the financial resources. What they’ve tried to do is look to see what the best tool would be to help them get the project done; traditional banks, traditional banks leveraged with a loan guarantee from companies like USDA or Enhancement Land Services, an alternative lender or LEDA. With this he believes that they have the opportunity to look at projects they haven’t looked at before. Another thing he believes EDC has done a better job on than in previous years, is spending time working with existing businesses, which in the report in terms of trying to find a way to help Dr. Correy get rebuilt, trying to help Christy and Robert get a roof on the Odeon Theatre, trying to find a way to help Jimmy and Stella at the Ranch Supply with expansions. He believes they have done a much better job as they entered the fourth quarter for the last year, which is reflected in the report.

He stated that we were all disappointed that we lost Kodiak Produce, but there were factors that were outside our control; there were work force issues, and cost issues. In terms of Kodiak’s business model it was just as cost effective to operate out of Phoenix as it was to maintain the warehouse in Tucumcari, which was one of the deciding factors. We lost Alco due to a national bankruptcy that we have absolutely no control over.

Mr. Langenegger and Mr. Vanderpool had many discussions about “trying to get their finger on the pulse” on what is going on with some of the businesses that are not owned locally as well as those that are owned locally and finding ways to help when we are able to in order to advert some of those things, if possible. They have done a better job when people call and suggest a business that needs help, it is an important part in trying to help existing businesses in the community as well.

Mr. Vanderpool is pleased to note that all of the LEDA projects that were approved last year are moving along per their goals spelled out in their project participation agreements, he has no reservations about any of the projects meeting their goals, they are all well on their way. There are projects that are not LEDA projects but are still good for the community, that are continued to be worked on.

The EDC was able to quick claim deeds on two properties that the EDC owned last year to individuals who wanted the properties and they were paying property clean up maintenance costs yearly, so now the new owners are taking care of those costs. One gentleman who took over one property is interested in another property. They are residential properties that we have no business owning, so they will come in handy for someone else that can see a benefit in the properties.

The report included activities for April, May and June as well as existing business. Mr. Langenegger requested information on work force; Mr. Vanderpool feels is it important to report existing building to the existing business piece, if there are opportunities to do something relative to the particular element that site selectors always ask for. Cash incentives, they are trying to include a cost of doing business analysis on each project, project by project.

Mr. Vanderpool stated that the tourism meetings have been good meetings that everyone wishes were better attended. Looking at tourism infrastructure there is some overlap in particular things such as improving US 54, which is a tourism infrastructure piece. There are some good ideas that have come out of the tourism meetings, some are too early to talk about. There is potential for bike tours which is a real opportunity for us. There are potential things on the tourism side that need to be looked at, when the EDC finds something that is truly an economic development tourism activity that is something we want to hang our hat on, so the EDC continues to look for those activities.

Commissioner Haymaker stated that it is the anniversary of Tractor Supply and asked if there was a way to know how they were doing and if we are supporting them. Mr. Vanderpool responded that he believes their volume is good and that he can pull up numbers. He also stated that there has been more retail activity since the beginning of July than in the previous seven years. There has been a new retail study through Nelson Company that he offered to get to the Commission.

Mr. Langenegger thanked Mr. Vanderpool for the report that he presented but there were some things that they needed to go over to make sure that the Commission got all the information they requested with the new format.

1. Prospective projects- format asked for proposed timelines, application status and feasibility of projects.

Mr. Langenegger asked for information on the EDC’s prospective as far as what the timeline of the projects will be, whether they’re feasible or not, where they are at with the application. Mr. Vanderpool responded that we have to be careful with prospective projects, and he does not want to name names for a project until it is ready to be disclosed publicly, that is something that they can

discuss at the EDC board meetings as opposed to being in a public document. Mr. Langenegger stated that he understands that certain aspects need to remain undisclosed but he would like information pertaining to the application status. Mr. Vanderpool stated that all four businesses listed on the report have picked up an application but none have been returned, all present challenges, in terms of finances. He would like to speak to small business finance team in considering a creation of our own “high risk loan pool” because some of these projects do not have equity or capital to bring to the table. The light manufacturing and tortilla factory can potentially be LEDA projects, the construction project and restaurant could not be, so they were provided information on alternative lenders. Mr. Langenegger stated that, that information is the kind they would like to see in the report so they know what to expect.

Mayor Pro Tem Litchfield stated that she liked the new format for the report, that it makes it easier to read and understand she thanked Mr. Vanderpool. He then stated that it is the first cut and he will make improvements. Mr. Langenegger stated that he understands that it is the first time we have used the format, that it is new for everyone and that he appreciates Mr. Vanderpool, he just wants to make sure we receive all information on what the money is being used for.

2. Current projects- asked for details on how it is meeting the project participation agreement and where they are at as far as meeting their PPA.

Mr. Vanderpool pointed out that the report included a fund balance for the projects. Mr. Langenegger stated that he would like to see an outline on how the funding was spent and how it meets the PPA. Mr. Vanderpool stated that all expenses would be equipment inventory. Mr. Langenegger requested an updated timeline to meet the goals of the PPA and outlining the benefits provided, whether the project is ahead of schedule and meeting their goal or moving slowly and not meeting their goal. Commissioner Mihm commented that if Mr. Vanderpool wanted a GRT outlay or payroll that he could provide it. Mr. Vanderpool said he would stick to what is in the PPA and report based on that. Mr. Langenegger stated that he was looking for what is in the PPA and if they are meeting the PPA outlines, in order for the City to know they are getting their money’s worth. He thanked Mr. Vanderpool for including the projects that aren’t necessarily LEDA projects; it is a great way to know what is going on.

3. Project accounts- more detail on how the money was spent and how it pertains to the PPA.
4. Budget- asked for cash accounts, providing an accounting for the current EDC cash balances.

Mr. Vanderpool stated that there is only one account and the requested information is included in the operating account.

5. Operating budget- broken down, what goes to personnel, travel, different line items

Mr. Vanderpool stated that they have to be careful with how and what is reported because it becomes a public record, the financials for the EDC is exempt from IPRA. He is happy to provide expenditures against budget that breaks down into categories into more detail. Mr. Langenegger commented that we would like to see where we’re over budget as far as net income, negative \$7,202 for the year, would like to know the balance unless that is confidential

6. Property listing- is there any plans for any of the properties?

Mr., Vanderpool stated that 92 acres has been leased to Mesalands Community College for an equestrian center. There are no plans at this time for the City block off of Washington between ninth and tenth. The college has asked for an additional lot on the north side of the corner lot where they built a house, told Dr. Newsome that wouldn't be a problem, the only challenge with that block is that it is on a flood plain, the other consideration is that it is in a residential area. There have been conversations about the proximity to Quail Ridge and the opportunities that may come from something related to that. Commissioner Mihm commented that he has spoken to Linda Simms and Dr. Brown owns everything west of Quail Ridge. The only problem is the accessibility, if he's building a complex versus accessibility from the road we have because there is no city street that way. Mr. Vanderpool stated that there may be some merit to putting something like a neighborhood grocery store there but we have to consider the location and what's around it in terms of development to the property.

Mr. Langenegger asked about the other residential, if we're working on disposing of them. Mr. Vanderpool stated that they would like to get rid of them, 102 East Main would be best suited for a project with Mainstreet because of its location. Mr. Langenegger stated that's what he would like for the next report, an idea of what to do next with the properties, and what options there are.

7. Activity reporting- Mr. Langenegger asked for detailed reports of all sale missions and travel with an outline of how they're benefiting the EDC along with expenditure reports for trips. He would like to know the purposes of the trips, how it benefited, if any contacts were made, and if there were any possible vendors.

Mr. Vanderpool stated that there were no sale missions for the fourth quarter the only two sales missions the EDC participated in the last year were in August to Northern California and Dallas in December.

8. Existing business contacts- asked for current existing base economic jobs to look at where we are now, how we grow or if we reduce the number of jobs.

Mr. Vanderpool stated that there are a couple ways to look at base economic jobs. Tucumcari is a tough nut to crack in terms of identifying what those are because of the fact that so many of our jobs are related to travel and tourism. One way to look at it is look at jobs related to manufacturing and break down what percentage of sales are out of town and out of state as opposed to what percentage of sales are in town and identify what jobs are base economic. The definition of base economic jobs is something that needs to be agreed upon, to what counts as a base job.

Mr. Langenegger commented that he feels it is important to track this item is because it is part of the contract with EDC to measure success and to ensure it is meeting the goal. It was agreed that the best way to handle this would be to look at the contract and decide what would be defined as a basic economic job and make it something that is reasonable. Mr. Vanderpool wanted to bring to attention the fact that there are federal statutes against the New Mexico Department of Labor and Workforce Solutions releasing information in terms of job reporting and public information in terms of number of jobs that employers have.

9. Workforce development- the number of jobs lost or created based off of employment numbers.

Mr. Vanderpool stated that in the next report there will be more information about workforce development and retail.

10. State level activity- need to see summary of any state level activity that may impact economic development to include any new opportunities for grants or funding that the city may apply for.

Mr. Vanderpool stated that for this report those activities rolled into the monthly activities but for the next report he can make a new section.

Mr. Langenegger thanked Mr. Vanderpool for his willingness to work with new format and he appreciated his efforts on the tourism side, the work force development is something that will be very beneficial and help as we move forward. Mr. Vanderpool thanked him for the opportunity to work on this report, stating the better the capture of data and information, the better the chance to market themselves.

Mr. Powers asked in regards to property out by the cemetery if Mesalands could mow their portion. Mr., Vanderpool said he has had a discussion with Jim Morgan and Dr. Newsom and they are working towards getting it done.

Commissioner Haymaker asked if there was any truth to the rumors of a taco establishment coming in next to Pizza Hut. Mr. Vanderpool stated that at this point they are just rumors.

Discussion regarding City Commission and Municipal Judge annual wages

Mr. Langenegger presented this item to the Commission, stating that at a previous meeting the discussion was brought up about possibly increasing the Commission salary, he would also like to look at the Municipal Judge salary since it has been several years since that was increased. All Commissioners were given a compensation survey comparison report, but believes it would be best if this item was discussed when the entire Commission was present, since it affected everyone.

Mayor Pro Tem Litchfield asked if the salary change would apply for the next Commission. Mr. Langenegger explained that the ordinance could be passed but wouldn't take effect until the positions were elected. Three Commissioners are up for election in March, when those three positions are elected the new salary would take effect; the other two would still be under the previous salary until their positions were up for election.

Mayor Pro Tem Litchfield introduced Mr. Bill Curry to discuss a new display. The museum has acquired an authentic baggage cart that was in service in Tucumcari while the depot was active and thriving. When they received it, it was in disrepair. Craig Currell and Mr. Curry have spent many hours restoring it, it has been painted, and the wood bed has been replaced. They would like the City to consider placing the cart in the breezeway of the depot. The cart cannot be placed inside due to its size; they feel the second best place for the cart would be the breezeway because it would be protected from the elements and it would be secured from unwanted removal. The diagram he provided shows the proposed location after visitation with Mr. Langenegger, that allows movement.

Mr. Langenegger clarified that they were not asking for a vote from the Commission, there is an MOU in place which allows the placement of equipment or displays at the Railroad Depot, just wanted to

make sure there wasn't any objections. Personally he thinks it is an unused space, it is a great display and would be a nice addition to the depot.

None of the Commissioners had any objections to the placement.

Mr. Langenegger thanked Mr. Curry and the board for all their work; he stated that things were looking great and that he is excited for Railroad Days.

Mr. Curry thanked the Commission for the opportunity to present this to the Commission and that he is proud of what is being done at the depot.

Mr. Powers asked Mr. Curry if they were able to get the light signal hooked up. Mr. Curry explained that there were some complications; they originally thought that the light could be hooked up but because it is a six volt system it takes a specific transformer. The museum would like it to operate just need more time.

Commission adjourned at 5:50 p.m.

Submitted by:

Angelica M. Gray
City Clerk