



City of Rio Communities Council Regular Business Meeting
City Council Chambers - 360 Rio Communities Blvd
Rio Communities, NM 87002
Monday, February 27, 2023 6:00 PM
Minutes

Please silence all electronic devices.

Call to Order

- Mayor Joshua Ramsell called the regular business meeting to order at 6:00 pm.

Pledge of Allegiance

- Councilor Gordon led the Pledge of Allegiance.

Roll Call

- PRESENT: Mayor Joshua Ramsell, Mayor Pro-tem Margaret R. Gutjahr, Councilor Arthur Apodaca, Councilor Lawrence Gordon, Councilor Jimmie Winters.
 - City Manager Dr. Martin Moore, Municipal Clerk Elizabeth Adair, Finance Officer Stephanie Finch (virtual), Fire Chief Andrew Tabet, City Attorney Randy Van Fleck, Valencia County News-Bulletin Editor Clara Garcia.

Approval of Agenda

- Motion made by Councilor Gordon to approve the agenda as written. Seconded by Councilor Apodaca. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote the agenda for the regular business meeting was approved as presented.

Approval of Consent Agenda - Minutes for the City Council Workshop & Regular Business Meeting (02/13/23), Approval of Accounts Payable

- Motion made by Mayor Pro-tem Gutjahr to approve the consent agenda as listed. Seconded by Councilor Winters. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote the consent agenda was approved as presented.

Public Comment

- Steve Gladwell of Blanda Ct.: made a few comments regarding the industrial 3 zoning starting with the February 16th meeting with planning and zoning that the residents do not want the zoning, #2 with Mr. Yates properties he finds it difficult he will only accept 2 no's for an answer and with this the city may have to prepare for legal challenges by Mr. Yates himself, and #3 he hopes the city has proper legal aid and if not maybe the residents have to take a defense fund to help, #4 Mr. Yates stated on February 16th that he will be willing to put in writing that he will not introduce any fossil fuel related projects, #5 if there is any consideration for Mr. Yates proposal there would have to be a lot of things Mr. Yates would have to put in writing such as no vehicle wrecking yards, any meat processing or rendering plant, or any eye sore that comes along with industrial 3 zoning. He continued to say it seems strange to him that Mr. Yates already bought all the properties and if council moves forward how can he promise anything to the people that whoever is leasing the property would not put anything industrial 3 related unless he has it in writing. He stated he finds it hard to believe that once it gets passed by council that the renters or leasers can do whatever they want with the properties which

would be beyond Mr. Yates unless there was legal agreements Mr. Yates states that can be positive for the community. He said with industrial 3 he can not see anything positive unless it is left residential zoning and the west side being commercial as the commercial part can enhance the residential part of the property, but Mr. Yates has big bucks as well as a good legal team so be vigilant as well as prepared, and he is not saying Mr. Yates is Darth Vader but he is a businessman. He finished by saying he is a walker in the committee and talks to his neighbors and walking down Lee Trevino you can see the Manzano mountains and hates to one day walk down and see wrecked vehicles or some oil tank farm or any other eye sore that the community was not set up for so lets keep this community clean and a nice community for your grandkids and kids and if you would go to South Broadway and ask residents how many people would like to buy there homes the answer would probably be slim to none.

- Jerramah Lindscott said he was reading over the comprehensive plan over the last few weeks and had a few questions especially section 5-4-13 protect natural resources and stated there is a lot of stuff as in plans for conservation but the main objective states to manage or protect the desert, trees, water and ecosystems but nothing for restoration. He then asked if the city has any plans for restoration technics or if the city has interest in restoration technics and he asked regarding 13.08 which talks about illegal dumping and has some questions about such as well and could not find specifics on what that entailed and has heard someone state the city not having resources incase of an emergency spill which he is asking if there is a plan in place for such and then stated he is very interested in learning about the water restoration as he just bought land and turned it into a beautiful green property but wanted more information as to what can be done. He finished by saying he would like to set up a meeting with someone.
- Mayor Ramsell explained he will be directed to Dr. Moore for a meeting to discuss any issues or concerns.

Presentations

Audit Report Presentation – SJT Group

- Jeremiah Armijo SJT Group Senior Audit Manager began a presentation on the 2022 audit for the City of Rio Communities. He started off by going through the audit and going over these topics: Service Team, Management Responsibilities, Auditor's Responsibilities, Required Communications, Audit Results, Financial Statement Analysis. He then explained the people who are in charge of the audit are himself (Jeremiah Armijo, CPA, Senior Manager/Team Lead, Josh Trujillo, CPA, CGFM, FHFMA, Principal-Quality Control Reviewer, Joel Cameron, Manager and Dante Mileta, Senior Accountant, then went straight into management responsibilities which are the accounting policies, internal controls, accounting systems, significant estimates, and management representation letter.
- Mr. Armijo went over the responsibilities for auditors which are providing an opinion about whether the financial statements are materially correct, reasonable, but not absolute, assurance that the financial statements are materially correct, and understanding of internal controls sufficient to plan the audit; evaluation of control design; and verification of implementation of key controls, and finally perform tests of compliance related to various State Statues and requirements including: Procurement code (chapter 13 NMSA 1978), Travel and per diem (chapter 10-8 NMSA 1978), and

State Audit Rule (2.2.2 NMAC). He began to explain the required communications such as audit adjustments (11), reclassification adjustments (9), passed adjustments, disagreements with management, consultations with other accountants and difficulties performing audits as well as the new accounting standards (GASB 87, Leases), as well as Significant Transactions such as donation from Bill Brown Estate -\$331,000, Received federal American Rescue Plan award-\$561,000, Purchase of a Ferrera fire pumper truck-\$460,000, County Club Lane Road improvements- \$241,000, Purchase of three vehicles-\$98,000, Purchase of land near fire department; \$92,000, and Purchase of marquee sign- \$50,000. He continued the presentation by explaining the audit results stating the city received unmodified (clean) opinion on the financial statements internal controls, no material weaknesses identified, no significant deficiencies reported, findings required to be reported under 12-6-5 NMSA 1978 with nothing to report and continued his presentation with statement of net positions such as assets, deferred outflows, liabilities, deferred inflows and the net position of the city which is stated as such with the assets starting at a cash increase from \$2,591,761 to \$3,507,528, receivables increase from \$186,147 to \$209,939, capital assets increased from \$8,722,953 to \$9,264,761, leases-right to use increased from \$0 to \$62,821. He further went over accounts payable increase from \$5,233 to \$15,280, accrued payroll liabilities increased from \$19,465 to \$25,809, other current liabilities increased from \$65,935 to \$636,025, long term debt increased from \$0 to \$540,303. He then went over the net position (in millions) over the 3 year span from 2020 to 2022 starting with invested in capital assets, restricted and unrestricted being as such from 2020 invested in capital assets was at \$8.1mil and as of 2022 it increased to \$9.0 mil, for restricted in 2020 it was at \$0.6 mil and decreased to \$0.4, and for unrestricted it declined from \$2.3 to \$2.2 in the years of 2020 to 2021 and increased to \$2.6 in 2022.

- Mr. Armijo continued his presentation with the Statement of Activities - Revenue, FY 2022 by stating operating grants and contributions is at 38%, capital grants are at 24%, GRT is at 12%, property tax is at 7%, franchise tax is at 6%, state shared taxes is at 11%, and other taxes are at 2% and explained the Statement of Activities-Expenses, FY 2022 starting with general government at 38%, public safety at 36%, public works at 23%, culture and recreation at 3%. He did explain the biggest change in the city was adding the makerspace and the library as well as different group activities. He further stated the increase (decrease) in net positions for years 2020 \$-22,551, 2021 \$497,535, and 2022 \$576,357 and due to the increase was from Bill Browns donation as well as capital grants the city has had over the year and overall the city is in good standing and thanked council for allowing the opportunity for his company to do the audits 2 years in a row.
- Councilor Gutjahr gave a complement to the Finance Office for the amazing work they do as well as for the city manager who oversees the work.
- Mayor Ramsell said this is awesome work by our finance office and by city staff overall because without everyone participating this could not have happened so a big thank you to them as well as Dr. Moore. He continued to say with looking at taxpayers funding it only makes up 19% of the city funds and everything else the city is doing is from grants as well as other forms of money received which takes some work from the staff to not only apply for the grants but to also manage, report and expend properly.

Resolution 2023 - XX IPA Audit Acceptance Approval

- Motion made by Mayor Pro-tem Gutjahr to approve Resolution 2023-07 for the audit. Seconded by Councilor Gordon. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Resolution 2023-07 IPA Audit Acceptance Approval was passed, approved, adopted, and signed.

Authorization to Appropriate funds for purchase and installation of a new sound system in Council Chambers

- Manager Dr. Moore said we are in need of an upgrade to the sound system in the council chambers which would be, speakers, a better and more permanent setup in the overflow room, microphone systems, sound board and mixer system, a cabinet for storage, taking a look at the visual side, permanent monitors, and IT improvements and upgrades which not to exceed \$50,000 and also getting a YouTube channel for residents who do not have access to Facebook. He continued to say when phase 2 the council chambers will be extended and the system will be able to have plug and play capabilities.
- Councilor Apodaca said it is a greatly improvement for the city.
- Councilor Gutjahr said she likes the idea for the availability to use Facebook and YouTube.
- Motion made by Councilor Apodaca to approve the authorization to appropriate funds for purchase and installation of a new sound system in Council Chambers not to exceed \$50,000. Seconded by Councilor Winters. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Council approved the purchase and installation of a new sound system in Council Chambers not to exceed \$50,000.

Jr. Appropriation Bill for Community Programs

- Manager Dr. Moore explained we are looking at is a \$50,000 grant we received from Representative McQueen, and are looking adding a computer lab with approximately 30 computers, coding software, 3D printing, STEM programs with schools, volunteer biased groups who requested jewelry making, weaving, soap and candle making as well as resin making, chess club, and Lego club (which will be building the sets for future stop motion classes) as well as makerspace furniture.
- Mayor Ramsell said this started last year with surprise funding from Representative McQueen and said this is very exciting knowing there isn't many programs in our area for youth especially for children as young as pre-kindergarten all the way up to adults who can use this equipment.
- Motion made by Councilor Gordon to approve the Jr. Appropriation Bill for community programs. Seconded by Mayor Pro-tem Gutjahr. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote the Jr. appropriation bill for community programs has been approved.

Public Hearing: For the purpose of the request for a rezoning from Commercial 1 zone to Commercial 3 zone - Applicant - Founders Land Acquisition Company LLC (FLAC): Legal description UPC 1009028306055000000 Tract: UNNUMBERED S: 16 T: 5N R: 2E 0.48 ACRE PLAT N-663, 2350 HIGHWAY 47 Rio Communities NM , 87002

Motion and roll call vote to recess the Regular Business Meeting session and to go into Public Hearing

- ❖ Motion made by Mayor Pro-tem Gutjahr with a roll call vote to recess the regular business meeting session and go into the public hearing for consideration for Founders Land Acquisition Company LLC (FLAC) for commercial 3 zone. Seconded by Councilor Winters. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters With a 4-0 vote Council went into the public hearing at 7:00 pm.

Consideration of: Founders Land Acquisition Company LLC (FLAC): Commercial 3 zone

- ❖ Alex Romero gave his presentation on the zoning of 2350 Highway 47 which was zoned C-2 and we purchased the property with intention on leasing it to a license cannabis retail tenant but came apparent the property is not zoned as advertised but is zoned C-1, which contradicts the materials we were provided and the property is a small rectangle which is surrounded by C-3 zoning so we are requesting it be changed from C-1 zoning to a C-3 zoning to align the property as advertised.
- ❖ Mr. Romero said the current state of the property, there are currently a decent number of folks to tend to frequent that area by the Rio and is absolutely beautiful but there are a lot of loiters there as well as vergencies and people who dump trash and what have you on that property. The tenants are licensed and operators who will insure the property is maintained and safe as well as have consist presents on the property as well as enhance security with NM rules and regulations and the CCD who have very strict rules and regulations also. They will have motion cameras, 24 hours surveillance because there is product that is potentially dangerous to some and innocent to others so it will be kept very securely and in order to do so there will be enhanced security which the records are kept I believe 24 hours after so in the event something happens there would be record of such.
- ❖ Mr. Romero said this will create 7 more jobs for Rio Communities and for community engagement they are looking forward to engaging and communicating with Rio Communities in ensure safe and profitable operations at 2350 Highway 47 and as a business it is our job to invest success in the community and ensuring our presents maintains a sustained positive impact. This is the quick and dirty of where we are right now and are looking forward to renovating the building for quite some time as at the time we were unable to do so due to the zoning challenge we have and the miss representation of the property prior to purchasing which we deeply regret but are not looking forward to be a member of this community and appreciate the consideration of the request.
- ❖ Councilor Gordon asked if you would consider keeping the recording for a week in case you find something later on.
- ❖ Mr. Romero said it's 90 days, and knew it was a minimum of 24 hours but 90 days is what the CCD requires.

- ❖ Christopher Hsu said they do plan on having back up supplies on site in the event power went out the surveillance will not be interrupted.
- ❖ Mr. Romero said the recordings are stored in a cloud but not physically on site.
- ❖ Mr. Hsu said he is looking forward to this for quite some time and said he is from New Mexico, graduated from UNM and grew up here, he did move to Colorado about 6 to 7 years ago and spent time out there learning the industry as well as the ins and outs of the regulatory compliance aspect on how to operate successfully in a small community as well. He has experience opening up shops in Colorado especially with community engagement with focus on education as well as support for resources lacking in communities such as Rio Communities. He continued to say if you go to Albuquerque there are a lot of fly by night kind of shops but that's not what they are looking for here and are looking to be an established part of the community and provide resources whether it be for the police department, fire department, city council, we are ready to educate in any matter we can.
- ❖ Councilor Winters said the only thing we are doing at this time is approving or disapproving the zone from C1- to C-3.
- ❖ Mr. Hsu said correct and will be applying for the special use permit once the zoning is approved.

Motion and roll call vote to go back into the Regular Business Meeting session

- ❖ Motion made by Councilor Gordon to go back into the regular business meeting session. Seconded by Councilor Winters. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Council returned to the regular business meeting session at 7:10 pm.

Regarding applicant Founders Land Acquisition Company LLC (FLAC) for rezoning from Commercial 1 to Commercial 3

- Motion made by Mayor Pro-tem Gutjahr to approve the application from Founders Land Acquisition LLC (FLAC) for rezoning from Commercial 1 to Commercial 3. Seconded by Councilor Winters. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Council approves applicant Founders Land Acquisition Company LLC (FLAC) for a rezoning from Commercial 1 to Commercial 3.

Manager Report

- Ralph Mims asked Mr. Hsu since they mentioned adding 7 jobs, what type of jobs are you looking to bring to Rio Communities.
- Mr. Romero replied the tenants have opened about 15 other shops around the states as well as 2 other country with 100% success and found Mr. Hsu to be part of the team due to his expertise on running compliant and operational retail.
- Mr. Hsu said the types of jobs are more retail focused which involve customer service and tells people he trains business professionals as well as his degree is in operation management which helps people find what they want to do in the future.
- Mr. Mims asked what are the job salaries and why Rio Communities.
- Mr. Hsu said with research he is appalled in NM so we are shooting for a 20% higher then most where the least employed will be making \$16-\$17 an hour. He explained he did grow up in Gallup and supports small towns but the reason they pick Rio Communities is because Eric has done some things with the Bosque involuntary

monitoring program as well as worked with students from the community on vegetation on the bosque as well.

Purchase and Installation of new HVAC unit

- Manager Dr. Moore began explaining the reason for getting a new HVAC unit in the server room is because of the heating during the winter, which the heating vents are not designed to be in that room, so with talking to TLC they gave a quote of \$11k for a new unit and with the police department getting their own server the room will be hazardous with the heat. He further explained phase 1 has begun and started with demolition as well as floor construction and will be preparing to frame this week.

Council Discussion

- Councilor Apodaca had nothing to report.
- Councilor Gutjahr had nothing to report.
- Councilor Gordon had nothing to report.
- Councilor Winters had nothing to report.
- Mayor Ramsell gave a big thank you to the fire department, the volunteers and staff, that were out over the weekend cleaning the city as well as responding to multiple calls and to public works who helped out as well.
- Mayor Ramsell said he would like to direct Dr. Moore and the Planning and Zoning with the writing for the I-3 zoning since it has not been looked at for quite some time,

Executive Session - For the discussion of the purchase, addition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8)

Motion and roll call vote to go into close session

- Motion made by Mayor Pro-tem Gutjahr with a roll call vote to go into close Executive Session for the discussion of the purchase, addition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8). Seconded by Councilor Apodaca. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Council went into closed executive session at 7:21 pm.

Motion and roll call vote to go back into the regular business meeting session

- Motion made by Councilor Apodaca with a roll call vote to go back into the regular business meeting session. Seconded by Mayor Pro-tem Gutjahr. Voting Yea: Mayor Pro-tem Gutjahr, Councilor Apodaca, Councilor Gordon, Councilor Winters. With a 4-0 vote Council went back into the regular business meeting session at 7:49 pm.

Welcome everyone back and statement by the Mayor:

- Mayor Ramsell stated: The Governing Body of the City of Rio Communities, New Mexico, hereby states that on February 27, 2023 a Closed Executive Session was held and the matters discussed were For the purpose of the discussion of the purchase, addition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8).

Action Items From Executive Session - For the discussion of the purchase, addition or disposal of real property or water rights by the public body pursuant to NMSA 10-15-1(H)(8)

- Mayor Ramsell said there is no recommendations at this time.

Adjourn

- Motion made by Councilor Winters to adjourn. Seconded by Councilor Gordon. With a unanimous vote the regular business meeting was adjourned at 7:50 pm.

Respectfully submitted,

Elizabeth F. Adair, Municipal Clerk
(Transcribed by Cheyenne Sullivan, Assistant to the
Municipal Clerk)

Date: _____

Approved:

Joshua Ramsell,
Mayor

Margaret R. Gutjahr,
Mayor Pro-tem/Councilor

Arthur Apodaca,
Councilor

Lawrence R. Gordon,
Councilor

Jimmie Winters,
Councilor