

CITY COMMISSION MEETING MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
CITY COMMISSION CHAMBERS, 405 W. 3RD St.
WEDNESDAY, MAY 27, 2026

A. CALL TO ORDER:

The meeting was called to order by Mayor Rolf Hechler at 4:00 p.m., who presided and Angela A. Torres, City Clerk-Treasurer, acted as Secretary of the meeting.

B. INTRODUCTION:

1. ROLL CALL:

Upon calling the roll, the following Commissioners were reported present.

Hon. Rolf Hechler, Mayor
Hon. Destiny Mitchell, Mayor Pro-Tem
Hon. Amanda Forrister Commissioner
Hon. Ingo Hoepfner, Commissioner
Hon. Chaz Glines, Commissioner

Also Present: Gary Whitehead, City Manager
Traci Alvarez, Assistant City Manager
Jay Rubin, City Attorney
Angela A. Torres, City Clerk-Treasurer
Jocelyn Holguin, Chief Financial Officer
Luis Tavizon, Chief of Police

There being a quorum present, the Commission proceeded with the business at hand.

2. SILENT MEDITATION:

Mayor Hechler: We just finished Memorial Day. You may not know this but there has been over 1 million people that have died in service for this country in our 250-year history. Most of them were lost in the Civil War, and World War II. It's a day of remembrance, I know we're a little bit late, but I would like to acknowledge Memorial Day in our silent meditation.

Mayor Hechler called for fifteen seconds of silent meditation.

3. PLEDGE OF ALLEGIANCE:

Mayor Hechler called for Commissioner Hoepfner to lead the Pledge of Allegiance.

4. APPROVAL OF AGENDA:

Commissioner Forrister made a motion to approve the agenda with the removal of E2. Commissioner Glines seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

5. COMMISSION COMMENTS:

The Commission had no comments.

6. STAFF COMMENTS:

City Manager Whitehead: Obviously, Memorial Day is the official start of Summer. My report today is to let you all know that the Mayor and I did some work trying to get together a summer shuttle, working with the Southwest Regional Transit Authority. Their manager agreed they wanted to continue to try to add service, so they are running a bus route service on the weekends to provide mobility around T or C and Sierra County through the Regional Transit Authority. I have the schedule, it's going to be online, I think Carrie's doing a story about it. It'll run from Memorial Day until Labor Day, it'll be a test run for them. They're running up to ten trips, the stops will be about every hour, running on Fridays and Saturdays and potentially Sundays. They will be reaching out to the schools to potentially find some bus drivers that might want to fill in as temporary drivers. I'm excited to let you know that we have regional transportation going in our community again.

Commissioner Forrister: I know before there was a schedule, but you could also call. How do people get in touch with them?

City Manager Whitehead: This will be just on the schedule, so the bus will just run an hour loop to each of the ten stops that they have, and I think they're going to run two busses, and they will be coordinating, it won't be a "Call for service." It will just be like you're picking up public transportation, on their posted schedule. They posted it, they're running it, and they're paying for it. We'll see where that goes.

Mayor Hechler: To jump on what you just said, I want to thank you, Mr. Hoeppe, that was kind of your brain child, you came up with the initial thought. You were actually in Germany when the opportunity presented itself to us, we didn't want to let it slide, so Gary and I met with the South Central Regional Transportation and schedules their route, but thank you for your initial inquiry in that regard.

C. PRESENTATIONS:

1. Proclamation naming Saturday, May 2, 2026, as Miss Fiesta Day.

Mayor Hechler presented Miss Fiesta Anya Baray with the Proclamation naming Saturday, May 2, 2026, as Miss Fiesta Day.

2. Issuance of certificates to the 2026 Miss Fiesta Royal Court Winners.

Mayor Hechler presented the Miss Fiesta Royal Court Winners with their Certificates.

D. PUBLIC COMMENT (3 Minute Rule Applies):

Alice Hutchins addressed the Commission with comments related to:

- 14 public comments for the ICIP rankings, despite Carrie working her tail off getting all that information out there. Does your average citizen in T or C just not care? No, I don't think so. I think that we don't actually understand the process we're being asked to care about, especially regarding the vital connection between local and state funding. Saying, "Infrastructure Capital Improvement Plan" repeatedly across various media platforms does not an education make. I learned from the City Connect that shovel-ready means defined costs, timelines, maintenance plans, but I have no idea what projects the city had shovel-ready. Projects I might, perhaps, have lent my voice and energy behind. I suggested a summer splash pad at Ralph Edwards park for young families. It would check a lot of cool, healthy kids, and family connection boxes, but it was *not* shovel-ready. The Lee Belle Johnson Center is high on the ICIP list again. I've lived here for 10 years, and am pretty involved in the community, and here's what I know about that particular building: It used to be a super cool place, and then part of it got torn down, then the Spaceport stole it, and then the foundation was ruined, so now it's falling apart. To me, a concerned citizen, the Lee Belle Johnson building being on the ICIP list means nothing, other than the city wants to fix up an old building. But, could the Lee Belle Johnson building be a makers place, for families to create art, host music and drama camps, serve as a much-needed community downtown meeting space, you would have had 100 people, me included, down here voting to put that at the very top of the ICIP list. How do we work together, citizens and the city, to create a consistent stream of shovel-ready (now that I know what that means) projects that are then placed on the ICIP, that moves its way up as timing and funding is correct? The Rotary Park master plan seems like an amazing project for community engagement. Will we be asked for input at the ground level? We're not short on good ideas, we know what we want and need, but we're not maximizing our impact. We don't know, as a community, what we don't know. We struggle to work collaboratively to improve our community. Our knowledge and energies are fragmented. The ICIP process is obviously really important. Please include the community at a much earlier stage, so that when we get to this final stage, when

our access to state funds hangs in the balance, you have a knowledgeable community. Thanks.

E. NEW BUSINESS:

1. Discussion/Action: FY 2026 Tourism Marketing Proposed Plan/New Mexico True Cooperative Advertising Agreement.

City Manager Whitehead: You'll have a couple items as we prepare for budget. It's time to renew some annual contracts that we handle throughout the year. This is a standard contract that the city has performed work for, for the last few years. Gina, who is here, can add some additional items. The funding will come from Lodgers' Tax, the contract will allow for the Sierra County Tourism information and website design, and then also to allow the Sierra County Tourism board to work through Sunny 505 to help support our New Mexico True campaign, which we worked through with that particular adage, and that contract is also on the agenda for review. The value of this contract is \$17,500 which is the same as it was last year. The contract is a reimbursable, so the organization being 501(c)(3), we'll spend the money, and then provide a quarterly report to our Lodgers' Tax administrator in the Clerk's Office, and then be reimbursed. Staff recommends approval of the contract.

City Attorney Rubin: We've had some discussions since the agenda has been put together, I know what's in the packet is the March 12th letter from Sierra County Tourism, and I guess the City Clerk gave us the advertising and promotion contract. So I'm assuming that's actually the action you would take, we approve that contract?

City Manager Whitehead: Correct. Each particular item will have an individual contract, so you're looking at the contract, and this is the proposal for that contract. The terms of the proposal will be consistent within the terms of the contract.

City Attorney Rubin: And in case there's any confusion, compare the letter in your agenda packet to what was given to us by the City Clerk. The total figures is correct, as Manager Whitehead said, \$17,500, and it's broken down in the contract; \$16,000 to Ruanna Walderman, and \$1,500 to Geronimo Trails.

Gina Kelley: I am the Director of the Geronimo Trails Scenic Byway, but I'm also the secretary of the Sierra County Tourism Advisory Board, and Kim Skinner, our president, could not be here today. Unfortunately, she had an appointment in Las Cruces. Anyways, what this pays for, as they said, \$17,500, \$1,500 of that was for shipping of brochures that the Geronimo Trails does, \$3,000 of that was for the Sierra County Travel Guide, what we send out to the visitors centers statewide, and what we have in the visitor's center. We provide this for all the local lodging, it's updated annually. Generally, it's pretty current, we got it and of course as soon as we got it we had another restaurant open, and then the balance of that is for the sierracounty.info website, which we all work together to keep updated constantly. Just to let you know, the New Mexico Tourism Department is part of the co-op marketing agreement, they're imbedded into our website and our social media. So they can get in there, and they can

work with it, they can do a lot of advertising things, it's above my paygrade, Ruanna is the website expert, but that website is really crucial to that program we have. That's pretty much all I wanted to add.

Mayor Hechler: Thank you. I think we're all familiar with Ruanna, we've working with her on Fiesta.

Commissioner Hoepfner made a motion to approve the FY 2026 Tourism Marketing Proposed Plan/New Mexico True Cooperative Advertising Agreement. Mayor Pro-Tem Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

2. Discussion/Action: Request for Vacation of Plats at W. Austin Street.

Item was removed from the agenda.

3. Discussion/Action: Request for Vacation of Plats at 418 Locust Street.

Commissioner Forrister made a motion to table the Request for Vacation of Plats at 418 Locust Street and to advise staff to notify the adjacent property owners by certified letter and bring the item back once notification has been verified. Commissioner Glines seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

4. Discussion/Action: Request for Plat Amendment at 2300 Veater.

Assistant City Manager Alvarez: The applicant is requesting to split two separate parcels into four separate parcels. The property is in the T-1 district. All property owners within 100 feet were notified, public hearing was held at the Planning & Zoning meeting on May 11th, there were no opponents or proponents. You've been provided the agenda packet and draft minutes from that meeting. With that, I will stand for any questions.

Mayor Pro-Tem Mitchell: Just curious why there were no proponents. The owners weren't there?

Assistant City Manager Alvarez: The owner had to be out of state, but he did write a letter, which is also included in your packet.

City Attorney Rubin: That's a good question, because we want to make sure there is sufficient evidence to support your decision. But I think the fact that, first of all, there were no opponents is good to know, and then as we talk about the letter in the packet, and I know Traci gave presentation herself. I think there's evidence to support the decision.

Mayor Pro-Tem Mitchell made a motion to approve the Request for Plat Amendment at 2300 Veater. Commissioner Forrister seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

5. Discussion/Action: Request for a Variance at 1199 E. Riverside.

Assistant City Manager Alvarez: The applicant is requesting a variance for the minimum dwelling unit size. The property is located in the RR-1 District, which is the Riverside Residential District. The existing structure on the property is 510 square feet, the applicants would like to remodel that existing structure for livable dwelling purposes. RR-1 does require a minimum dwelling size of 800 square feet. The applicant presented for public hearing at the Planning & Zoning meeting on May 11th. There were no opponents or proponents. The motion was a 2-2 vote by our P & Z board, we had one member absent, and the applicant is in the audience here today. With that, I'll stand for any questions.

Rocky Mondello, Applicant: Some years ago, the property was split up with permission from the Commission, and this cottage was on it then. It was split up, came up for sale, so I bought it because it's right next to me. I guess in the past year or two, the city passed some kind of ordinance that wanted it to be more than 800, so I just want to remodel the thing because it's really kind of an eyesore. Right now, I can't really afford to go beyond that because I want to remodel it, make it look nice, and in the future, I would be happy to add more onto it. That's about all I really have to say, I would just like to fix up the place.

Mayor Hechler: For your fixing up, you're going to stay within the footprint of the building as you start out?

Rocky Mondello, Applicant: For the moment, yeah.

Mayor Hechler: Because the building is already there, right?

Rocky Mondello, Applicant: Yeah.

Assistant City Manager Alvarez: If it's approved, for any remodel or anything, he'll have to go through Planning & Zoning and then reach out and get state permitting. All Planning & Zoning regulations will be followed as well.

Mayor Hechler: Before we vote on this, I just want to commend the Planning & Zoning board for their work on this, I read all the minutes and the notes. They were pretty thorough on their questioning, hashed everything out, answered my questions. I'm kind of leaning toward approving, mainly because we're not changing the footprint of the building, the building is dilapidated and it's going to be improved, it'll help the neighborhood in that area, and for that reason, I would be inclined to support the effort. I know it was a 2-2 vote, I think had there been a full quorum, it may have been a little bit different, hopefully in support of. Those are my feelings.

Commissioner Hoeppner: I just wanted to say that the lot is pretty much made for a not for a small living area and not a 800+ square foot house, there would be not much left of the property, which is why it was split up, due to the size of the lot, I agree.

Commissioner Forrister: And I know we have specific parameters we're supposed to stay in, but that dwelling is already there, he's just improving it.

Mayor Pro-Tem Mitchell made a motion to approve the Request for a Variance at 1199 E. Riverside. Commissioner Hoeppner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

6. Discussion/Update: New Auditor Contract.

Jocelyn Holguin, Chief Financial Officer: I just wanted to point out on the form it says "Recommendation: Motion to approve IT policy as presented." I used Gary's form, and I didn't take that out, so there is no action required. I was just going to update everyone, the board, the public, and the staff. We released JAG as our audit team, and we moved forward and procured this new audit firm. In your packet, I included their entire proposal, the letter from the state auditor, the approval from the state auditors, and the cost. For auditing this current fiscal year, starting next fiscal year, we're looking at \$55,441. Their portfolio is really impressive, and I'll stand for any questions at this time.

Mayor Hechler: For the process, when we go for a new auditor, they have to come off of an approved list by the state, is that correct?

Jocelyn Holguin, Chief Financial Officer: Yes, sir.

Mayor Hechler: So we know that they've already been vetted, and that they are a competent auditor that we can use?

Jocelyn Holguin, Chief Financial Officer: Yes, and the state auditor already approved the contract. It falls under \$60,000 but we'll probably have it on the agenda for the next meeting; all the approvals for all the big contracts and services that will be implemented.

Mayor Hechler: This year should be a little smoother than last year, we've had some deadline changes that maybe kind of messed things up.

Jocelyn Holguin, Chief Financial Officer: Yeah, and I've actually spoken with Easley's team, I reached out to them to see what we can do to prep for this next audit, to kind of remove some of those findings. They also mentioned, when JAG was here, those were findings that were in that fiscal year, but we had already started cleaning that up, but because we weren't cleaning them up in that fiscal year, that's why those findings were noted. So we're already in the process of trying to eliminate and create.

7. Discussion/Action: Agreement between the Sierra County Swim Team and the City of Truth or Consequences to Utilize the J.A. Hodges Municipal Swimming Pool.

OJ Hechler, Community Services Director: This is your 2026 swim team agreement, I'm just summarize it real quick, and then talk about last year's success with the swim team. This agreement establishes a partnership between the City of Truth or Consequences and the Sierra County Swim Team for the use of the J.A. Hodges Municipal Swimming Pool. The swim team is allowed to utilize the pool at a reduced cost of \$1,000 which may be offset through volunteer service supporting pool operations. In exchange, the swim team will provide community benefits including youth swim programs, swim lessons, junior lifeguard development, participation in competitive meets representing the city, and operational support such as: pool cleaning, chemical monitoring, and staffing assistance. The agreement also requires the swim team to maintain proper certifications, provide liability insurance, and assist in insuring safe and continuous pool operations throughout the term of the agreement. This swim team agreement for 2026 is basically the same as the 2025 swim team agreement. Last year, for the 2025 pool season, the Sierra County Swim Team contributed significant volunteer operational support to the city pool. Team members completed 68 documented volunteer hours, exceeding the agreement requirement. Work included lifeguarding support, pool cleaning, maintenance, office assistance, and swim instruction. Coach Mitchell contributed an estimated 500+ volunteer hours supporting pool operations, supervision, and programming continuity. The swim team helped maintain safe pool operations during staffing shortages, while providing youth recreation, swim lessons, and water safety operations. The partnership provided measurable community benefit and helped offset operational costs through volunteer service and public programming support. I also just want to add that I've been involved in the swimming pool for four or five years now, and the last couple of years, we conduct interviews for lifeguards, and almost every one of them has gone through or been part of the Sierra County Swim Team. They've been junior certified lifeguards, CPR, they've got all their certifications a lot of times, or they're expired but we know that they can get them because they've had it before. I just wanted to give a tribute to the swim team in that aspect. With that, I'll answer any questions you may have.

City Attorney Rubin: The form of the contract is identical to last year. I know we went through it last year, it was very important to us to make sure we outlined the services we were getting in exchange for price reduction. That way, we don't have an anti-donation clause problem. I think you took care of that issue.

Mayor Hechler: Coach Mitchell, since I assume that you're going to recuse yourself from the option to vote, is there anything you would like to add?

Mayor Pro-Tem Mitchell: No, I think it worked out really smooth last year. Everyone will tell you that the pool was clean, the bathrooms were clean, even the junior lifeguards who are 11-12 years old are very respectful, they're very mature. It just made the season so much smoother to have extra help there. For our free swim lesson program,

we had well over 75 individuals take advantage of that. I think that's one of the most important things that they do, they provide support.

Mayor Hechler: How well is the \$1 per session working?

Mayor Pro-Tem Mitchell: We've been slammed.

Mayor Hechler: I guess that's what we wanted, right?

Mayor Pro-Tem Mitchell: Right. Mother's Day was 168 people, so yeah we definitely increased out patron usage, people are using the pool, and it's great. It's a really good asset for our community.

Commissioner Forrister made a motion to approve the Agreement between the Sierra County Swim Team and the City of Truth or Consequences to Utilize the J.A. Hodges Municipal Swimming Pool. Commissioner Glines seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Chaz Glines, Commissioner voted aye

Hon. Rolf Hechler, Mayor voted aye

Hon. Destiny Mitchell, Mayor Pro-Tem recused herself from the vote

Hon. Amanda Forrister Commissioner voted aye

Hon. Ingo Hoeppner, Commissioner voted aye

Motion carried 4-0 with 1 abstention.

8. Discussion/Action: Approval of Information Technology Policies and Procedures Manual.

City Manager Whitehead: Michael and I will work together on this. In support of finance, in the last audit, one of the findings were that we did not have an IT policy. Many of the findings that you're going to see from our audit that we do need to correct revolve around policies that we need to implement, and we'll be focused over the next few months to make sure we do, so this is one. Everybody knows Michael, he takes care of our IT, we've really had a good run this year, getting things stable. Michael developed an IT policy, it's really a challenge to know what all needs to be a part of an IT policy, so we charged Michael to give us a good boiler plate of what we needed. Once I reviewed it, it felt like it touched the key elements of our infrastructure, our assets. I sent it to Jay for review, he gave me the same response, "I'm not an IT guy." But again, it has had a fair amount of review, so we agreed today that Michael is here to answer any questions that you might have about IT, I think all of us understand what we see in the news or the media as it relates to IT, so I think there's some questions that Michael can provide the answers to. He has been steady on really improving the network, improving the firewall, improving the way that we connect and communicate. So we would have that primary purpose. Again, we're already doing most of the items, this is just to memorialize them,

create a policy that then also has to go into DFA as part of our budgetary process as well. This will kind of check both of those boxes. With that, I'll let Michael present and answer questions.

Michael Kozloski, IT Specialist: I think we were mostly doing what we needed to, but we just didn't really have anything written down. I just looked up some standards used across the nation, and IST, I think, is a widely-respected standard, so I based it off of that. I think the main things we weren't really doing is that we didn't have a standard training regimen for everyone. I do try to tell employees, "Hey, don't do this. If you get this, forward it to me, don't click the link, verifying phone numbers." Things like that, so I think we've had decent education on an informal level, but we kind of needed to standardize that, and then the main other thing we didn't really have implemented was access control, physical access control of the server rooms, we didn't really do that. Most of the other stuff there, I think we already had it in place, we just needed to write it up. I can answer any questions you have.

Mayor Hechler: I'm a little familiar with where we were about a year and a half ago, and I'm hoping we're a much better place now. Can you kind of describe that a little bit for us?

Michael Kozloski, IT Specialist: The main things we have improved since I've been here; I felt like the workstations were not secured to the point where they needed to be, so we got an antivirus endpoint detection and response solution, so even if we got hit with ransomware, it should contain it to the individual workstation, and there's actually a rollback feature on that too, which we haven't extensively tested because we haven't been hit by ransomware since I've been here, but it should work. The other big jump we made was the email was not really where it should have been, I feel like that's where most of the attacks come nowadays, just people pretending to be someone else like, "Hey can you open this?" and then they take your credentials and now they can send as you, or get all your information. The checkpoint email security thing has been super helpful, it uses AI to monitor the inboxes and login locations, and it can just lock it down instantly, it's actually come up a couple times, so we know it works. Those are the main things. I think on the networking and hardware, we're pretty good. Our firewall is Cisco Meraki, well-respected hardware there, that can monitor the traffic and detect anomalies there. We had some stuff, like at the Police Department, they have tools that they can get into the Police Department, but it's very locked-down, so it's not publicly accessible in that sense, people have to be VPN'd in, which has its own credentialing. So yeah, I think our attack surface is pretty low on the firewalls and protocol and all that.

City Attorney Rubin: As I work my way through the agreement, I was impressed that the liability had quite a lot of safeguards to cut down on liability exposure, which is really what I'm looking at.

Jocelyn Holguin, Chief Financial Officer: I'd like to add, with Michael working with our departments, we've also implemented a lot of the inventory that's required for the IT products that we have. As Gary mentioned, we need an IT policy to go in with the

interim budget this year, which is something different DFA is implementing. We're trying to cram as much stuff to get it organized and completed in a timely fashion, but as accurate as possible.

Mayor Pro-Tem Mitchell: I just remember during the last Commission meeting, during the finding for the audit, one of the things was the server rooms not being locked and stuff like that, and that's sensitive data that we need to keep secure. This looks like a step in the right direction.

Mayor Pro-Tem Mitchell made a motion to approve the Information Technology Policies and Procedures Manual. Commissioner Forrister seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

9. Discussion/Action: Approval of Purchases \$60,000 and over.

a. Texan Waste Equipment Inc. DBA Heil of Texas:

Carlos Miyagishima, CPO: I'm first starting with the city street sweeper. This is going to be a combination of two funds; the first one will be \$39,414 which will be from the municipal street fund, and the rest \$200,000 will come from the HGACBuy contract. I also included the contract in your packet.

Mayor Hechler: So that \$200,000, that's actually a loan agreement, right?

City Manager Whitehead: Correct.

Carlos Miyagishima, CPO: Yes. And obviously, we're working with the Streets Department to get this done. I will defer to City Manager Whitehead if you have any more questions.

City Manager Whitehead: This is a project we started in December. We requested funding a loan in the amount of \$200,000 from the New Mexico Finance Authority. We were granted a 0% loan on \$150,000 so our net loan cost is .03%. This loan will be paid off in 5 years, the annual debt service is approximately \$400,000. The main issue that drew me to this particular opportunity was that we were planning on trying to lease a sweeper for the summer months, and it was going to cost us just over \$30,000 for 2 months of leasing. Working with the Finance Authority on this project made really good sense. Again, we're putting \$39,000 down from the Streets Department, and then the New Mexico Finance Authority will fund the balance. The debt service has us making some monthly payments to cover some of the interests costs, and then an annual debt service would be around \$40,000. As you can see within your packet, we will be buying the street sweeper from Heil of Texas. The nice part about the particular sweeper, if you look at the included photos, it's what you call a non-CDL, so it's able to be driven by any member of our staff. The large sweeper we have right now has to be driven by a CDL

driver. The other part I will remind you of; we worked really hard this year to get our own sweeper back in productivity, the crew has done a really good job keeping it going, it's back up and it's running pretty well. The second part about this particular one is it's a vacuum sweeper, so it has two blades that'll sweep to the sides, and then it has the ability to draw, so the second reason we wanted this was to be able to take care of our downtown areas when it rains, this sweeper will be able to draw in that water. In an effort to try to manage our flood concerns downtown, this sweeper will be really advantageous for that. I did review two different projects; our previous Streets Supervisor Buster and I looked at both mechanical and the vacuum, and this ultimately was the better choice. The other sweeper we have, the box has failed, so it picks up water and debris, and it's caused it to fail. This particular one comes with a lifetime warranty for the box. At this point I, we would ask for authorization to approve the purchase order and the contract with HGAC to purchase this sweeper. I will stand for any questions.

Commissioner Forrister: How do I get that interest rate?

City Manager Whitehead: Well, it depends on what you're going to buy.

Mayor Hechler: First you have to be a municipality.

City Manager Whitehead: What I will tell you, to kind of set you up for the next item, we are entitled to get \$150,000 annually through that program, so we've put off making an application for Police Cars. We are going to apply for another \$250,000 using the Police Department's funds, we'll qualify for the same, and we hope to be able to buy upwards of four new units, and pay them back over four years, and get the same interest rate. So we'll be trying to get that going as well. It's effectively using our cash as wisely as we possibly can.

Jocelyn Holguin, Chief Financial Officer: I'd like to add that HGAC is a federal procurement process, it's kind of like the state purchasing program, I just want that on the record so we know that's how it's procured.

City Attorney Rubin: Before you go on, I just want to make sure, because I'm looking at what we have in the packet. So I know we're approving the purchase, and we had already approved a loan agreement at a previous meeting. So actually, the document we're approving would be –

City Manager Whitehead: The requisition and the purchase order.

City Attorney Rubin: So if I'm looking at the contract pricing worksheet, that's what I should be looking at?

City Manager Whitehead: Correct.

Commissioner Forrister made a motion to approve the Purchases \$60,000 and over for Texan Waste Equipment Inc. DBA Heil of Texas. Mayor Pro-Tem Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

b. Wilson & Company Inc. Engineering & Architects:

Carlos Miyagishima, CPO: The second item is for the water system design bidding construction oversight for the Pershing and Silver water line replacement. We are working with the community development department, and this was awarded with the Colonias Infrastructure fund. It's grant and loan funds, and the city is also using our on-call engineering services task order 10 and 11, and the total amount is \$438,017.67. I will defer to Traci for any additional questions on this.

Assistant City Manager Alvarez: Due to our favorable low bids that came in on our shovel-ready water infrastructure project, we have approximately \$1.9 million left in the Colonias funds that we can move towards another project. The requisition that's being presented to you guys today is for professional services for approximately 5,200 linear feet of water line replacement on Pershing and Silver Streets. The services will include design, bidding, construction administration, and construction inspection services. The proposed improvements include Pershing Street, from the high school to 9th Street, and then Silver Street from 8th Street to 3rd Street. The available funding we have might only allow us to construct 3,400 linear feet, but we're going to design for the full 5,200, and then when we go out to bid, we will do the additive alternates in the bidding. Depending on how bids come in, we'll maximize as far as we can go. The 10-inch water lines will improve our water flow, provide additional system redundancy, improve fire flow capacity south of the roundabout on 8th Street, and complete a critical loop water system connection serving areas south of 3rd Street, including the Main Street district area. With that, I'll stand for any questions.

Mayor Pro-Tem Mitchell: In this process of replacing the water lines, are we also going to come back over and fix the streets afterwards? Because I know we get a lot of complaints about Silver Street, it's a high-traffic street to the hospital and the school, and there are a lot of potholes and cracked sidewalks, stuff like that. Is it part of this project, too, to come back and work on those as well? Or is that separate?

Assistant City Manager Alvarez: Our water infrastructure funds that we receive will only cover a water patch, so just the trenching and the patch where the water line is. As far as coming back at a later date and doing the streets, I will defer to our City Manager.

City Manager Whitehead: We're not here to talk about streets, we're here to talk about water lines. It's a great question, but I would challenge you to say, first of all, we're trying to figure out some innovative ways to do streets. If you go take a look at 9th Street, you can see that the patchwork that they did is really well-done, so what we're trying to do is figure out what the cap is that we can put over that road that would then

seal the entire road. The new asphalt that they put into the water line crack, and then repairs. That's what we're trying to look for. We did receive a grant from NMDOT this year, we're looking at what they call a slurry seal, we're going to do 5 blocks up on 7th Street off of Corbett, off of that area. That's where we will apply it, so we will see how well that application works, and if it won't create a better drive surface, while utilizing what we can't pay for with the water lines, and what we can pay for with streets. We cannot, in any way, shape, or form, pave from Date Street all the way to Silver Street in one. We just don't have enough funding. So we're trying to figure out innovative ways to use those funds, but Assistant Manager Alvarez is correct, we are limited with what we can do as we do these water projects for the street improvements. What I will say, to draw the picture, I always like to make sure you guys are aware of where we're going, so we do have this new water line from Pershing all the way to Silver, the proposal we're having here would then allow us to run from Silver Street, down Silver from 9th Street to connect, we will be putting a new water line in on 3rd Street as well, so this will allow us to now make a connection. If you begin to see the map, it makes a lot of sense. We're building nice squares around the community with new, balanced, right pressure lines, so that we can then try and come back and fill in those gaps in the middle. We're really excited about the opportunity to spend that. I hear the complaints about the streets, we've struggled in the last three weeks, the roller's been down, you just run into these challenges. We rented a roller two weeks ago to get it back on Marie Street. We'll just continue to be as innovative as we possible can and try to solve those problems. It doesn't fall on deaf ears, I hear the problem, we just don't have the funding to do so.

Mayor Pro-Tem Mitchell: Thank you.

Mayor Hechler: Mr. Whitehead, would you expand a little bit; we actually saved \$1.9 million on another project.

City Manager Whitehead: You're saving \$1.9 million on this particular project that's put the water line in on 9th Street, putting a water line in on 2nd, building a new storage tank at the Cook Street project, so we did save \$1.9 million on that bid. That's where the dollars are coming from to do this project.

Mayor Hechler: And the reason that the engineering is so high, we're actually engineering three projects, but we may only have funding for two.

City Manager Whitehead: That's correct. What I've been trying to do is keep our engineering costs at approximately 18%, that's the target goal. I'm at about 23% on this one, but we think we're going to design more than we're building, but if the bids continue to come in favorable, then for the next project, if it yields some extra cash, we would then have this one designed, shovel-ready, and we would be able to just bid it and add it right to the contract to get that particular line built.

Mayor Hechler: So engineering is not just engineering, it's design, bidding, and construction oversight?

City Manager Whitehead: That's correct. About \$180,000 of it is the design work, and then the balance will be in construction and construction management. What I've done is change the contract, so instead of them being a lump sum, they are time and materials, so we'll negotiate with the engineering firm – in this case it'll be Wilson – but we'll negotiate the hours on-site, how many of their team members need to be available so that we can keep it within that, so it's a time and materials not to exceed that value.

Mayor Hechler: Okay, good.

City Manager Whitehead: And staff recommends approval of the contract.

Mayor Hechler: Thank you for the clarification.

Mayor Pro-Tem Mitchell made a motion to approve the Purchases \$60,000 and over for Wilson & Company Inc. Engineering & Architects. Commissioner Hoeppner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

10. Discussion/Action: FY 26/27 Sunny 505 New Mexico Tourism Marketing Plan Agreement.

City Manager Whitehead: This will be part 2 of my first presentation, preparing our contract here for Lodgers' Tax. The contract in front of you is with an ad agency called Sunny 505. If you take a look, they've provided advertising services to the city at least for the past 3 years. Their contract is \$122,000 and out of that, \$63,000 they will utilize to send to the New Mexico Tourism Department to match with the New Mexico True. The first half of that, they are just the conduit, if you will, so that we're part of that program and we stay compliant with New Mexico True. That \$63,000 is a 2-1 match, so it turns into \$190,000 overall program for the city, and really for Sierra County. The county does participate with us a little on that. If you'll look at the second part of the contract, Sunny 505 charges us \$12,000 annually to administer this contract, and they have provided a proposal to spend an additional \$50,000 in different mediums that they would place on behalf of the City of Truth or Consequences. All items are Lodgers' Tax compliant, and staff recommends approval. I would remind you, as I did last year, advertising agencies are one of the exemptions under the procurement code, so you are allowed to just enter into a contract for these particular services. The contract is compliant and we would recommend approval.

City Attorney Rubin: I'm glad you explained it more about the scope of work, where the number is, because when I first looked at the contract and was comparing it, I thought they were inconsistent but I was glad you pointed out about the \$63,000 being a separate issue, I appreciated that. So you will be approving the contract which just called for \$122,602 plus the gross receipts tax.

Mayor Pro-Tem Mitchell: Do we always just go with Sunny 505 or have we ever received proposals from other companies that might be interested in doing what they do for us? Or is this something that we're happy with and we want to just keep going? Have we shopped around?

City Manager Whitehead: That's a great question. Last year when I came on board, there was some real consideration as to whether Sunny 505 was the right fit, and if were they doing the items correctly. We discussed in-depth that potentially we should go out this year for RFP for proposal. Marketing is not subject to that requirement, we could do that. However, what we tried to do last year, and it's been very successful, is we created an administrator for Lodgers' Tax who is our City Clerk, Angela. Angela brings every one of the advertisements to the Lodgers' Tax board, so Sunny 505 now provides a quarterly report, all the ad slicks, all the information, so that the Lodgers' Tax board can clearly see exactly where we're placing and handling the dollars. What I would provide to you is whether we went with Sunny 505 or another ad agency, \$63,000 of the money is going to go right from their pockets, right to the state of New Mexico, to be compliant with exactly what New Mexico True says you have to do. So you wouldn't get any change in that particular issue. The other items that they are providing, I would think we would have a similar ad agency say, "Let's place billboards in Albuquerque and El Paso." It would just be a different look, maybe a different texture. I hear you, we have the potential to go with someone else, but we'd really like to see, at this point, I think Angela could certainly speak to this as she has administered this for us. I think we all feel like we have a better understanding of the program, we have a better understanding of Sunny 505, I think they have a better understanding of what we're looking for, so I think the issues of not being sure what we're getting and we're paying for it I think have been resolved by us administering it. I would yield to our administrator.

City Clerk Torres: Every time they have an ad that they're going to put out, it goes through a 4-member team, and one of them is actually Abigail, she's my admin assistant, and she went to school for stuff like that, so we have her and our PIO, Carrie, they go over the ad design portion, and Katy and I go over the financial parts of it. Like you said, we do take it to our Lodgers' Tax board. She is working very closely with Carrie right now, so it's a lot different than it was in the past years. We've liked what we've seen so far, so we do want to give her a chance to see what we can do and what we can accomplish working together. If we did do it for a year, if we're not happy with it, then next year, we can find another agency.

City Manager Whitehead: I would also just like to add, it's been a while, but one of the first items I took action on when I took the job and sat down at the desk of the many, many emails that came across, was an ad that said, "Hey I'm publishing an ad tomorrow in this magazine, can you approve the ad slick?" and it didn't feel right. As you can see now, we're in front of it, we're ahead of it, we have four people that are focused on it, we're addressing it, and it has to be much better for everybody involved than it was. I can see how folks would have said, "I don't know what we're getting" if the City Manager was getting an email saying "Can you approve that ad?" it felt disingenuous that I was the only one that was approving an ad that would be for the whole community. I think

we've improved it, and we'll see where we go. And we don't necessarily need the contract to go. With procurement, we can procure it at any time. 30-days notice is part of the contract, that's standard in governmental, we could end it in a moment and find another ad agencies.

Mayor Pro-Tem Mitchell: Okay, thank you.

Mayor Hechler: And just as a general comment, I feel much more comfortable with it this year, knowing we have folks in-house looking at it. It seems like in the past, all we did was just kind of approve it, and none of us knew really what we were approving, or maybe didn't fully understand. It's nice to have someone like Carrie and Abby on board to be able to look at those things and advise us, so that we know that our money is being well-spent. I feel much more comfortable in that regard.

Mayor Pro-Tem Mitchell made a motion to approve the FY 26/27 Sunny 505 New Mexico Tourism Marketing Plan Agreement. Commissioner Hoepfner seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

F. ORDINANCES/RESOLUTIONS/ZONING:

1. Discussion/Action: Resolution No. 54 25/26 Budget Adjustment Request.

Jocelyn Holguin, Chief Financial Officer: In front of you we have the expenses that we're transferring into the 600 for the Service Center. This was when we did the initial transfer, where we combined every department into the one location for the Service Center. We were going to take out a portion from each the enterprise fund and the general fund. This is part of this fiscal year ending, to cover the remaining ending of the fiscal year. The good thing is we over-budgeted when we did this, because I took from every single item that happened in the previous fiscal year, and with the new fiscal year coming, it's more than half that we cut it based on this new method of doing it. But in order to finish this fiscal year, we needed to increase from the departments to the \$90,000 into the Service Center. That's item 1.

City Manager Whitehead: Item 2 is a transfer from the Water Department back to our 315. If you'll remember, our 315 account is our emergency joint utility fund, we carry about \$1.6 million in that fund. We're using that fund to pay all of our reimbursements, every grant that we have for fixing water lines requires that we pay for it and we receive a reimbursement. I had authorized the Finance Department to utilize that fund to pay those bills. A small misunderstanding, they actually paid the debt that we owed on the water system from that fund as well. So we need to transfer the \$378,000 from the Water Department back to the 315 account to make it whole for the debt service. We've paid our debts, we're current, we just took it from the wrong pocket.

Jocelyn Holguin, Chief Financial Officer: And we need it for another one.

City Manager Whitehead: We're just going to put it back in the right pocket. And again, we're using that fund, there are days that the \$1.7 million drops to \$500,000. We do monitor it and pay very close attention, but that's the best way. The staff laughs at me, but I call it our credit card to pay these bills, because we do have to pay them before we can get reimbursed. We'll continue to utilize the joint utility fund in that manner, as we're paying almost \$40 million in projects.

Mayor Hechler: Sounds like a shell gig to me.

City Manager Whitehead: Well, it's not a shell gig, sir, I assure you it's on-board. Nothing funny, just managing cash.

Jocelyn Holguin, Chief Financial Officer: It's Peter and Paul.

Mayor Hechler: I know you're moving things around, that's okay. Thank you.

City Manager Whitehead: And then on item 3, we just had a particular fund, when we did a carry and the budget, we forgot to carry the revenue into the particular line item, so when we processed the purchase order for a water line, we were \$3 million in the hole. We just need to post the revenue part of the grant into the budget. Those are those three items.

Jocelyn Holguin, Chief Financial Officer: It's been part of the project of cleaning up all the capital, the way they were handled in the past, moving forward. But I think this one is hopefully the last straggler.

Mayor Hechler: Thank you for those explanations.

Commissioner Forrister made a motion to approve Resolution No. 54 25/26 Budget Adjustment Request. Mayor Pro-Tem Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

2. Discussion/Action: Resolution No. 55 25/26, 2028-2032 Infrastructure Capital Improvement Plan Project Recommendation and Ranking.

Assistant City Manager Alvarez: As part of this process, all Commissioners previously received the current list of proposed projects. You were requested to review the projects and rank your top five priorities for tonight's meeting. For this meeting, the discussion is intended to allow the Commission to review those rankings, discuss project priorities, and come to a final agreement on which projects make the city's overall top five priority list for capital outlay submission purposes. We're also requesting that the Commission discuss any additional projects that should be added, removed, or revised within the ICIP plan prior to the adoption of this resolution. Once you've completed your discussion and you've reached your consensus regarding the project priorities and any

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revisions, we are requesting that you then approve and adopt the resolution as reviewed, ranked, and agreed upon by the Commission.

Mayor Hechler: Do we have any recommendations?

Mayor Pro-Tem Mitchell: I have moved them to six.

Mayor Hechler: Okay. Just in general, we're not voting yet.

Commissioner Forrister: Oh, it's already at two, right?

Mayor Hechler: Yeah.

Commissioner Forrister: Okay, so we're keeping that there.

City Manager Whitehead: Let me please give you a briefing again on the top five, and the value of the top five. Those are the items that we would be presenting to the New Mexico legislature *only* for capital outlay. Only the New Mexico legislature wants us to rank them in a top five, because they do not want us to show up with the entire infrastructure capital improvements and say, "These are all the projects." So as you think about it, the way I'm hoping that we get to is, "What are the items that I need to work on during the 60-day session to try to fund where we might be short on a project that I can easily access – I can spend time with my legislators, I can promote these items, I can beg and plead and try to get some funds out of them, so that's the value of the top five. So keep that in your consideration as you're deliberating what should be in the top five.

Commissioner Forrister: And I do say this almost every year when we get to this process, the ranking of the ICIP does not mean that we are not going after funding for those other projects, that is just our big wish list, and what happens is, like Manager Whitehead said, the top five is what we present to the legislators.

City Manager Whitehead: And the governor.

Commissioner Forrister: That being said, when we just present to our legislators, when we first present, they do not like us bringing \$6 million projects because they are not able to fund that.

City Manager Whitehead: That's correct.

Commissioner Forrister: So we also have to also be careful in what we're – I think we need to have one big item that is our big wish, and we present maybe to the governor at that point, but we also want to have things on there that is within the reach of those legislators. I will tell you that they like to see all of it, they don't want us to say, "Oh we need \$8 million." And they have to say, "We can give you \$500,000 for this." They don't

like to do that. I could be wrong, but from talking to our legislators, they like to see some thing that they can fund completely.

Mayor Hechler: Here's another way to look at it, and I appreciate exactly what you said. If you figure that our representative and our senator have about \$500,000 each to be able to give to our community. They only have so many funds that they can give to their entire district. They may have more than one community in their district, and everybody is asking for that money. So I like to ask for things that close out things. For instance, my number one is Clancy Street. The reason it's number one is because we already have \$1.2 million in funding, and we need another \$500,000 or so to finish that project up. We've been looking at trying to get Clancy Street done now since 2024. This will put it to bed, knock it out, and it'll make room for another project down the road. That's why I put Clancy there because if we got another \$500,000 for Clancy Street, we could finish that project 100%. Other things that I think should be in the top five:

- Lee Belle Johnson Center – we have \$500,000 already, we're making an application for another \$1 million and a half through a grant, but if we were to land another \$500,000 or so, we could finish Lee Belle and get it back open for the public. I'd like to see that happen in the next couple years, which is why I'd like to see that item as number two.
- Number three – I have Marie Street improvements. We just learned that we received \$1.3 million for Marie Street, and we already have \$350,000 in engineering on top of that. This gives us a pretty good opportunity to finish Marie Street. We want to keep it to where it is, we may want to ask for some additional funds because I don't know if \$1.3 million will finish the whole street, depending on what the application is. If we just overlay it from one end to the other, possibly. If we want to do a more concerted effort to finish it, then we might want to land a little bit more money to do it the right way and get it done. That's why that's in the top five for me.
- Number four for me is the community multi-purpose center, we've been talking about that now for a long time. That includes, in my estimation, a splash pad, for anybody that's listening, that certainly would be an ask with relationship with that, and I think it's time that we at least get some engineering done for that or get it on the radar. Perhaps in the future we could try to float a bond with it, and when this current bond goes up next year, as the \$3 million bond will be ready to apply for another bond issue, and if that's the case, we might want to consider this being our ask. If we can find money through our communities for a new bond of around \$3 million, it would be easier to find match money through the feds or somewhere else to finish out this project. We would also get our other entities, whether it's the county, the City of Elephant Butte, or maybe the hospital, involved with funding this thing down the road. It starts to form a clearer picture that maybe we'll be able to get this thing done. That was my number four.
- Number five for me was Wastewater Treatment Plant upgrades. We've got \$2.5 million pending, we know we need another \$2 million or \$2.5 million on top of that to finish it out. That would carry us through to the next 15 or 20 years in our community to get us through; the Riverside vac system, things of that nature. we have other things that we're working on, but that would finish up our sewer plant

and get us in a position where we're able to survive that without any rate increases for our customers, and that's a big one for me. So those are the five that I picked.

Mayor Pro-Tem Mitchell: I'll chime in because mine is almost exactly backwards.

Mayor Hechler: And it doesn't matter, one through five or five through one.

Mayor Pro-Tem Mitchell: Right. So my number one is the Wastewater Treatment Plant. My number two is the substation power transformer replacement, because I know that one was talked about. My number three was Clancy Lift Station. Number four was Marie Street, and number five is the community multi-purpose center. Like I said, I moved Lee Belle to six because we already have some funding for it, and we're potentially getting the application for a loan or a grant. Anyways, it could be toggled back up there too, I agree with Mayor Hechler, if we're about to close something out, let's get it off our list, we don't just want to keep this list perpetually and just be saying, "Oh we almost have enough money but we don't so we'll move it down the list." No, I want to be able to close it out.

Commissioner Forrister: I agree too, I don't care what order, but one, two, three, eight, and nine, I think need to be in our top five. Again, I don't care what order, I don't think it necessarily even matters, to give you some insight, it doesn't matter what order they're in, this is our list, this is everything that we need to be fixed in our city, and it'll always be there. The order of it is just how we want to be strategic in asking for money.

Mayor Hechler: And it's just one direction that we're asking for money. So once it's on the list, we can go other places. We can go to the Water Trust Board, we can go to Colonias, we can go to other places to seek funding. For instance, I want to try to add downtown drainage improvements at Post and Pershing to the list. We've been dealing with Bullock's grocery corner for years now, and it's time to deal with that once and for all. That's got to be on our ICIP list somewhere so that we can start dealing with that. Pershing Street and Broadway is the same situation, we need to start dealing with that. By placing it on the list, I think it gives us that opportunity so that down the road, if we want to go to Colonias or somewhere to try and find some money, then it's on our list, we can say it's on our list, and we can try to get that done.

Mayor Pro-Tem Mitchell: I'll say, again, on the Smith, Silver, and 9th, number nine, I just realized that we have the \$555,000 pending, and the entire project is less than \$1 million, so we're halfway there on that one. I agree with Amanda, if we can get that one up in the top five, we might be able to get our legislators to make us \$500,000 to finish that off.

Commissioner Forrister: And I guarantee if we say, "This is a main road that leads to the schools." that will be a very good, pretty project for them.

City Manager Whitehead: Let me add a couple comments on what you've said, first of all, that particular project, Smith and Silver Street, we do have a \$1.8 million grant application in for that, that's going to really be DOT funding, so you'll see through my list that it's not going to rank, because I have funding sources that we can work through. We do have \$550,000 to do the sidewalk project. I was not a fan of them putting sidewalks on both sides of Smith Street at the elementary school, because the elementary school is not a walk school, it's a bus school. So we're going to convert it to a single-lane sidewalk so we can finish it, it'll go all the way around the high school we've added it, and then we were able to find another \$300,000 through NMDOT this year. So we think we're going to be able to build all the way down to Barton Street at the high school, from the high school all the way to the elementary, with that particular project we have. That's why I would say that one's not going to get my button to go to the legislature for.

Commissioner Forrister: So we're good, we don't need to put that one.

City Manager Whitehead: And if we don't get funded, TAF, which is transportation alternative funding, is always available for us. So we'll be able to get the second phase of that project.

Commissioner Forrister: So then one, two, three, eight, and five?

City Manager Whitehead: I think those sound good, those are kind of the ones I have, but I want to give you an example, and Commissioner Glines got to see this in full force this year. When we go to the legislature; so I have \$500,000 for Lee Belle, I think that's going to be enough to fix the foundation, that's all I need to do, is get the foundation re-poured, re-strengthened, so that we can open the doors. The inside is excellent already. We'll get that first contract in July of this year, so that's when we'll receive the contract that we earned last year. Once I get that bid, let's say the contract comes in and I need \$700,000 to finish that. So then when I go to the legislature, I'm going to beat the doors down and I'm going to be talking about finding a way to give me \$200,000 from the legislature to finish it. I'm going to be changing and ebbing and flowing at that time, that's the way it works. I'm going to get 2 minutes with the legislator, they're going to say, "What do you want? What can we do?" I'm going to ask them for something that's in that top five. It's very rare that they go, "Oh we saw your top five. We've funded all of it." it becomes a process of what's important and what's needed, so that's where you guys putting them all somewhere in that ranking helps. It could be, if I had enough, let's say it comes in under the five, well then Lee Belle would not be a priority for us at the legislative session. It's a lot of ebbs and moves you have to kind of be aware of when you're trying to put these particular fundings together. Again, I think the top five you guys have spoken of are really good. What I would say on the substation, that's a tough one for me because I know we need a substation, we need the third transformer, we need to be able to balance the system, but nobody really was interested in that project last year. Nobody wanted to talk about it, and we were kind of thinking that could be the case where they're really looking at us and going, "You have a utility, you sell electricity, you should be able to borrow the money to fund that." It's not something like fixing your

Lee Belle Johnson center that will get the community back in. So you've just got all those nuances that make trying to pair this and make it perfect a challenge.

Mayor Pro-Tem Mitchell: And I think each of us looked at it from our own perspective. I tried to pick the things that I thought were most important to the community, but also projects that were almost near completion on. I wasn't aware of number nine having additional funding in, so that's great. Any time you can say, "Well we want to move number ten up." And you're like "Oh we've got that coming next year." Or whatever, that's great, as long as we know it's out there. I'm comfortable with that, I don't know if Chaz or Ingo have anything else.

Commissioner Hoeppe: I just have a question to OJ about the walking bridge. When you do the master plan, will you be including the walking bridge at Rotary Park?

OJ Hechler, Community Services Director: Correct.

Commissioner Hoeppe: And you know the timelines, so first, we have to have the master plan. Then we are looking for funding to make the master plan.

OJ Hechler, Community Services Director: Correct, and then when we apply for the application for the master plan of Rotary Park, we included the Turtleback Trails Network plan, and there's a pedestrian bridge there at Rotary Park, so that will be part of the master plan.

Commissioner Hoeppe: So timeline wise, it would make more sense to maybe consider for next year to put it on to ask Santa Fe, to match what we need to make it a reality.

OJ Hechler, Community Services Director: Correct.

Mayor Hechler: The master plan will open up for some other funding sources too.

Commissioner Hoeppe: Exactly, when we need a match, we could say, "Hey that's \$500,000." You would connect the Rio Grande Trail, Turtleback Trail, with our city, so that is where I think it falls under.

Mayor Hechler: On the list.

Commissioner Hoeppe: On the list, exactly.

Mayor Hechler: Are we in general agreement?

Commissioner Forrister: I think we're doing one, two, three, five, and eight.

Commissioner Hoeppe: Yes.

Commissioner Forrister: Is that good for the boss people up there?

City Manager Whitehead: I didn't even have to ask and I got you there.

Mayor Pro-Tem Mitchell: Is that what yours was?

City Manager Whitehead: Yes.

Commissioner Forrister: You kind of did get us there, we had nine, and then you led us off of nine.

City Manager Whitehead: Let me read for the record, this is the list I have:

1. Wastewater Treatment Plant Upgrades – that will continue to allow us to apply for the Colonias funding.
2. Lee Belle Johnson Center Improvement
3. Marie Street
4. Multi-Purpose Center
5. Clancy Lift Station

Mayor Hechler: I'm comfortable with a motion to adhere to that because it doesn't matter to me whether it's one or five, it opens up the door.

City Manager Whitehead: I assure you, for me, if everything stayed as we are today, probably asking for \$500,000 to \$750,000 for Clancy Lift Station, just so that we could – because we already have the engineering on board, we have everything going, that would be the strategy. But that will change in December, you guys will be asked for different things, and it could change.

City Manager Whitehead: You could add a splashpad to the list.

Commissioner Forrister: The splash pad is in the community multi-purpose center.

City Manager Whitehead: Well then ask me to make sure that it says "including splash pad".

Mayor Hechler: I'm assuming that if it's a pool, then it's going to have a splash pad.

Commissioner Forrister made a motion to approve Resolution No. 55 25/26, 2028-2032 Infrastructure Capital Improvement Plan Project Recommendation and Ranking in the order of:

1. Wastewater Treatment Plant Upgrades
2. Lee Belle Johnson Center
3. Marie Street
4. Community Multi-Purpose Center; also to include a splash pad
5. Clancy Lift Station

as reviewed, ranked, and agreed upon by the City Commission. Mayor Pro-Tem Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

3. Discussion/Action: Resolution No. 56 25/26 Approval of the Fiscal Year 26/27 Interim Budget.

Jocelyn Holguin, Chief Financial Officer: As you all participated in the budget workshop, we met afterwards with myself, Manager Whitehead, and Kerin. As noted in the workshop, the way it's in the Tyler system process, it keeps us up-to-date on what our spending is. So what we presented in the packet was minor adjustments, we didn't make a bunch of cuts or anything like that. We're keeping an eye on the fuel prices right now, so we're putting in what we're spending and estimating. But we'll have a better estimate for final budget, based on the Tyler system process that we're working on. When we met with Gary, he provided our estimated GRT cost for our functioning budget. I will defer to him for any other questions on that, and if you have any questions based on the packet submission.

Mayro Hechler: Were there any substantial changes between the preliminary and the interim budget?

Jocelyn Holguin, Chief Financial Officer: What we were proposing to Gary, with the Streets Department, we wanted to move it to a standalone budget because there are two budgets for Streets right now. Based on what they have, we feel that it could sustain itself. We wanted more but Gary wanted less, so we were trying to find a happy medium so that we can have the Streets budget on its own, similar to the Service Center. That was one of the changes. We were looking at the cost to the governing body for some of the projects, but we were talking about possibly not bulking it up, putting an unlimited amount in, and not so high, so that we can move forward with keeping it on-budget without going into the red. That was one of the things we were looking at in some of the departments, and I think we are successful in that aspect. Basically, this is the interim budget that is going to go through DFA, and then if there are any questions, they'll let us know, and then we will adjust them in the final budget. One of the things they also asked for, aside from the new IT policy, was the amortization schedules on the loans, so we had to make sure everything was in order for that as well.

City Manager Whitehead: Thank you Jocelyn, I would say on the surface, the first thing we didn't do was – the budget is pretty much in order as the departments presented it. We did everything we could to keep it in those orders. What I'll tell you is that the cost of insurance is probably the biggest hit that we're going to take in the budget. 2% across the board on the city's costs to continue to provide health insurance as a benefit to the employees, so that's up. If you'll remember, last year we did a pay study, and in that study, I asked you to allow me to pay those that were non-exempt, all the regular staff, we made all those increases, and I asked that we would then increase the leadership

team this year, so we did have an increase in the budget this year for those employees. That's reflected, we didn't make it all the way, we were not able to meet what the consultants recommended, but I think we did fine. I found a happy medium, working to allow that to happen. In the Streets Department, the proposal that Jocelyn and the Finance team made was that we effectively take the payroll that we were paying from the general fund – So how we have been funding the streets, is you pay for payroll out of the general fund, Streets receives .25% from Gross Receipts Tax, and that's what's been used to manage the projects. The Finance team's proposal was to just take the .25% and use that to fund the whole project, that would have been about a \$500,000 cut in budget to the Streets Department. Do you want me to cut the Streets Department?

Mayor Pro-Tem Mitchell: No.

City Manager Whitehead: So I'm already struggling. And so what I basically said to the team was, "We've got to find a workaround." I did transfer it, so you're going to see, the Streets Department is all going to fund out of the 216, which was Finance's, to be fair to them, instead of having it in two places, it's in one. But we adjusted, and we're going to transfer about \$300,000 versus \$600,000. So I am cutting it, we are carrying a good amount of cash in that fund, we have about \$1.4 million in cash. However, I have Streets projects I'm still trying to get funded, so I blocked out what I need for those Streets funds, it'll come out of cash, you just authorized me to spend \$40,000 of that cash to buy a street sweeper. This year, we will be starting the Cantrell project which is funded from the Streets, the Flood Commissioner is granting us \$400,000 of our \$800,000 match, so I'll be using \$400,000 of the cash, so that's why I couldn't just take all the cash that we had and put it into the project, we had to find some balance. So that is one of the changes that you'll see. Within your packet, you'll see a spreadsheet that outlines all the Gross Receipts Tax, so I've done an analysis based on what we've received this year, it looks, again as I've said all along, we are trending very flat in Gross Receipts Tax this year, and what I've proposed in the budget is a modest 3% increase. Unfortunately, costs are going up, and if you're paying a little more for your milk at the grocery store, you are going to pay a little more in Gross Receipts Tax, I know milk doesn't pay Gross Receipts Tax, but that's just as an example. We're anticipating that we'll receive just over \$7.1 million in Gross Receipts Tax this year. I did not include any of the projects that we have. Remember, now, all \$40 million of water projects are required to pay Gross Receipts Tax. We will receive our 4% of those water projects back, and I did not consider anything from the new business that's coming into our community within that. The hope is that I balanced it to stay as neutral as we possibly can, and we potentially would see some increase in Gross Receipts Tax this year. If you take a look at the "25-26 Gross Receipts Tax Actuals for 10 Months" document attached to the interim budget, you can take the time to go look and see all the increments of Gross Receipts Tax we receive, and then how much our monthly distribution is. The green box on the bottom right would indicate how much would go to the general fund. If you look at the last item, 216 on the top row, that's how much funding would go to the Streets Department. In your packet, we've provided you a spreadsheet. I wanted to keep the comparison, those are the easiest things, I'm not going to under-simplify it, but if you take a look at what we did last year in the interim budget, this is the most critical point. We estimated that our ending cash balance would be \$1.15

million. We currently carry about \$1.9 million in the general fund operating account. We have about \$3.4 million available to us. We have savings, but last year we projected ending at \$1.15 million, we are required to keep one month of expenses, that's DFA's requirement, so that would make our adjusting cash balance \$478,000. The 2027 budget, as presented with the incomes and the changes, I'm projecting ending cash to be at \$1.244 million with a requirement after the DFA's requirement to be at 4.61% So you can see, dollar for dollar, year over year, I'm projecting that we're going to be about \$17,000 less in the general fund than we had last year. What I will point out is when the final budget comes – we don't know what ending cash is, we don't know the final numbers, we don't know how much we've spent of the budget. Last year, when we submitted the final budget, our adjusting cash was \$1.6 million, and after our requirement, our projection was \$936,000. I almost ended up with a budget that showed double of our projected ending cash balance, to give you some confidence. So the budget balances, this is the interim. As soon as we receive the final numbers, Jocelyn and I will lock ourselves, again, in a room, and then jostle those items that we need to. Her goal is to not have as many budget adjustment resolutions this year as we did this last year, but again, we both were fairly new to last year's budget, we had some things we weren't sure of, we missed some items that we didn't budget for last year, but we feel like we have a good handle on it and we think we have everything budgeted appropriately. Our recommendation is approval.

Jocelyn Holguin, Chief Financial Officer: I would just like to add, we weren't going to drain the Streets fund, we were just trying to not drain the general fund, was the goal. One thing to remember with budgets; during the fiscal year, we don't use the entire thing. If we were to zero-out every single line item that's budgeted, then every entity would probably be broke, but these are just projected estimated costs in or der to function as the municipality. When we're looking at it, these are projections. Hopefully we can come in under, that's always the goal, and to stay in the black versus the red. But we can never go into the red with DFA anyway. We want to be able to have our coffers sustain us in the future without having to stress over where the money might come from. And yes, the recommendation is that you would please approve the interim budget.

City Manager Whitehead: And I would just echo, it certainly wasn't the Finance team's indication to cut that, it was just one of the best recommendations, it was an easy balance, but we worked through it together to find some common ground on that. They did a good job with the budget this year. The process was fantastic from Finance.

Mayor Hechler: I feel it went well, thank you.

Commissioner Forrister made a motion to approve Resolution No. 56 25/26 Approval of the Fiscal Year 26/27 Interim Budget. Mayor Pro-Tem Mitchell seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

G. EXECUTIVE SESSION:

1. Limited Personnel Matters (*City Manager*) Pursuant to 10-15-1(H.2).

Commissioner Forrister made a motion to go into executive session at 5:40 p.m. to discuss Limited Personnel Matters (*City Manager*) Pursuant to 10-15-1(H.2). Mayor Pro-Tem Mitchell seconded the motion. Roll call vote was taken by the Clerk-Treasurer. Motion carried unanimously.

Mayor Hechler reconvened the meeting in open session at 5:48 p.m.

Mayor Pro-Tem Mitchell certified that only matters pertaining to Limited Personnel Matters (*City Manager*) Pursuant to 10-15-1(H.2) were discussed in Executive Session and no action was taken in executive session.

H. RETURN TO REGULAR SESSION; ACTION (if any)

1. Limited Personnel Matters (*City Manager*) Pursuant to 10-15-1(H.2).

Commissioner Forrister made a motion to approve the goals set forth for City Manager Whitehead per contract until February 2027. Mayor Pro-Tem Mitchell seconded the motion. Motion carried unanimously.

I. ADJOURNMENT:

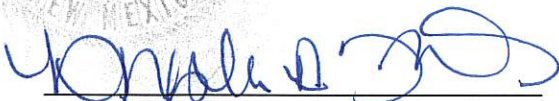
Mayor Hechler adjourned the meeting at 5:50 p.m.

Passed and Approved this 10th day of June, 2026.



Rolf Hechler, Mayor





Angela A. Torres, CMC, City Clerk

14 public comments for the ICIP rankings despite Carrie working her tail off getting the information out there. Does your average citizen not care what happens in this community? No, we **don't** understand the process we are being asked to care about, especially regarding the vital connection between local and state funding.

Saying "Infrastructure Capital Improvement Plan" repeatedly across various media outlets does not educate a community. I learned from City Connect that "shovel-ready" means "defined costs, timelines, and maintenance plans", but I have no idea what projects the city has shovel-ready. Projects I might perhaps lend my voice and energy to.

~~Probably some of the 14 comments mentioned water infrastructure, imagine that. The City Blueprint does an excellent job of letting us know about progress in that arena. I know June Jewell with Tree or C, NM talked about the need for more trees and water conservation. I suggested a summer splash pad at Ralph Edwards for families with young children. It would check a lot of cool, healthy kids/connected families boxes, NOT shovel-ready, though.~~

~~See~~ the Lee Bell Johnson building is high on the ICIP list again. I have lived here for 10 years and am pretty involved in the community. Here is what I know about the Lee Bell Johnson building. It used to be a super cool place, then part of it got torn down, then the Spaceport stole it, then the foundation was ruined, so it is now kinda falling apart. So, the Lee Bell Johnson building being on the ICIP list means nothing to me, other than wanting to fix up an old building.

But could the Lee Bell Johnson building be a makers' place for families to create art, host music and drama camps, and serve as a much-needed downtown community meeting space? You would have had a hundred people filling this chamber to put it on the ICIP list.

How do we work together, citizens and city, to create a consistent stream of shovel-ready projects that are then placed on the ICIP list, moving up as the funds and timing are right?

The Rotary Park Master Plan seems like an amazing project for community engagement. Will the community be asked for input at the ground level? We are not short on good ideas. We know what we want and need, but we are not maximizing our impact.

What we don't know is what we don't know. We struggle to work collaboratively to improve our community. Our knowledge and energies are fragmented. The ICIP process seems really important. Please include the community at a much earlier stage so our wants and needs are truly represented at this final stage, when our access to state funds hangs in the balance.

Alice Hutchens 5/27/26

**PRESENTATION TO GOVERNANCE
RESULTS OF THE 06/30/2025 FINANCIAL
STATEMENT AUDIT**

City of Truth or Consequences

May 13, 2026

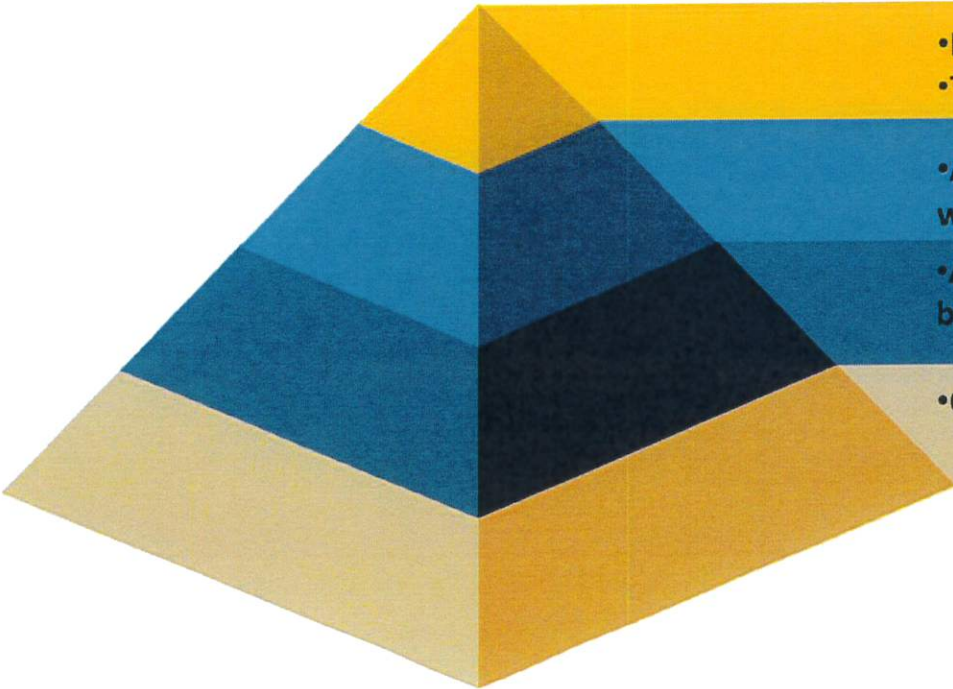
Scott Eliason, CPA, Partner





Goal and Responsibility of Communications



- 
- Maintain effective two-way communications
 - Timely information to governance

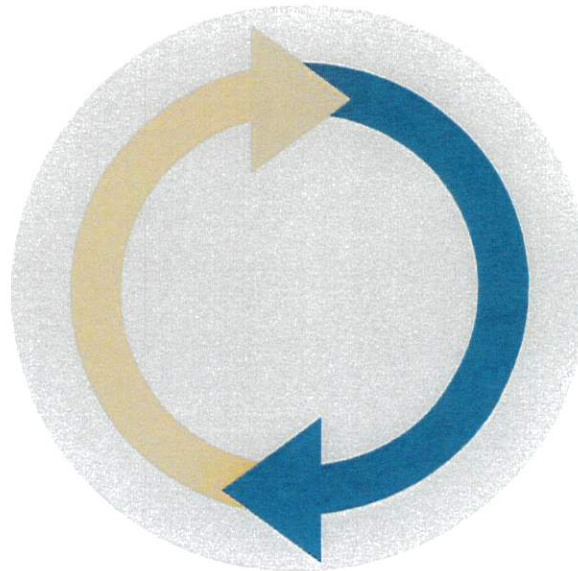
- Auditors are responsible to communicate with those charged with governance at least twice annually
- Auditors are required to meet with representative of governing body periodically as needed to discuss any matters relevant to audit.

- Communication of Independence

Independence

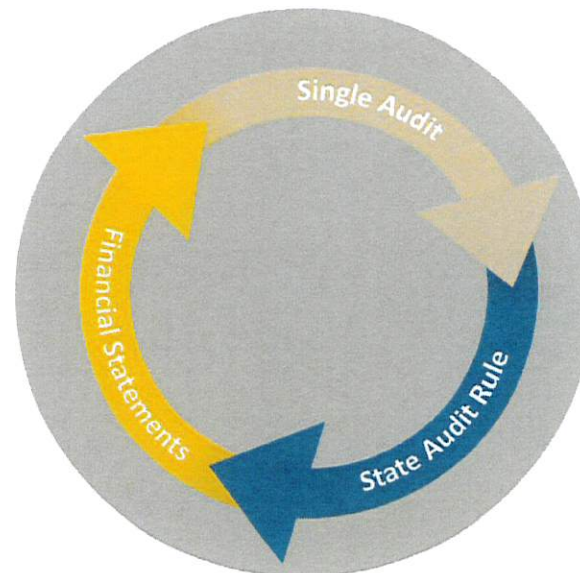


JAG is independent of
the City



We are not aware of any
relationships JAG or its
team have with the City
that would impair our
independence.





Scope of the Audit – Components of the City's Audit

Scope of the Audit – Risk Based Approach / Changes



Timing of the Audit

A decorative horizontal line consisting of three segments: a short yellow segment, a medium blue segment, and a short blue segment.

- Design and Implementation of the City's Internal Control Structure and Testing – August, December
 - Compliance & Account Balance Testing – August, December, January
 - Financial Statement Preparation – January
-
- Financial Statements Submitted to OSA – January 20
 - Financial Statements Reviewed and Released by OSA – March 30



Auditor's Opinions and Report



Our Consideration of Materiality

We design our audit to detect material misstatements, whether due to error or fraud

Materiality is Based on Auditor Judgment

Considers both quantitative and qualitative factors – for example, we would consider effect of an otherwise immaterial misstatement on debt covenant compliance

POST-AUDIT COMMUNICATION

Required Communications With You Upon Completion of Audit:

- Observations on qualitative aspects of the City's significant accounting practices – **"Financial Close and Reporting"**
- Significant difficulties encountered during the audit - **"Capital Assets and Accruals"**
- Uncorrected misstatements - **"Capital Assets"**
- Disagreements with management - **"Financial Close and Reporting – Auditors Cannot be Part of Internal Control Structure"**
- Management's consultation with other accountants - **"Not Aware of Any"**
- Significant issues discussed, or subject to correspondence, with management - **"See Findings"**



Findings



Prior Year Findings:

1 Repeated, 1 Resolved

Current Year Findings:

Cash Disbursement Controls (Repeated)

Inadequate Inventory Controls

IT General Controls

Financial Close and Reporting

Outdated Policies and Procedures

Cash Handling and Security

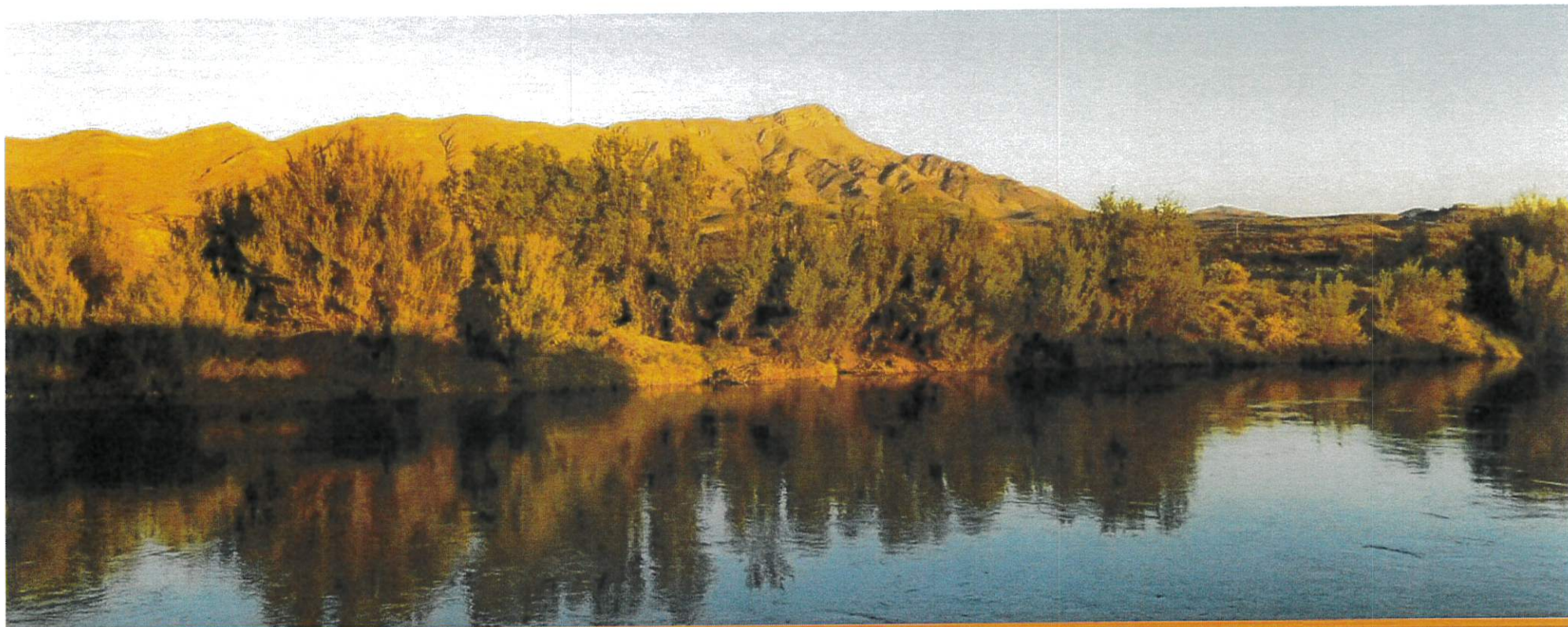
Capital Asset Records Incomplete and Inaccurate





Questions or Comments





City of Truth or Consequences

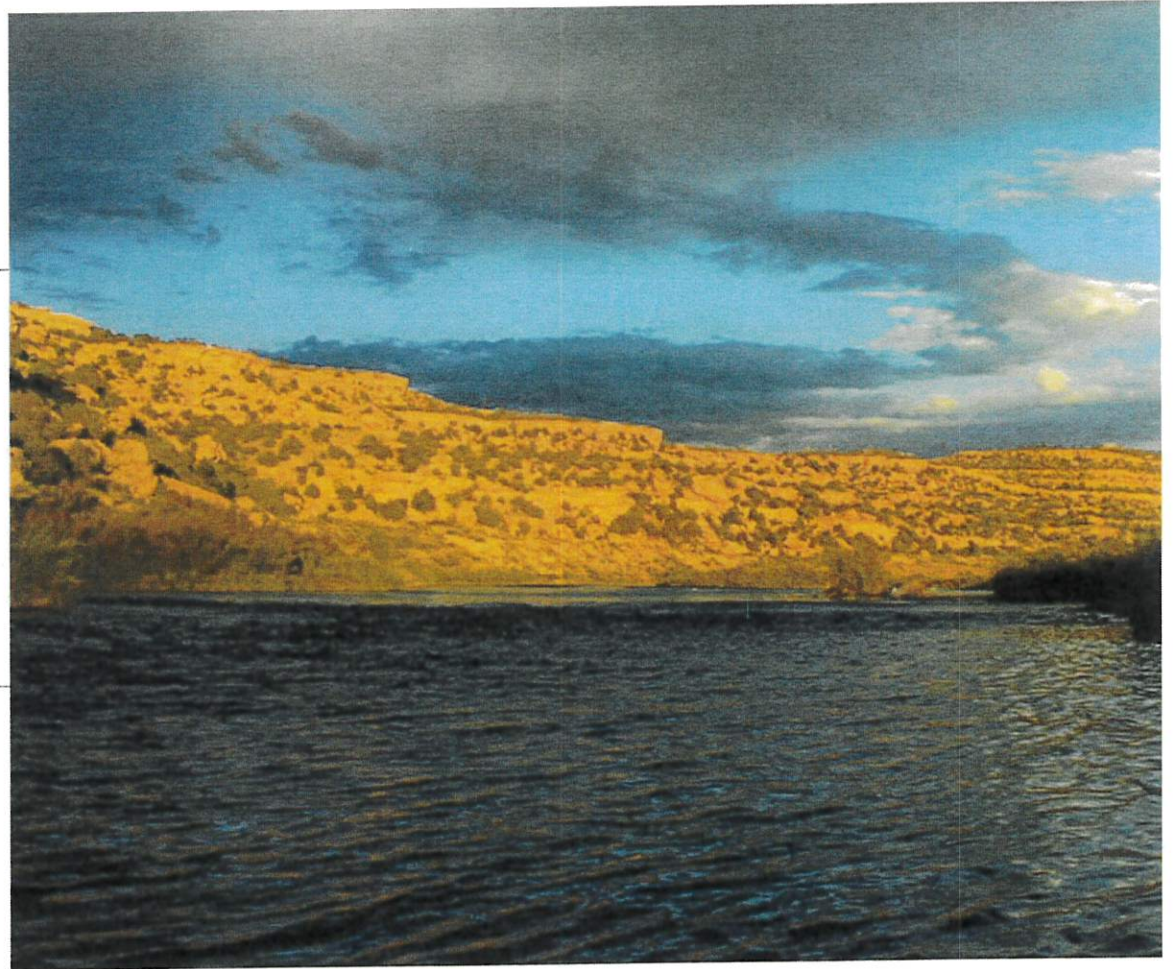
2027-2031 ICIP Infrastructure Capital Improvement Plan Public Input and Preparation

6/5/2026

An overview of outreach and input

Present what we've heard from the public

Request your review and ranking of proposed projects



The **Infrastructure Capital Improvement Plan (ICIP)** is a **5-year planning tool** used by New Mexico communities to plan and prioritize infrastructure projects — such as roads, water systems, buildings, parks, and emergency services.



Not a grant application
— it's a prioritization
tool that helps us plan
and prepare



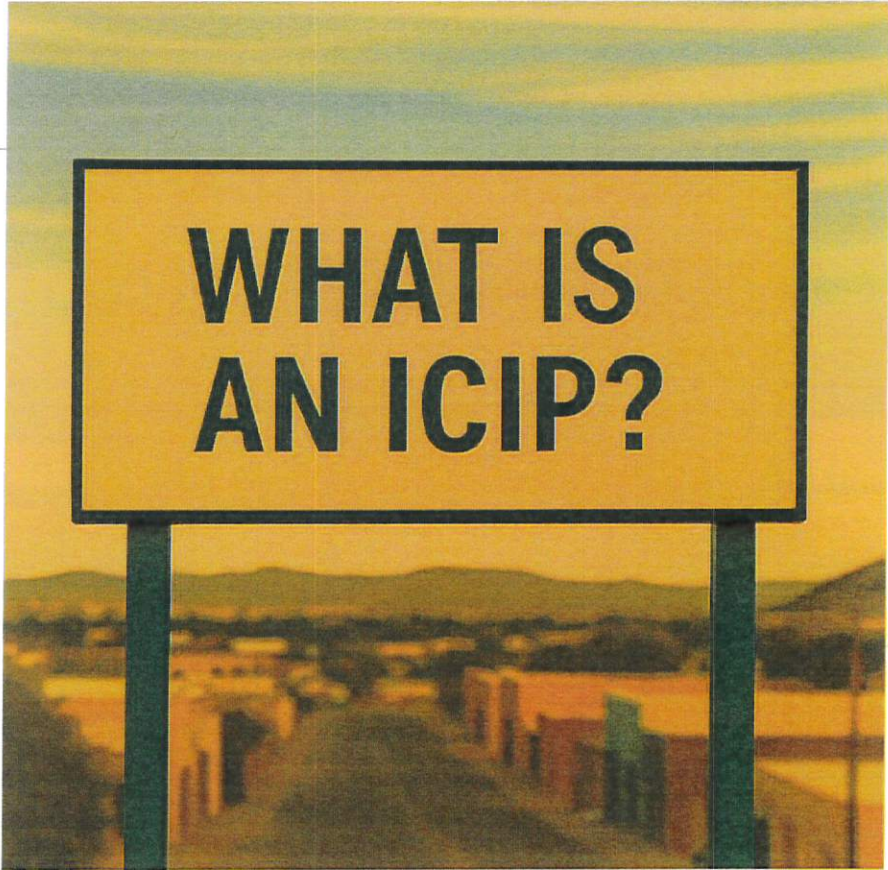
Reviewed and updated
every year to reflect
changing needs



Required by the DFA
(Dept. Finance and
Administration) and
the Governor's Office
to be eligible for capital
outlay funding



Projects must be
“shovel ready” —
meaning they have
clear cost estimates,
planning, and can start
if funded



**WHAT IS
AN ICIP?**

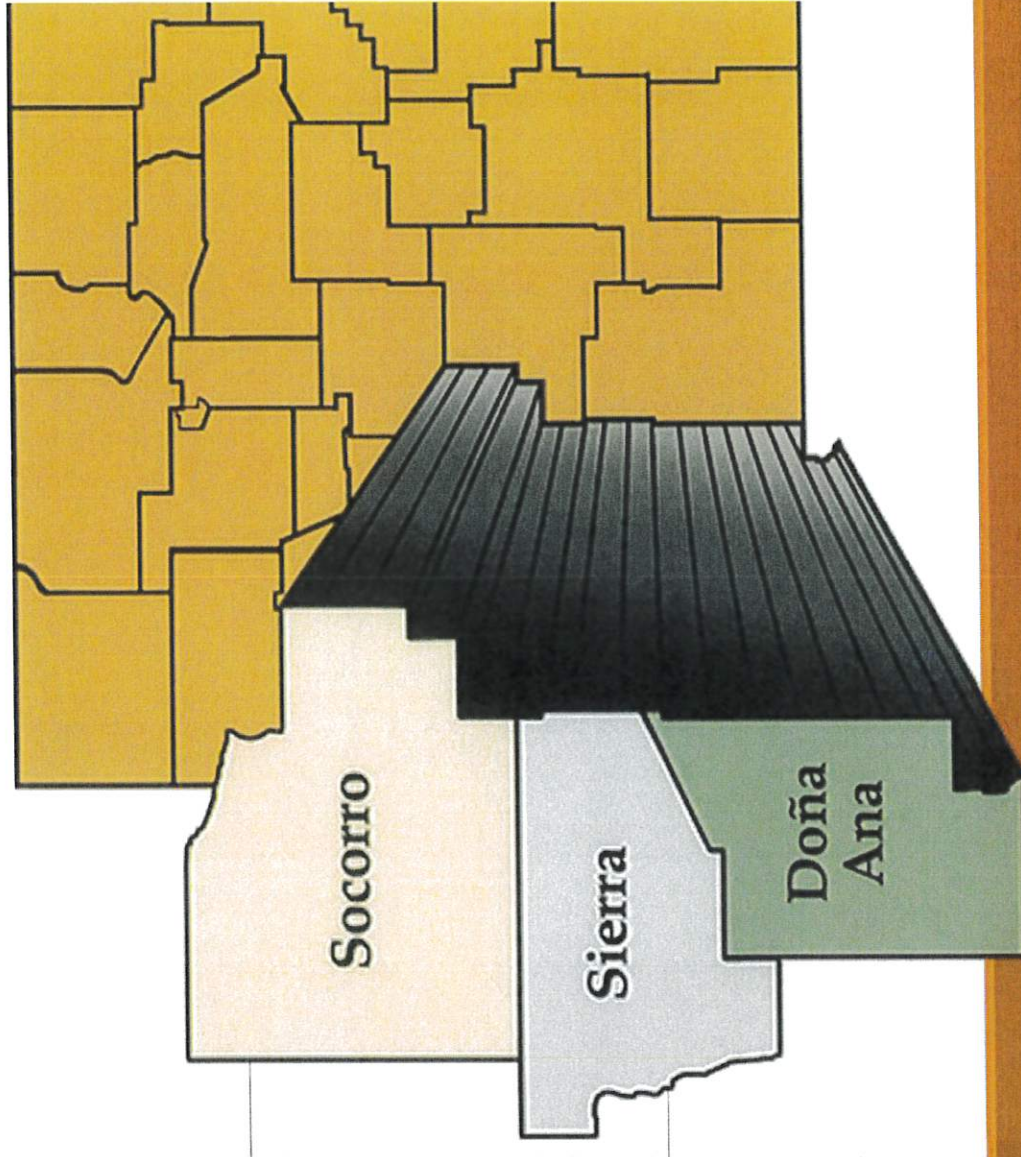
South Central Council of Governments – Technical Assistance

Facilitate public input sessions to gather community priorities

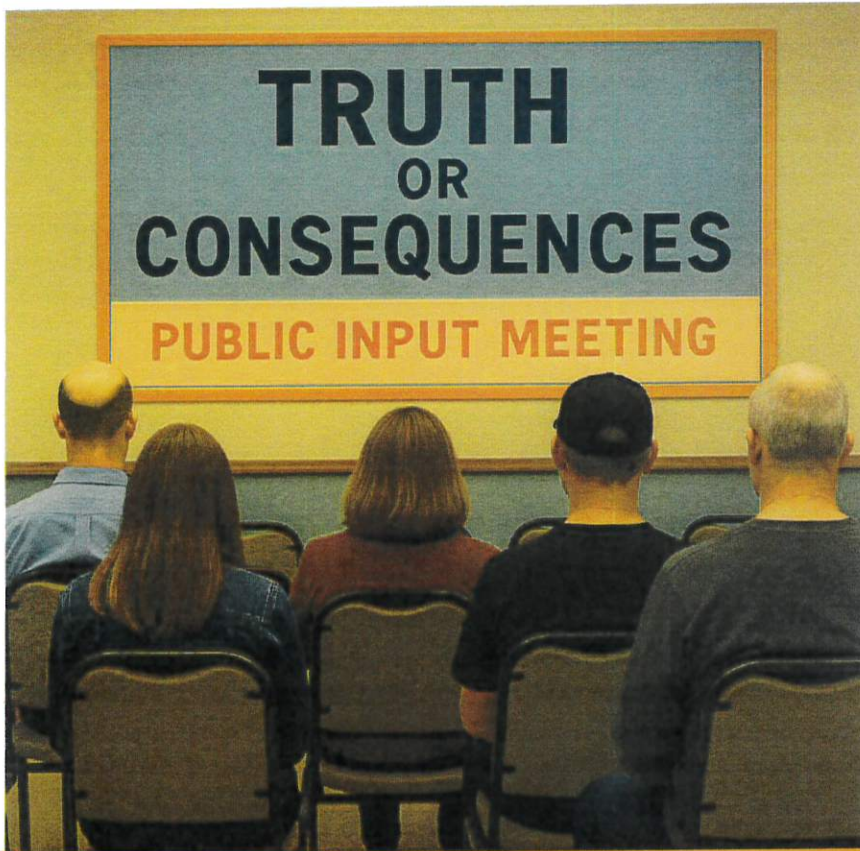
Summarize feedback for your review to support informed decision-making

Enter and refine project details in the ICIP system — I do not decide which projects are included.

Provided neutral support to help align local priorities with available resources

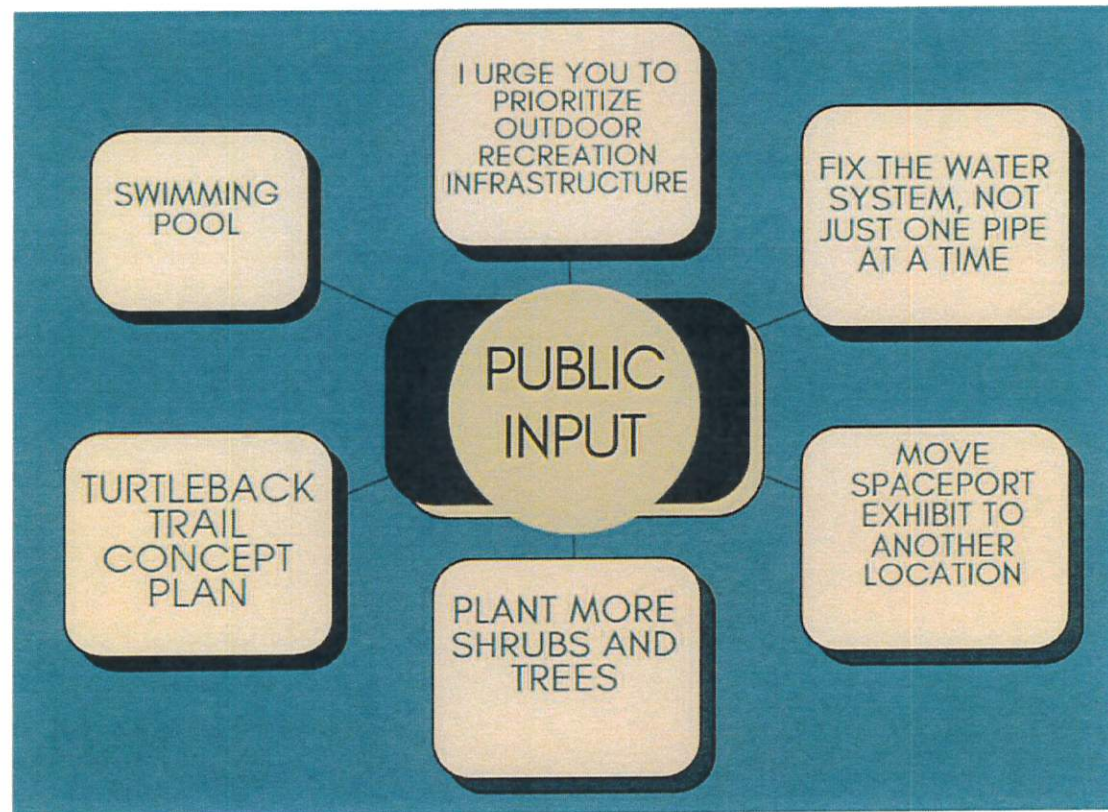


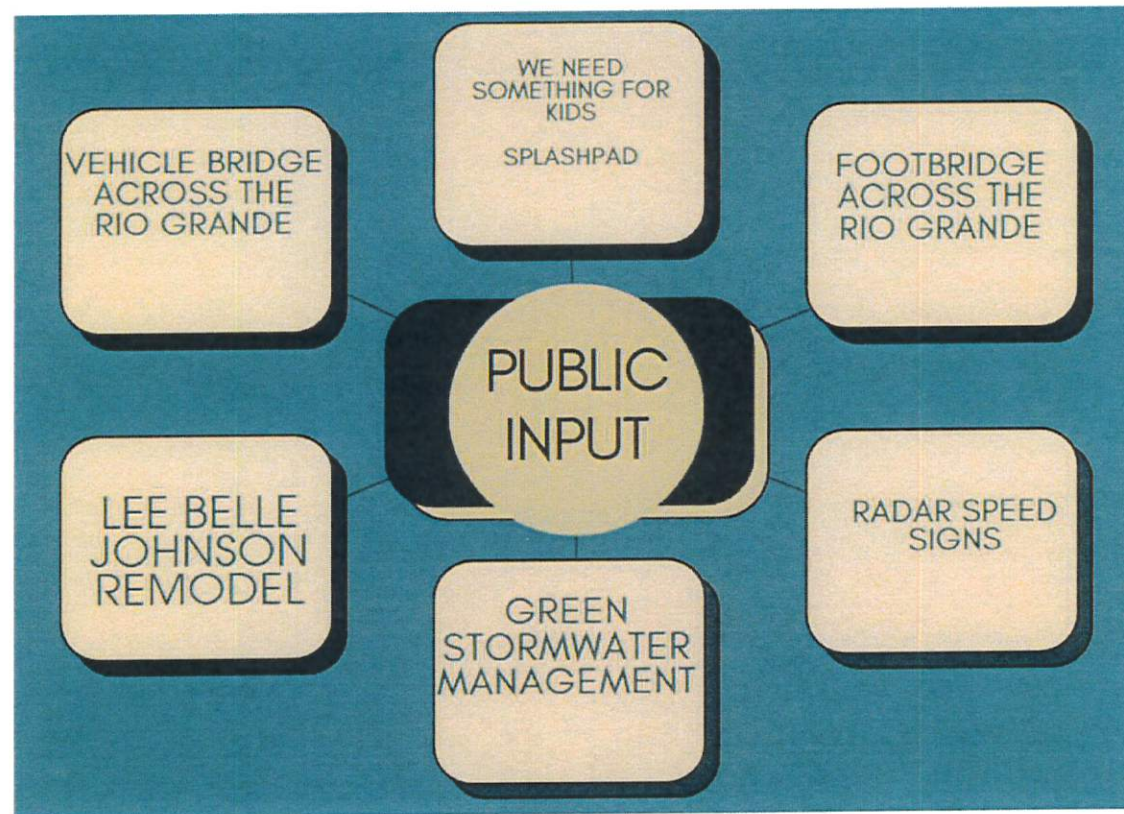
Public Input Process

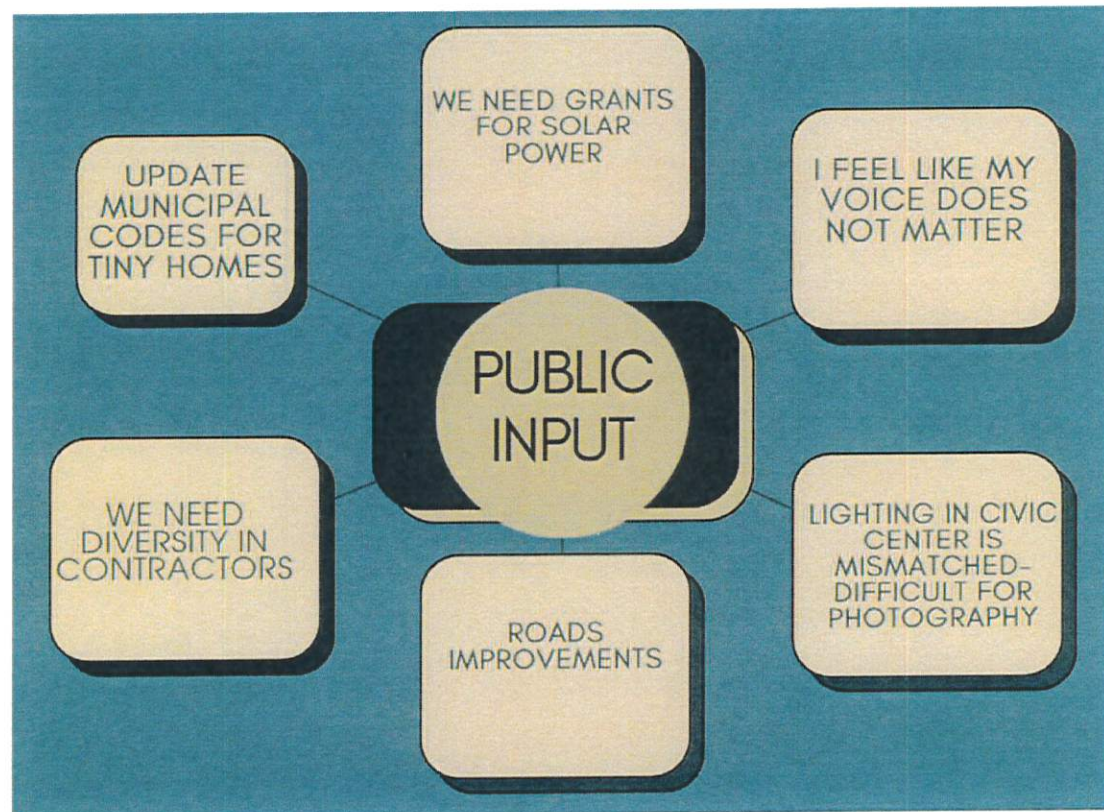


- **Public Input Meetings**
 - To promote broad community participation, we strategically hosted four public input meetings on May 8 and May 22, 2025, offering both noon and evening sessions. These times were chosen to maximize accessibility and provide residents with ample opportunity to engage in the decision-making process.
 - **Dates:** May 8 & May 22, 2025
 - **Times:** Noon & 5 PM (both days)
 - **Location:** City Commission Chambers
- **Print Media:** Notices published in Sierra County Sentinel (May 1, 8, 15, 22).
 - Public information officer, Carrie Gaston did in person outreach while promoting the comprehensive plan and put up flyers.
- **Social Media:** Posted on TorC Public Information Page & shared across local community pages.

To ensure inclusive and accessible participation, we provided multiple avenues for public input—including phone, mail, and email. Contact information was prominently displayed across all outreach platforms for a total of 26 days, allowing residents ample time and flexibility to share their perspectives.







Sign-In Sheets

Transcribed
Comments from
Meetings

Emails

Phone Calls

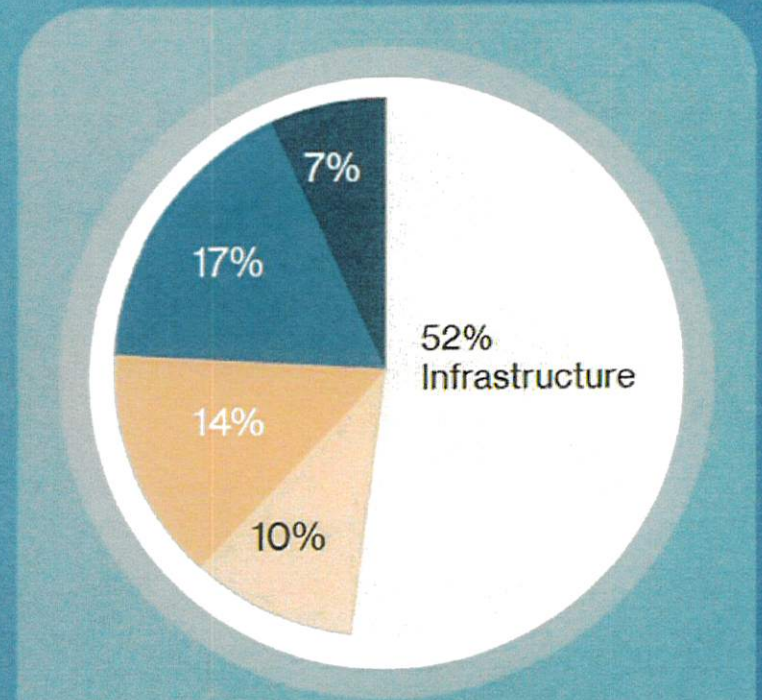
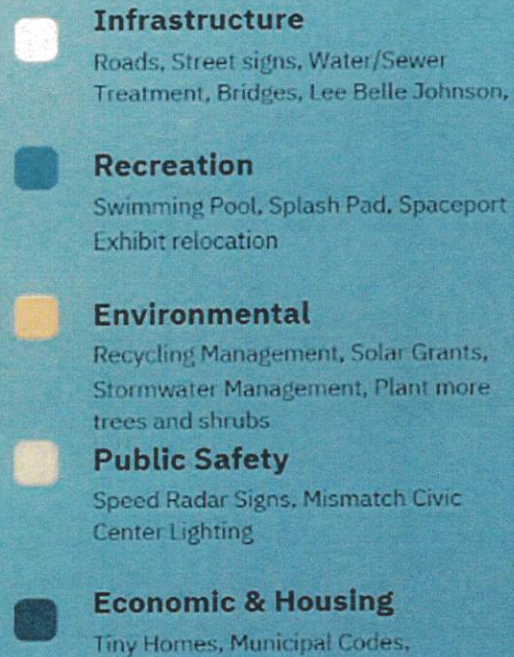
Social Media
Feedback

All responses were
compiled and
categorized

Key themes are
visualized in the pie
chart

Public Input

Community Priority Breakdown



Last year's ICIP- Top 5

Infrastructure Capital Improvement Plan FY 2026-2030

Truth or Consequences Project Summary

ID	Year	Rank	Project Title	Category	Funded to date	2026	2027	2028	2029	2030	Total Project Cost	Amount Not Yet Funded	Phases?
38614	2026	001	Wastewater Treatment Plant Upgrades	Water - Wastewater	0	1,000,000	3,000,000	3,000,000	3,000,000	0	10,000,000	10,000,000	Yes
40367	2026	002	Clancy Lift Station Force Main Improvements	Water - Wastewater	0	1,500,000	0	0	0	0	1,500,000	1,500,000	No
42977	2026	003	Sewer Vacuum System Replacement	Water - Wastewater	0	100,000	300,000	2,300,000	2,300,000	0	5,000,000	5,000,000	Yes
33002	2026	004	Water Infrastructure and Fire Hydrant Replacement	Water - Water Supply	12,607,079	7,225,000	0	0	0	0	19,832,080	7,225,000	Yes
36714	2026	005	Substation Primary Underground Feeder	Other - Utilities (publicly owned)	0	1,000,000	0	0	0	0	1,000,000	1,000,000	Yes

Final Review & Ranking – Commissioners finalize project rankings.

Ongoing Community Engagement – Infrastructure needs continue to evolve, and public input remains valuable.

Thank You! – Appreciation for the commission and community's participation in the process.

6/5/2026

