

City of Socorro Regular Scheduled City Council Meeting
City Hall, 111 School of Mines Road, Socorro, NM 87801
April 6, 2020

Mayor Ravi Bhasker called the meeting to order at 6:00 p.m. Stephanie Saavedra, City Clerk, took roll call.

Members physically present at roll call were: Mayor Ravi Bhasker

Members remotely present at roll call were: Councilor Deborah Dean, Councilor Mary Ann Chavez-Lopez, Councilor Michael Olguin, Councilor Anton Salome, Councilor Gordy Hicks, Councilor Peter Romero and Councilor Nick Fleming. Councilor Toby Jaramillo was absent.

PLEDGE OF ALLEGIANCE

Mayor Bhasker led all present in the Pledge of Allegiance. (indiscernible)

APPROVAL OF APRIL 6, 2020 CITY COUNCIL MEETING AGENDA

Councilor Hicks made a motion to approve the agenda as presented. Seconded by Councilor Romero, motion passed unanimously. (indiscernible)

CONSIDERATION OF MINUTES

a. March 16, 2020

Councilor Hicks made a motion to approve the minutes as presented. Seconded by Councilor Romero, motion passed unanimously.

SECOND READING OF ORDINANCES – PUBLIC HEARING AND CONSIDERATION OF APPROVAL

a. Ordinance No. 20-03-02 – Adopting a Municipal Gross Receipts Tax

Mayor Bhasker presented Ordinance No. 20-03-02 which, if approved, adopts a municipal gross receipts tax in the amount of .2500 effective July 1, 2020. Mayor Bhasker stated that the increase would be a way to fund the municipal electric utility and move forward with hiring a marketing person for the City.

Councilor Hicks made a motion to go into public hearing. The motion was seconded by Councilor Romero. A roll call vote was taken, motion passed unanimously.

Polo Pineda, IT Director, stated that the City advertised about how residents could join the GoToMeeting (for the public hearing) through robocalls and the newspaper. Mr. Pineda stated residents were asked to send their comments ahead of time but none were received.

Councilor Olguin asked if doing the public hearing at this time, when no residents can physically attend the meeting, was necessary. Mayor Bhasker stated that it was necessary in order to be able to have the tax increase effective July 1, 2020.

Mayor Bhasker asked if there was anyone on the line who wanted to make a comment about the tax increase.

Don Steinnard, a local resident, stated that he had sent a letter to the Mayor today and also spoke with him regarding his concerns. Mr. Steinnard stated that his concerns were that the money is going to be used for items untimed in nature, or non-recurring expenses, and that the tax will never go away. Mayor Bhasker stated that when he spoke with Mr. Steinnard, he (Mayor) stated that the City Administration would consider an ordinance to repeal the tax increase if the funds were no

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longer needed. Mayor Bhasker stated that the City is looking at a difficult time right now and economic development in the future. Mayor Bhasker stated that economic development is a long-time process. Mayor Bhasker stated that Mr. Steinnard was also concerned about the exact cost of the increase. Mayor Bhasker stated that the .25% increase will generate approximately \$300,000 annually.

Councilor Olguin stated that the way callers were identified made it difficult to know who was on the line. Mayor Bhasker stated that if anyone has a comment, they can just start speaking.

There was a caller who tried to speak but after saying “hello” several times, left the meeting.

Mr. Steinnard stated that he sent a one page letter to the Mayor regarding his concerns and copies were supposed to be sent to the Councilors. Mayor Bhasker stated that he could summarize the letter. Mayor Bhasker stated that Mr. Steinnard’s letter stated that the money should be designated for a certain thing. Mayor Bhasker stated that the money will be designated towards the electric utility loan and to make sure the City has enough funding to survive during this time. Mayor Bhasker stated after those things, the City will use the money for economic development, marketing the city and helping new businesses coming to Socorro.

Councilor Dean stated that she talked to several people regarding the proposed increase. Councilor Dean stated that the discussions were both positive and negative. Ms. Dean stated that there were concerns about the money being used to pay loans and some people were for the economic development and against paying the loans. Councilor Dean stated that some people stated they are concerned that the City is “cherry-picking” who gets to use the electricity. Councilor Dean stated that some people were for the increase. Ms. Dean stated that some people stated that even with the increase, Socorro will still be lower than other communities.

Councilor Romero, Councilor Chavez-Lopez, Councilor Fleming, Councilor Hicks and Councilor Salome stated that they all received similar calls. Councilor Salome stated that (indiscernible) the more information (indiscernible) regarding the Co-op’s rate compared to those around the state (indiscernible) and once they got the information of how the tax increase was going to go forth (indiscernible) they agreed with it. Councilor Salome stated that he received a concern from Mr. Bueller regarding outlying farmers. Councilor Salome stated (indiscernible) that we all want reasonable rates. Councilor Salome stated that the more information we share with people and the more the co-op talks about it, the people understand (indiscernible) the more that people are on board with this. *(Councilor Salome asked that his following statements be included in the minutes. Councilor Salome stated that he appreciated the fact that the SEC included the City Councilor’s phone numbers on their flyers as it promotes communication, especially for this very important subject. Councilor Salome stated that in his experience, the more the City shares information with the public, the more the public is agreeing with the City’s position concerning SEC rates.)*

Mayor Bhasker asked everyone to mute their microphone to see if that helps the feedback/static go away.

Mayor Bhasker stated that when the SEC put out their flyer, all it did was confuse people as to what is actually going on. Mayor Bhasker stated that the flyer had bad information about the cost of electricity. Mayor Bhasker stated that he believes June & July will be a dark period for the City and there may be a problem with cash flow. Mayor Bhasker stated that the City needs to concentrate on

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how to handle employees in the future and economic development. Donald Monette, City Administrator, stated that the additional cost to each family will be less than \$4.00 per month. Mr. Monette stated that if the City gets the municipal electricity going, residents will save even more than that on their electric bills every month. Councilor Hicks stated that the City needs funding for the near future and for economic development. Councilor Hicks stated that no one likes tax increases. Councilor Salome stated that due to the current rates the SEC charges for commercial and industrial users, Socorro will never get new businesses in town. Councilor Salome stated that the SEC has always talked about the miles and miles of lines they have to service and he just used to “buy it”. Councilor Salome stated that there is an electric cooperative in Clovis who has 25% more miles of service lines that are serving 21% less people than Socorro. Councilor Salome stated that Clovis residential rates are 21% less than SEC, commercial rates are 19.1% less than SEC and the industrial rates are 45% less than the SEC. Councilor Salome stated that he no longer buys the SEC’s argument anymore. Councilor Salome stated that if the City wants economic development, we need to offer new businesses a lower, fixed cost.

Mayor Bhasker was able to see that JC Trujillo was online but Mr. Trujillo did not/could not make a comment.

Joseph Herrera, general manager for the SEC, stated that he did not see when the notice came out for the first public hearing, the second notice was posted twice in the newspaper and there was nothing on the City’s website about a GoToMeeting. Mr. Herrera stated that all the information that came out on the SEC flyer came from City Council meetings. Mr. Herrera stated that as far as SEC’s rates, this is also adding cost to the customers who live in Socorro as their GRT will increase. Mr. Herrera stated that there are a number of things this rate increase includes; to hire somebody for economic development, to “fight the fight” with SEC and to hire Guzman for \$500,000. Mr. Herrera asked which of those three things the gross receipts taxes are for. Mayor Bhasker stated that the cost of electricity, when you compare it on your postcard, is 7.6 cents. Mayor Bhasker stated that the postcard says Guzman’s rate is 9.8 and that is false because their rate is 3.9 and that compared to the SEC, cost of power is 7.6. Mayor Bhasker stated the City is not going to have a contract with Guzman to borrow \$500,000. Mayor Bhasker stated that is why we are raising gross receipts and also to use those funds to keep City employees. Mayor Bhasker stated the City is interested in lowering the cost of power, will not go into an 8% loan with Guzman and will look at a loan with the NM Finance Authority for 2.9%. Mayor Bhasker stated that if Mr. Herrera looks at past City Council meetings, it was made clear the City is not going to borrow money from Guzman. Mayor Bhasker stated that the NMFA wants to see one year of a revenue stream and that is why the City will borrow the \$500,000 from the NMFA and pay it back in 2 years. Mr. Herrera asked why the City is saying it has a surplus of \$1.5 million, plus a surplus with gross receipts tax revenues, and why the City is not using that surplus in place of the increase. Mayor Bhasker stated those funds have already been allocated for other things and the increase can be sunsetted at some point unless the City chooses to use it for economic development. Mayor Bhasker stated that the City is determining its own fate and the SEC is not helping the City by charging such high rates for electricity. Mayor Bhasker stated that he wishes the SEC would help the community get up off its feet as 1/3 of the people in the City of Socorro are under poverty level and SEC is still charging rates that people cannot pay. Mayor Bhasker stated that he would love to come to the table with SEC and discuss how to work this out. Mayor Bhasker stated that the cost that TriState is charging is strangling this community and is prohibitive. Mr. Herrera asked how the Mayor would get out of this economic downturn by increasing taxes. Mr. Herrera asked why the City can’t wait until all of this is over and give it time to recover. Mr. Herrera stated that SEC has

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not had a rate increase since 2011, their rates are not the highest in the state, the information the City put in Electricity Local was old data from 2011 and the SEC rates are comparative. Mr. Herrera stated that the City previously stated that it already had the money to “do this”. Mayor Bhasker stated that the City of Socorro’s taxes are way lower than other communities. Mayor Bhasker stated that he believes Mr. Herrera is referring to the feasibility study and the City did have the funds to do a feasibility study. Mayor Bhasker stated that the \$500,000 is for the engineering report which costs more than a feasibility study. Mayor Bhasker stated that the City also does not have the money to fight the SEC. Mayor Bhasker stated that the SEC continues to break PRC rules while the case is pending. Mayor Bhasker stated that the City needs to increase the GRT to protect the City from high electricity rates and to protect the City during this economic atmosphere. Mayor Bhasker stated that Socorro County just raised their GRT effective July 1, 2020. Mayor Bhasker stated that the increase will cost a household \$4.00 per month compared to the \$20-30 a month that households pays SEC compared to PNM. Mr. Herrera stated that he feels the SEC and the City need to have a conversation and (indiscernible). Mr. Herrera stated that during a meeting with Mr. Monette, Mr. Monette stated that the City does not have a workforce that can pass a drug test to bring new business in. Councilor Hicks stated that the City has been trying to meet with the SEC for a while. Mr. Herrera stated that his door is always open. Mayor Bhasker stated that Mr. Herrera made this call to have the City take a second look at acquiring the SEC, not to discuss the GRT. Mayor Bhasker stated that he already explained what the funds are to be used for and Mr. Herrera does not want the City in a good position to acquire the SEC. Mr. Herrera stated that he disagrees with Mayor Bhasker’s statement and with the uncertainty of today, he does not understand why the City would raise taxes now. Mr. Herrera stated that the City is trying to create something that is already in existence. Mayor Bhasker asked Mr. Herrera if he is a citizen of Socorro. Mr. Herrera stated that he has multiple residences. Mayor Bhasker asked Mr. Herrera if he drives to Los Lunas and Mr. Herrera replied that he does. Mr. Herrera stated that he is the agent/officer of the SEC who does use City water, sewer and gas.

Mr. Steinnard stated that he likes the idea of what the City is trying to do but his concern is the City is taking a permanent action for temporary, shortages/revenue. Mr. Steinnard urged the City to look at other alternatives.

Councilor Hicks made a motion to go back into regular session. The motion was seconded by Councilor Romero. A roll call vote was taken, motion passed unanimously.

Councilor Dean stated that she realizes that this feels like the worst time to have the increase, but this is long overdue and there is a lot of catching up to do on economic development. Councilor Dean stated that economic development is also a long-time process. Councilor Chavez-Lopez agreed with Councilor Dean.

Councilor Olguin stated that he also agrees with Councilor Dean. Councilor Olguin stated that there is a need for economic development in the City and for an economic development director/office. Councilor Olguin stated that in his opinion, regarding the municipal electric utility, the City is putting the cart before the horse. Councilor Olguin stated that he would like to see economic development and developing a workforce before dealing with the electricity. Councilor Fleming stated that it takes some time to build up a reserve that the City is going to need to reach the goals that the City wants to do. Councilor Romero stated that the City needs to move forward with economic development and maybe it can be added to the tourism department and called the tourism & commerce department. Councilor Hicks stated that he agrees with economic

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development, he doesn't like increasing taxes and this is long overdue. Councilor Dean stated as a reminder that this does not go into effect until July 1st. Mayor Bhasker stated that what he hears from the City Council is that they are for the raise but don't want to designate it for anything specific and they would like to take some time to figure out ideas of what to use the money for. Mayor Bhasker reiterated that this meeting was held in this manner due to COVID-19 precautions and residents were given the chance to call in and provide comments.

Councilor Salome made a motion to approve Ordinance No. 20-03-02. The motion was seconded by Councilor Romero. A roll call vote was taken, motion passed unanimously.

Mr. Monette stated that that the ordinance will need to be sent to Santa Fe tomorrow and each Councilor's signature is required. Mr. Monette stated that he is waiting to see if an electronic copy will be accepted and if not, he will contact the Councilors for their signature.

DISCUSSION AND DELIBERATION

a. Resolution No. 20-04-06 – Emergency Declaration

Mayor Bhasker presented Resolution No. 20-04-06 which, if approved, declares the City of Socorro as an emergency area. Mayor Bhasker stated that the declaration is due to COVID-19. Mayor Bhasker stated that the Governor has already passed this resolution for the State of New Mexico. Mayor Bhasker stated that he has been able to talk to managers at Walmart, John Brooks, Tractor Supply and many more business about social distancing. Mayor Bhasker stated that hotels are down to 20% occupancy. Mayor Bhasker stated that there will be some changes to liquor sales.

Councilor Hicks made a motion to approve Resolution No. 20-04-06. The motion was seconded by Councilor Salome. A roll call vote was taken, motion passed unanimously.

Mr. Monette requested that the Council allow him to edit the resolution to remove the words "City of Socorro" from the first line of the first paragraph. Councilor Romero made a motion to allow the amendment. The motion was seconded by Councilor Hicks. A roll call vote was taken, motion passed unanimously.

EXECUTIVE SESSION

None.

MAYOR'S REPORT

a. Personnel Changes

Councilor Romero motioned to approve the Personnel Changes as read by Mayor Bhasker:

Lucario Mirabal – 4-10-20 – Police - Resignation

Seconded by Councilor Fleming, motion passed unanimously.

d. Announcement – Next City Council Meeting Date and Time

Mayor Bhasker stated that the next regular City Council meeting will be held on Monday, April 20, 2020 at 6:00 p.m. in the City Hall Council Chambers (111 School of Mines Road).

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ADJOURNMENT

Councilor Hicks made a motion adjourn. Seconded by Councilor Romero, motion passed unanimously. The meeting adjourned at 7:01 p.m.

Mayor Bhasker stated that the City met all of the criteria as outlined by the Attorney General's Office regarding online meetings during this time.

THE CITY OF SOCORRO – a municipal corporation

/s/
Ravi Bhasker, Mayor

ATTEST:

/s/
Stephanie Saavedra, City Clerk