

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF JUNE 27, 2008
BOARD OF DIRECTORS SPECIAL MEETING**

CALL TO ORDER.

The special meeting of the SSCAFCA Board of Directors was called to order by John Chaney, Chairman, at 10:00 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling, Steve House, Donald Rudy and Dub Yarbrough. Bernard Metzgar, SSCAFCA's attorney and David Stoliker, Executive Director, were present.

PLEDGE OF ALLEGIANCE.

The Board was led in the Pledge of Allegiance by John Chaney.

APPROVAL OF AGENDA.

A motion was made by Steve House to approve the Agenda as presented. It was seconded by Donald Rudy and passed unanimously.

Mark Conkling arrived at 10:05 a.m.

ANNOUNCEMENTS.

Announcements were made by John Chaney that all electronic devices needed to be turned off during the meeting.

EXECUTIVE DIRECTOR'S REPORT.

1. **Action/Acceptance of selection of projects for the 2008 Bond Election.**

Mr. Stoliker stated that the Board's packet is the same bond election information as before but is now split up in different ways. The first presents information on which issue the projects were assigned, i.e., 2009 and 2011. The Budget Committee is recommending a sale of \$15 million. Behind that, they have split it up by jurisdiction. In this presentation, of the \$15 million total, Bernalillo is slated to receive \$500,000.00 or 3% of the total. The Unnamed Arroyo and the Venada Arroyo go through the Town of Bernalillo. There is more work to be done in the upper reach of the Venada, but not with these bond proceeds. Staff believes that the important work to be done with this bond election proceeds is in the hospital area and the Black Watershed.

Mr. Stoliker stated that the work in Corrales will include some work in the Montoyas Arroyo, as well as drainage improvements in Unit 17 that will help Corrales. There is also the issue of the Harvey Jones Channel and Corrales Road. There is \$1 million for design, right-of-way, surveying, and getting the plan together. This will lead up to actually doing something in the future. He stated that there is some money for miscellaneous, but that the bulk of the money is for Rio Rancho. There

are some maps which show locations of where the work will be done. Mr. Stoliker stated that Unit 17 is split between three different watersheds: Barrancas, Montoyas and the Lomitas Negras.

Mr. Rudy stated that SSCAFCA can use as much as can possibly be raised. Mr. Conkling stated that the packet is done really well and he commended staff on the representation of the overlay of the expenditures. He stated that he would like to add another dimension which has to do with public perception and the political subdivisions that break out the projects so that city councilors and county commissioners can know how it affects their constituents. He stated that he believes it is premature to decide where the bond money is going to be spent and would rather look at the total and have the Board have some time to have a work session with staff to decide on where to spend the money. He would like to authorize enough bond money so that there is a reserve in the event of an emergency so SSCAFCA could respond without another election. He would like to see the money authorized in the \$18 million range.

Mr. Chaney stated that he would like to see how the bond monies are spent and how that relates to Watershed Park. Mr. Yarbrough stated that it is easier to use the money if it is not particularly earmarked for certain projects. He thinks that SSCAFCA will be hard pressed to get \$12 million worth of bonds. Mr. House stated that SSCAFCA is trying to get its financial people together with the City's financial people to get input on what can or cannot be done jointly.

Mr. Yarbrough stated that SSCAFCA needs to put projects in the brochures for the bond issue and identify the projects that SSCAFCA thinks are most deserving. Because of the nature of floods, there are needs to divert money from one project to another to take care of emergencies. Mr. Conkling stated that there seems to be a consensus to not earmark the money for specific projects.

A motion was made by Mark Conkling to move forward on the amount of the bond issue and to leave the allocation for later determination. It was seconded by Steve House and passed unanimously.

2. Action/Acceptance of Resolution 2008-7, Bond Resolution.

Mr. Strumor, of Hughes & Strumor, stated that they have assembled a bond resolution with the assumption of a \$15 million issue, which is just for discussion purposes at this point. They have the ability to bring forth a resolution with whatever amount is needed. The general authorization gives the Board the flexibility to allocate to other projects when necessary. There is a tax issue that flows along with the expenditure and generally the funds have to be committed to be spent within a three year period. This is a tax rule that has to do with the expenditure of bond proceeds which essentially says that the issuing entity will make every effort to expend or obligate for expenditure of the money within a three year period. This is to keep entities from issuing bonds to earn interest only.

Mr. Conkling stated that given SSCAFCA's substantial planning around its Watershed Park, he asked if SSCAFCA could add the language, by the word appurtenances, to include appropriate public parks. Mr. Strumor stated that SSCAFCA could, but they prefer to use statutory language in the bond question. Mr. Chaney stated that the public is more concerned about what is happening to their taxes and if they are being raised. The amount of the bonds is less important than whether or

not the taxes are being raised. He is in favor of the larger amount. Mr. Rudy stated that it is up to SSCAFCA to inform the public that taxes are not being raised. Mr. Yarbrough stated that SSCAFCA must be careful in how this is brought to the public – that it is the tax levy that is not being raised.

Mr. Conkling stated that if SSCAFCA can stay with the four year general election cycle SSCAFCA can cut the cost to the absolute minimum for issuing bonds. Mr. Stoliker stated that he had received a phone call this morning from the Mayor of the City of Rio Rancho and he wants SSCAFCA to delay its bond election. Mr. House stated that they did talk about the timing, but did not talk about when. Mr. Stoliker stated that by passing this Resolution, it actually locks in a date for the election. Mr. Strumor stated that the date of the election would be the general election date in November. The Mayor of Rio Rancho wanted to do a bond election next year together with SSCAFCA. Mr. Strumor stated that there are some exclusionary rules about not having an authority election at the same time as a municipal election. The more important issue would be whether or not to have SSCAFCA's election on the general election. SSCAFCA's most efficient method of election is the path that SSCAFCA is choosing. Mr. Chaney stated that the general election will be better for SSCAFCA, in that special elections for SSCAFCA have been dismal. Mr. Rudy stated that the higher the voter turnout, the better SSCAFCA does. Mr. Chaney stated that there is no reason to delay because this question needs to get to the general public at the general election. Mr. Conkling stated that January is the worst time to have a special election and SSCAFCA's obligation is to its constituency to get the bonds passed in order to get the money to do projects.

A motion was made by Donald Rudy to accept Resolution 2008-7 with the modification of increasing the amount to \$18 million. It was seconded by Mark Conkling.

Mr. Rudy stated that it is his impression that the difference between \$12 million and \$18 million is almost invisible to the public and the cost savings on not having to go out for another bond election until the next general election is a great incentive to go for the higher amount.

Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, no. The motion carried 4-1.

3. Action/Acceptance of Public Relations Agreement.

Mr. Stoliker stated that the Executive Committee met and staff has prepared an RFP for public outreach, public relations and informational materials and services. The thought is to advertise for an ongoing public outreach program. There are two interim contracts included as well. One would be for Mr. Maddy to help SSCAFCA on the initial outreach for \$6,000.00. He will prepare a comprehensive plan for review by Mr. Rudy. He will prepare some information on each project once they have been selected by the Board that would get SSCAFCA through an interim period until the other firm is on board. The second is for a video clip for the website and for the government channel that the City has which explains all about SSCAFCA. This is for \$4,000.00. Mr. Chaney said he is skeptical with public relations firms. He stated that SSCAFCA already has a grant writer doing work such as this and he asked if that scope of work could be expanded. Mr. Yarbrough stated that he never saw any results by Mr. Matte that "toot" SSCAFCA's horn. He believes that Laura could do this job in getting this information out to the public. He would like her to take a crack at this and if it proves too much then go out for an RFP. Mr. Rudy stated that Laura is loaded up and this is a finite project in order to get the bonds passed. Mr. House stated that these

initial contracts are small amounts of money and SSCAFCA can benefit from them and he also recommended approving the RFP.

A motion was made by Steve House to approve the two professional services agreements and the issuance of the RFP. It was seconded by Steve House. The motion was withdrawn by Mr. Rudy and Mr. House.

A motion was made by Mark Conkling for the issuance of an RFP and to take out the upper limit number. It was seconded by Steve House and passed unanimously.

A motion was made by Steve House to approve the \$6,000.00 contract with Mr. Maddy. It was seconded by Steve House. The motion passed 4-1.

A motion was made by Donald Rudy to approve the \$4,000.00 contract for the video. It was seconded by Steve House and passed unanimously.

4. Action/Acceptance of Resolution 2008-8, Budget for Fiscal Year Ending June 30, 2009.

A motion was made by Donald Rudy to accept Resolution 2008-8 as presented. It was seconded by Steve House.

Ms. Casaus stated that changes to the final budget include changes to the cash figure that was updated to reflect the current actual cash balance. There are no changes to the personnel portion. SSCAFCA has increased its reserve to \$700,000.00. They added a transfer from the general fund to the construction fund of \$120,000.00 to cover capital expenditures.

Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, yes. The motion carried 5-0.

5. Action/Acceptance of Resolution 2008-9, Ad Valorem Tax Levy for Tax Year 2008 (Fiscal Year 2009) Applicable to General Operating Fund.

A motion was made by Donald Rudy to accept Resolution 2008-9 as presented. It was seconded by Steve House. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, yes. The motion carried 5-0.

6. Action/Acceptance of Resolution 2008-10, Ad Valorem Tax Levy for Tax Year 2008 (Fiscal Year 2009) Applicable to Debt Service Fund.

A motion was made by Donald Rudy to accept Resolution 2008-10 as presented. It was seconded by Steve House. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, yes. The motion carried 5-0.

7. Discussion of Infrastructure Finance Planning with other overlapping governmental jurisdictions.

Mr. Stoliker stated that discussion was held earlier in the meeting.

8. Discussion of SSCAFCA Office Building Expansion.

Mr. Conkling stated that SSCAFCA should not build the extension to the building unless the public approves the bonds. If they are approved, then SSCAFCA could have the funding to expand the building and the staff. If the bonds are disapproved, then that money will need to be used elsewhere.

Mr. Conkling stated that the planning, design work and architectural work should be prepared and ready to go. Mr. Stoliker stated that the rest of the work should cost roughly \$100,000.00. SSCAFCA has spent about \$30,000.00 to date. Mr. Rudy stated that SSCAFCA has an immediate need for the building and the space whether or not the bonds pass. Mr. Stoliker stated that SSCAFCA has a contract in place with EDI. The Board has not voted to build the building, it has merely voted to design the expansion.

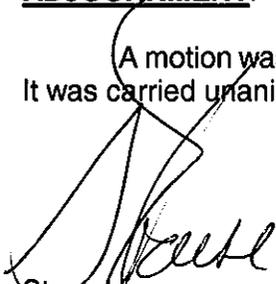
Mr. Chaney announced that it was the consensus of the Board to proceed with the final design.

OTHER BUSINESS.

Mr. Conkling stated that he would like Kevin Powers' take on having passed a resolution for \$18 million in bond authorization. Mr. Powers stated that they have prepared a finance plan for SSCAFCA that shows that with projected growth rates and if the election is successful SSCAFCA can issue \$7 million in bonds in 2009 and another \$5 million in 2011. These amounts are supported by historical trends. He assumes the resolution is predicated on the maintenance of the tax rate at the same level. The money won't go to waste, but all of it may not be able to be issued until 2013. He would caution that SSCAFCA doesn't want to give the perception in the public that SSCAFCA will have \$18 million for flood control improvements immediately, rather that this will be issued over a period of time which will depend on the growth rate and the tax base.

ADJOURNMENT.

A motion was made by Donald Rudy and seconded by Steve House to adjourn the meeting. It was carried unanimously. Meeting adjourned at 11:15 a.m.



Steve House
Secretary

John Chaney
Chairman



DATE APPROVED: 8/15/08

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