

Capital Improvements Advisory Committee

Minutes for the Meeting on

May 21, 2020

1:30 p.m.

via Zoom Video Transmission

Committee Members Present:

Jason Lorenz, Chairman
Eugene Suttmiller, Vice-Chairman
Steve Newby, Committee Member
Mark O'Neill, Committee Member
Adam Roberts, Committee Member

City Staff Present:

Liam Beasley, Accountant
Paul Brock, Police Deputy Chief
Candace Brown, Internal Auditor
Yvette Cenicerros, Sr. Office Assistant Temp
Carl Clark, Deputy Director
Environmental/Technical Support
Sonya Delgado, Parks and Recreation
Director
Jorge A. Garcia, Utilities Director
Cody Haver, Fire Battalion Chief
Catherine Mathews, Landscape Architect
Jose Medina, Accounting Manager
Lizeth Nanez, Sr. Office Assistant
Larry Nichols, Community Development
Director
Jose Provencio, Deputy Director Business
Services
Domonique Rodriguez, Rate and Economic
Analysis Manager
Alma Ruiz, Senior Officer Manager
David Sedillo, Deputy Director Public Works
Delilah Walsh, Assistant Utilities Director
Adrienne Widmer, Deputy Director Water

Chair Lorenz called the regular meeting to order at approximately 1:30 p.m.

Chair Lorenz: Okay. I have to announce the names of those members of the public body participating remotely; that's going to be Eugene Suttmiller, myself Jason Lorenz, Steve Newby, and Adam Roberts. Hopefully, Mark [O'Neill] will make it on. Any members of this public body must identify themselves before speaking, must speak clearly, audible to the other members of the public body and to the public. Any members of the public should be afforded remote access. Any questions for this meeting were to be emailed to Alma. I will dispend this discussion if the audio or video is interrupted. All votes of the public body must be wrought by roll call vote. We must produce and maintain a recording of the open session of the meeting.

I've been in a few Zoom meetings over the past few months, as I'm sure many of you have. I find it easiest to keep everybody that's not speaking muted until it's their turn. We've got several presentations today, rather than interruptions during those presentations for questions, I will roll call each Committee

Member at the end of the presentation and you can ask any questions that you have at that point. I guess that'll also guarantee everybody gets their opportunity to ask any questions. Does anybody have any questions right now about how I'm going to conduct the meeting?

1. Conflict of Interest:

Chair Lorenz: Well without further ado, the first item on the agenda is to ask if any person or Member of the Committee or member the City staff has any known Conflict of Interest with any item on the agenda?

There were none.

2. Acceptance of the Agenda:

Chair Lorenz: I do need a motion to Accept the Agenda. Do I hear one?

Suttmiller: I make a motion to Accept the Agenda.

Newby: Second.

Chair Lorenz: All in favor.

The Agenda was Accepted Unanimously 4-0.

3. Acceptance of the Minutes:

a. Regular Meeting on February 20, 2020.

Chair Lorenz: Next we need to Accept the Minutes from last meeting. Is there any discussion before we do so? Do I hear a motion?

Newby: So made.

Suttmiller: I make a motion that we Accept the Minutes from the previous meeting.

Chair Lorenz: I'll call that a second from Mr. Suttmiller.

The Minutes were Approved Unanimously 4-0.

4. New Business:

a. Utilities Department Impact Fee Verbal Update:

Chair Lorenz: Now on to our presentation. First will be Mr. Jose Provencio from the Utilities Department.

Provencio: Good afternoon Chairman, Commissioners. Jose Provencio, Deputy Director for Business Services from the Utility Department. The verbal update I want to brief you on is in regard with the updated Development Impact Fees for Water and Wastewater. The department and Director have scheduled a work session in August that will brief the Councilors of the two main topics of interest, which is number one, the approval of both the CIAC Committee, and the Board's approval of the updated Wastewater and Water Development Impact Fees, and

the discussion that will answer questions in regard to the current allocation of the Impact Fees that has been in place since the inception of Development Impact Fees who the City allocates the cost responsibility to customer, developer, builder, and rate based customers. That will be in August, a work session in August. Following that work session we will have direction from the Council to either; one there's no other issues with respect to the Impact Fees and come back and develop the tariff sheets and present that to the Utility Board for ultimate approval or the Council will provide direction in regard to the allocation Development Impact Fees to the different categories. That completes my verbal update and I'll standby for any questions you may have.

Chair Lorenz: You know the date in August?

Provencio: Commissioner. I do not. I don't have the exact date, but we are working in scheduling it for an August work session date.

Chair Lorenz: Thank you Mr. Provencio. Any questions Mr. Suttmiller?

Suttmiller: No.

Chair Lorenz: Mr. Newby?

Newby: I'm good.

Mr. Roberts: I have nothing.

Chair Lorenz: Well, thank you very much.

b. Utilities Department Impact Fee FY20 3rd Quarter Financial Review:

Chair Lorenz: Next is the Financial Review for Utilities Development Impact Fee Fiscal Year 2020, third quarter.

Provencio: Chairman and Commissioners. Having passed the third quarter benchmark for Financial Review, the presentation I have for you all provides the performance or the activity with respect to expenses and the revenue collection for Water and Wastewater Development Impact Fees. Graphical representation here on slide number three provides at least an indicator of some of the peak activity in terms of the revenue, this would be for in the Water Development Impact Fee. The Wastewater Development Impact Fee provides the same graphic in terms of the revenues that have been collected in the Wastewater side of the house. In summary, the activity both in the Water and the Wastewater funds is reflective of the economic activity up till the third quarter. Slide five here presents the historic comparison. On top of all the other activity it presents the revenue collection with respect to Water for this fiscal year. We still have one more quarter to complete however the graph does present and demonstrate the strong economic activity in the area with respect to new connections in Water.

Slide six, which represent the summary historical and current activity for Wastewater Development Impact Fees. Then much like its parallel activity in the Water, Wastewater revenue collection is indicative of the strong economic conditions that were in place up to the third quarter. The fourth quarter information may provide some more of an update but at this point both funds were in good condition in both on the revenue side as well as actual physical hookups to the system. What's presented beyond that is the tabular or the actual spreadsheet presentation of the data that was summarized in graphical format. What we can say here is up to the third quarter of the Fiscal Year 2020 in performance in revenue collection and new hookups we're in very good order. I will stand by for any questions you may have.

Chair Lorenz: I guess my only question was, there was a huge spike in customer revenue in December. Any reason?

Provencio: In terms of actual headcount there was there was quite a, let's see I'm not sure, was that slide number five Chairman?

Chair Lorenz: I believe it was three and four or two and three possibly.

Newby: Two and three.

Chair Lorenz: Yes, slides two and three.

Provencio: Okay. Really these are driven by actual hookups and requests coming into new connections. There have been some months where there's been, like especially here and towards the end of the calendar year, there was some good activity going on in the construction industry. As to what the underlying driver in terms of the rapid increase I didn't do any demographic research on that Mr. Chairman. Those are just patterns of what I guess the confidence within the construction industry at that time.

Suttmiller: No, that was a question I had in my mind. It just seems a large jump for a customer when there's no construction ask at the same time; I was curious but it's covered. It's covered.

Provencio: Chairman, Commissioner Suttmiller. We track the individual connections in the new connections section of Business Services. You will see a surge in requests or actual connections to either Water or the Wastewater system. Normally, during the wintertime things tend to slow down a little bit. This time around there was a lot of activity ongoing even as the calendar year wound down.

Newby: Chair. I do have a question. If you could go to slide six. That one's fine too. Just a dumb question. If you could remind me on the, I'm sorry it's going to be your slide seven then, ours are numbered different. If you could just remind me is the split between the builder, customer, and rates, is that based on a percentage of the total?

Provencio: Yes. Yes, it is. I don't have the exact split but it's a split that's been established since the inception of the allocation for each of these three categories. I will certainly get that to you. I was concentrating on the financials, but it is a percentage that goes to each one of those three categories.

Newby: Down to the bottom on the averages those should represent pretty close to what percentages are.

Provencio: Yes, that's correct.

Newby: Okay. Thank you.

Chair Lorenz: Mr. Roberts?

Roberts: No, I think all my questions have been answered

Chair Lorenz: Thank you Mr. Provencio for the presentation.

c. Public Safety Development Impact Fee FY20 Current Financial Review:

Chair Lorenz: Next, we have a Public Safety Development Impact Fee Financial Review by Liam Beasley.

Beasley: Good afternoon Chairman, Commissioners. My name is Liam Beasley. I'm an accountant with the City of Las Cruces Finance Department. I'm just going to be going over the Public Safety Impact Fee Financials which are updated through April 30th of this year. Here we see the month-to-month revenues and expenditures for the Public Safety Impact Fee fund. Recently as of April 2020, we had \$43,000.00 in revenues and \$80,000.00 in expenditures. If you'll notice the negative expenditures in October of this year, that's because the transfers that are set up at the beginning of the year were set up incorrectly, so that negative amount is just to correct for earlier in the Fiscal Year.

This is the same information but it's just showing the accumulation of revenues and expenditures as of April 30th. We have \$803,000.00 in expenditures and \$487,000.00 in revenues for Public Safety Impact Fees. This is a comparison of the previous six fiscal years. At the end of Fiscal Year 2020 the fund balance for Public Safety Impact Fees was \$533,000.00.

The final two graphs are again six year comparisons for the Impact Fees collected and expended, left and right respectively. Again, you can see for Fiscal Year 2020 we had a little less than \$500,000.00 in Impact Fees collected and a little over \$800,000.00 Impact Fees expended. Those expenditures, what that money is actually used for is Debt Service for two types of debt. There's an outstanding 2014 loan for a fire truck, and then the outstanding debt on the East Mesa Public Safety Complex as well. Like I mentioned earlier if you look at the data that should have also been provided that it's just used to create the graphs I'm presenting. Like I mentioned earlier that negative expenditure in October is because the transfers that allow the Public Safety

Impact Fees to pay off that debt were set up incorrectly, so there's the correcting entry in order to adjust for that. Then also in the data you have under the revenue section, you should see a fair market value, and all that means is that it's the unrealized gains or losses that the City holds from their investments and it's allocated to different City funds, so in case you're wondering what that refers to. Then if you have any questions related to these, I can field those right now.

Suttmiller: I have no questions.

Chair Lorenz: I have no questions. Mr. Roberts?

Roberts: I have no questions.

Chair Lorenz: Mr. Newby?

Newby: Just one question on this slide. Over on the right-hand side under fair market value you show a loss of about \$26,000.00 in October, was there an offset, just bad investment.

Beasley: I'm not too sure to be honest. It just depends on the performance of the City investments. I know there have been a lot of adjustments made throughout the year but if you want I can research into that.

Newby: No, I assume it's just an adjustment. Thank you.

Chair Lorenz: Thank you, Mr. Beasley

d. Parks & Recreation Development Impact Fee FY20 Current Financial Review:

Chair Lorenz: Next is Parks and Recreation Development Impact Fee Financial Review also by Mr. Beasley.

Beasley: Now moving on to the Park Development Impact Fee Financials which are also up to date through April 30th. Again you have the revenues and expenditures month-to-month throughout this Fiscal Year. As recently as April we had \$109,000.00 in revenue and no expenditures. You'll see a huge spike of \$419,000.00 in expenditures in February 2020 and this was a reimbursement paid to a developer for developing trails and parks in the Metro Verde Subdivisions. Again this is the cumulative revenues and expenditures for this Fiscal Year. As of April 30th we have \$1,070,000.00 in revenues, and \$637,000.00 in expenditures.

For the six year comparison for revenues, expenditures, and fund balance as of April 30, 2020, the fund balance for Park Impact Fees is \$4.6 million. Again another six year comparison for the Park Impact Fees collected and expended for the previous six fiscal years. You see in Fiscal Year 2020 we have a little less than \$1.1 million in Impact fees collected so far and just over \$600,000.00 in expenditures. Looking at the data that should have been provided, you'll

notice we have zero dollars for September Park Fees. There was \$78,000.00 collected however there was \$78,000.00 that should have been waived for Park Hill Subdivision. That's why those two amounts net to zero for the month of September. What the money was spent on so far this fiscal year, we have both outdoor fitness courts, one located at East Mesa and Hadley. The Calle Abuelo Neighborhood Park improvements. Then as I mentioned earlier there's about the \$420,000.00 for parks and trails developed in the Metro Verde Subdivision. This is a repeated slide but again the fair market value is just the unrealized gains and losses that the City has on their investments and it's allocated to this particular Park Impact Fee fund. That's what that heading in the revenue section is. If you have any questions related to Park Impact Fees, I can answer those now.

Chair Lorenz: Mr. Suttmiller?

Suttmiller: No, I have no questions.

Chair Lorenz: Mr. Newby?

Newby: Yes, sir. On this slide I wasn't too worried about the previous \$28,000.00 loss from October. Looks like another bad month here, but the \$98,000.00; if you could let us know or let the Chair know what the losses there are and again I presume it's the transfer or something but that's a pretty big loss. Also if you could go back to slide number four. In our last meeting the Fire Chief said they were going to forego impact fees in order to catch up on that payment etc. On this chart I'm noticing a trend starting in 2017 that as the balance continues to escalate, the number of projects actually completed keeps going down. There seems to be a disconnect between a \$4.6 million total in Impact Fees in so far anyway. Less than 25% of that's spent. Is it the inability of the City to not get the projects done? There certainly isn't any lack of demand and need.

Beasley: Commissioner. I'm not too sure on how the fund balance keeps going up and why. There's been maybe not expenditures. I've been keeping pace with the increase in fund balance. That would probably be better answered by somebody in the Parks and Recreation Department that's more familiar with implementing these projects.

Delgado: Mr. Chair. This is Sonya Delgado, Parks and Recreation Director. Yes, Board Member Newby. That's a good question. There's several factors that will cause that. First, when we start collecting Impact Fees sometimes the developer is ready to build that park, sometimes they're not, sometimes it takes them a little bit longer. We cannot have reimbursement fees go out until the park has been completed. It goes through the checklist and then we accept it, and then the reimbursement goes back out. That takes a little while. As a matter of fact we have four parks right now in the queue that are ready for reimbursement, we're just working out some additional details and finishing up the punch list. We've got three others in the queue that we're currently negotiating.

Then you have the projects that come to us from various sources either Mayor, Council, community constituents or things that we need to have to replace that are capital that PIF can be used for. Those projects stay in house for the most part and we work with Public Works to get those done. Those will go on a list for CIP and as quickly as us, Public Works and the community can push those projects out and get them done, they will come off the list, and we go with a priority.

If we get State Legislative funding those kind of scoot everything up to the top and so we just work on them as quickly as possible. This month we've been knocking out some little things, so those numbers are going up. We plan to be at Council in June with a couple of reimbursements, so again you'll have another spike when they come back to give you a report, and that's what those are going to be for. I hope that answered your question. If you need additional information I'm here to answer any more if I can.

Newby: No, Sonya. As usual a great answer. It's just such a blessing to have more money at this point. I'm sure you all will figure out a way to spend it.

Delgado: Not a whole lot left but we're getting there.

Newby: Thank you.

Chair Lorenz: Thank you Sonya. Anything else Mr. Newby?

Newby: I'm good.

Roberts: No. I'm good.

e. 2020 Construction Activity Quarterly Update:

Chair Lorenz: Okay with that we'll go to Larry Nichols and his construction activity quarterly update.

Nichols: There we are. Well good afternoon, Committee Members and Mr. Chairman. Thank you for the opportunity to visit with you again about the activity that we've been experiencing here in 2020. This will be for the update of the citywide development activity. I guess I could begin by saying that normally we wouldn't have any other influencing activities in terms of something that might be slowing down the activity and all of us have been experiencing the COVID pandemic events. A lot of businesses are shut down. A lot of activities have been curtailed. I'm pleased to report to you today that has not been the situation with the construction industry.

We know that the Governor and the public health order enable the construction industries to continue both commercially and residentially. We saw the benefit of that, if you will, all grappling with the impact of the COVID-19 pandemic. You'll see on this slide the permit valuations for year to date through this first quarter \$72.5 million. That represents a 26% increase than we had last year

for the same reporting period, the first quarter of 2019. March we had 72 single-family residential properties permitted, which was an all-time high for 12 years. That's the third bullet point on there. Year to date we have 212 new homes. That also represent an increase at 16%. My apology I skipped over the second bullet showing that 2,744 building permits were issued, 32% increase over last quarter same time period.

New commercial building permits, same thing. You're seeing the increase arrows on each of these different metrics that we're reporting here. People are just building. We've been tracking through activity at Home Depot, at Lowe's, Sutherlands Supply. Those parking lots are full. You go there and people are buying materials or making improvements to their businesses. Even though they may be shut down they're doing improvements to them, maintenance, that sort of thing. I think that's what's generated the activity and the permit issuance. We have been declared an essential, Community Development has been declared an essential agency. I've had all my permit techs here in the office. I've been in the office every day for the last nine weeks. Our building inspectors have been in the field and following up on these permits that have been issued. There's a lot of activity out there.

Medical facilities. The Mountain View Hospital renovation, you know that dollar value that was reported to you in my last report. The same for the Three Crosses Regional Medical Center. We have just completed as of today the final electrical inspections on the hospital portion of the Three Crosses Regional Medical Center. The Fire Department has completed their inspections. We'll be issuing what we call a fixturization occupancy for the hospital portion, not the clinic portion, but the hospital. The fixturization occupancy will enable them to bring in the medical equipment, install the medical equipment, bump that equipment, test it, make sure it's working. They can inventory supplies. They can train their staff, but they will not be receiving patients until the schedule, which they're thinking about will be the last of August or the very beginning of September. That project is going to be one that's going to be a very positive addition to the City. The construction was professional quality construction and I think we're going to have an additional medical facility that will benefit.

Then, of course we still have medical clinics that are being built. We have four new medical clinics that are under construction at this time. Then the last bullet there related to business, new Business registrations to date are 839. We had 904 last year at this same time, so they're pretty much in sync with one another, a few less. There was a dramatic drop kind of the last of March and the beginning of April. The renewals dropped by 80%. I believe that is probably folks' response to saying, "Well, I'm not able to have my business open. I'm not going to renew my license and see how this goes."

There's been an interesting turn of events on that metric. Since May 1st we've had a similar increase in renewals that we saw a decline in April, of people renewing their business license or acquiring a new license. The driver behind that is there is federal money available for businesses and State money, but

they are requiring the people that are applying for those funds to have a business license. The business license that was declined has basically recovered for that reason. The activity, that was the buildings I reported on.

The subdivisions. We have 24 new subdivisions that have been processed in various stages or are being processed. Some of the ones that were more recently completed were Legends, Northwest Phase 3, Metro Central Phase 1, and then we have multiple family apartment and commercial infill development that's being completed and carried out. The most recent completion for occupancy was a project by the University, the horseshoe apartments initially, it's now been titled The Flats. Certificates of Occupancy were issued this past week for two of those structures, two of those buildings on that campus.

We've had seven rezoning applications. The Planning and Zoning Commission has been meeting the same as we're meeting here today through the Zoom meetings, and that's proved to be very beneficial in order to keep activity progressing and no slow down. We have three infill projects, infill districts. We have three of those. A couple of them were the downtown area. The building blueprints, the Sierra Tract Development Blueprint, we bid on that, that was I believe Sierra Del Sol I believe was the bidder for that four acre tract here in central Las Cruces. The Amador Proximo, there has been some activity there. The El Paseo Blueprint is being revitalized and City Council, the Mayor, and Councillor Vasquez is wanting to encourage additional availability through the increased and transport through the bus system and also through rezonings and for additional vacancy, trying to fill in some of the vacant buildings along El Paseo Corridor. The really active one is the Lohman Avenue Blueprint which is progress. The Utilities Department has been doing the remediating on that landfill, the abandoned landfill that was there in the past. They're coming along very well with that and it's going to be available for the master planning. We have completed recruitment and assigning a consultant to work with the master plan consultants, it's Sites Southwest. They're beginning to do their master plan and charettes for public involvement and participation as well as with staff.

As reported before, these are the areas that were the most active. Residentially the most active still continues to be the East Mesa. We do have the projects going in the valley with Legends West and then Central Las Cruces as I mentioned primarily with the hospital and clinic activity. We are seeing more apartment complexes being presented. There was another one that's going before the Planning and Zoning Commission this next week for an apartment complex in District 2, which is downtown. Subdivisions and zoning, the activity there again is been Metro Verde.

City planning initiatives I just covered a moment ago but they are the four that are the various degrees of development in central Las Cruces are rezoning Special Use Permits and then some infill projects. This is a slide that we referenced once before in a previous report but it shows the 2016, 2017, 2018 and 2019 reports on new residential homes. The construction activity is heavily

supported by residential activity as we know. It represents about 75% to 78% of permitting and valuation. That's why I always refer to this metric as to how the construction activity for Las Cruces is. In 2019 you'll see there in the parentheses we had 604 new residential properties. I reported a moment ago for the first quarter we're at 212. If we just use pure mathematics, simple math, first quarter we've got three quarters to go. We could be close to 800 new residential homes this year. Some folks say that's probably very ambitious and maybe not possible because of this interruption of the COVID-19 pandemic. What we saw for March and for April, the pandemic did not influence new residential construction.

Then we send our reports out every month. We give them for our community outreach, the various agencies there, the Chamber, the Home Builders Association contractors, our real estates, and design professionals and of course the Elevate Las Cruces Comp Plan that we are now implementing. We've had several meetings with staff. We're going to be bringing that to the City Council work session this next Tuesday because Monday is a holiday. That will be televised, well not televised but a Zoom meeting as well. Of course we always interface with the governmental committees, Council, Zoning Commission, Economic Development Policy, and of course the Capital Improvement Advisory Committee. We are now interfacing with Finance Select Committee that has been newly formed here at the City.

I kind of wanted in the presentation today to the commission speak a little bit about the COVID-19 pandemic and its influence. It was in early March we had the first announcement primarily about sheltering in place and stay at home. The other restrictions that have been placed on business and activity in the City and the State. Obviously, that was brought about by the Governor and the public health guidelines and their directives. We've complied with those. The guidelines did allow on paragraph G and I that commercial and residential activity could continue. They asked that we do certain measures. I talked to the Construction Industries Division. I sent them the City of Las Cruces Community Development Continuity of Operations Plan and our request to be able to be allowed to continue our permitting, our plan reviews, our building inspections, and our issuance of Certificates of Occupancy. They supported that based on the Continuity of Operations Plan that we submitted, which enabled our department to be declared essential and continue with operations.

As I mentioned, the March and April activity, these were increases from 2019. The March construction activity actually was 21% above a year ago when we did not have the pandemic to deal with. You can see that's in my opinion that's kind of an exponential activity standard. April construction activity was less than March. Some of that was because there were some projects completed in March and then other ones beginning in April. Even then there was still an increase and not a zero for having operations stop. May up to this point I did a real quick check for the first 15 days of May, and basically we're seeing a continuation of the 2020 increase activity that we have seen in the first quarter.

Then I sent this slide also to the Construction Industry Division and to actually the Governor's office telling them how the construction companies in Las Cruces are addressing the pandemic. We're using the COVID-19 safe practice as presented by the public health order which primarily has to do with distancing, sanitation, and gathering. I mentioned to them that construction projects have the capacity to do that. The design professionals and their offices have the capacity to do that. You see in the first slide the distancing one I showed that these men are working on reinforcing steel for foundations but they're able to distance themselves to be able to tie their chairs on their steel and to do their overlaps and maintain that. The second slide I know it shows the latrines but more importantly next to them is a large water blivit that has a hand washing capability, has hand soap there and liquid hand soap and water that people can wash their hands on a regular basis and help maintain that element of sanitation.

Then the last slide shows the gathering where groups of five or more are, should be fine, no more than five. You see there these are some block masons that are putting up some a masonry wall and there are four of them there. Even then they're kind of maintaining distancing but maintaining the third of the three, the distancing, sanitation, and gathering. That has been I think a big plus for the State to see that the folks here in Las Cruces involved with this construction activity are maintaining and supporting and respecting the Governor's order and the public health order. I believe with that, that would conclude my report to you for the first quarter. I stand for any questions that you may have.

Chair Lorenz: Larry. I have no questions. How about you Mr. Suttmiller?

Suttmiller: I have no questions. Thank you.

Chair Lorenz: Mr. Newby won't miss the opportunity.

Newby: Well thank you Mr. Chair. Larry, I think in your last presentation to our Committee you said you had been able to fill the electrical inspector position. Have you had any luck in filling any of the other positions?

Nichols: Yes, Mr. Chair and Commissioner Newby. We have recruited another planner. Just as I guess the way the planning world is right now. We recruited another planner and then I got an announcement yesterday that one of our planners is going to be going. She and her husband had been offered another position in Arkansas, so they're going to be leaving. That's kind of a continual situation with them.

On the building side of it, we have Community Development budget was approved by City Council on their last meeting Monday. In that budget we had three positions to be recruited. One of them is a building official. I'm your building official now as you probably know, but we have a need for a building

official so that we're not kind of doing double duty here with director and building official. We have a building official in that budget, we had a combination inspector which is going to enable us to send one inspector to do, we'll use our residence as an example, the combination inspector if he were a combination building and plumbing inspector, he could go and do the frame and do the plumbing at the same time. That position has been approved for recruitment.

Then we also had the, I think it was the Active Transportation Coordinator which is also under recruitment right now. We had some success in filling the position as you mentioned Commissioner Newby with the electrical inspector. That's been working very well for us. That's enabled us to go back to our strategic plan of inspections within a certain timeframe, within 24 to 36 hour inspection times including the solar photovoltaic inspections.

The other recruitments are ongoing. I do have five vacancies right now in the department of 67. That's about a 9% vacancy ratio. That's about 4% more than I would like it to be. I recognize that there's probably always going to be a vacancy, but I'd like to try to keep it at the 5% level. I think we'll be able to accomplish that with the budget approval.

Newby: Thank you very much Larry.

Chair Lorenz: O'Neill joined us. Have you got any questions for Larry?

O'Neill: I don't. I did come in late. I'm sorry. Trying to figure this thing out. I don't have any questions at this time. I think I missed some of the other presentations.

Nichols: Maybe I could have Alma, Mr. Chairman, if I could have Alma go back maybe to slide 2 that has more of the of the metric. We won't be looking at our COVID stuff. Yes, maybe that one would be helpful.

Chair Lorenz: Mr. Roberts any questions for Mr. Nichols?

Roberts: I do actually. These numbers are all based off of what we're seeing this year compared to last year. Are we seeing any sort of slow down month-to-month? I know that some of these projects like the Mountain View Hospital and the Three Crosses, those are all projects that had begun well before any of these restrictions began. Has there been a slowdown in new construction beginning since the restrictions begin?

Nichols: Been no slowdown whatsoever. I tell people, they asked me how things are going and I always answer by saying that there's no shortage of things to look after. Our permits are up. Our permit applications are up. Our Certificates of Occupancies are up. Our not only the Certificates of Completion, those are up as well which are basically a roofing, rock walls, accessory structures, those type of things. Maybe one area that is not as active as it was last year would

be mobile home installations. We have seen maybe a decline in those, actually not much increase, but more likely a decline. The trades they're doing quite a bit of work because they're doing a lot of renovation or doing a lot of maintenance, replacement of AC units or water heaters. It's just, it's active. We're not seeing maybe as much, one project that did stop was they were going to remodel and actually demolish and rebuild the McDonald's on Lohman and I-10. That project I got a call from McDonald's corporate and said that they were going to ask for a stay on their permitting that they're going to put that off maybe for a year. Other than that almost every area of the permitting and construction activity has increased, increased in double figures.

Roberts: Great. Thank you.

Chair Lorenz: Larry. If I could add to your report just a little bit, that over the last two months, as things were changing what seemed like daily with regulation and government guidance, Larry's department did a fantastic job of staying in front of that as much as they could. There were a few days in there, we weren't really sure how to submit a check for a permit. Other than that permits kept coming in and inspectors were visiting the job site. The video inspections have been a real asset. For us in the construction industry things are moving very slowly because we can only have five people on a job site, only one trade in a house at a time. We are moving at as fast pace as we can in this environment. Real estate and construction, all of the numbers don't seem to realize that there's a pandemic happen.

Nichols: Mr. Chair. I might add a little bit to that. There were some concern voiced that maybe we might start to see a shortage of certain materials. I guess I would ask that question have you. Have you been experiencing that? I've been checking with my inspectors on a daily basis and seeing if certain trades were not able to get supplies because of some of the factory shut down in various locations. Have you seen that to be a difficulty?

Chair Lorenz: Definitely. Manufactured products. Raw materials don't seem to be a problem but manufactured products are especially anything that's imported. Things like appliances, lighting fixtures, fireplaces, there's definitely supply chain issues there. When it comes to raw materials; wire, pipe, plumbing, concrete, lumber, that stuff is working just fine. I do anticipate some continuation of that for a while. A lot of people don't realize many of our materials go from country to country before they arrive here. Things like interior trim, the raw tree material comes from Chile mostly and then is processed in China for the most part and then shipped here. Some of those more complex processes are very difficult right now. We're definitely going to see that, but I think that'll probably hit us more in August or September.

Nichols: Well, I think I've been hearing a little bit about that. I keep in constant contact with the International Code Council which is the agency that we use for certifications or building codes and they're giving a lot of information on what's going on around the country in terms of the pandemic. The reports that they

gave are similar to ours but not as robust as ours, but they're basically saying that construction activity is a continuance of operations in lieu of shut down.

Chair Lorenz: Well I appreciate the reports sir. Thank you very much.

Nichols: Thank you.

Chair Lorenz: Okay, well, that's the end of our reports.

5. Old Business:

Chair Lorenz: We have no Old Business.

6. Public Participation:

Chair Lorenz: Next is Public Participation. Did we receive any e-mails Alma?

Ruiz: No sir, we did not.

Chair Lorenz: The public is not riveted.

Ruiz: Delilah Walsh will give an update here at this portion of the meeting on the City and the Utilities Return to Work plans.

Walsh: Afternoon gentlemen. Delilah Walsh. I'm the Assistant Director of Utilities. I will just, I know one of our Board Committee Members had a question about our return to work plans. Just like Larry in Community Development, Utilities was an essential business within the State of New Mexico and designated as such at the Federal and State level. We've been 100% operational. In order to meet the occupancy and building distancing orders, we've had a lot of our internal staff working from home and keeping our occupancy around 20% staffing. However most our field staff is out in the field and they're actually in some of the safest places you can be which is the middle of nowhere and outside. We have increased sanitation efforts also, so our buildings are constantly being sanitized as well as our equipment. That's part of our daily process now to ensure you have PPE and everything you touch has been sanitized before you go off shift. That's how you're we've been coping in order to continue operations.

Regarding our return to work. We will be following the State guidelines meaning that as of Monday of this week we were allowed to bring in 25% of our staffing levels within our buildings. We are implementing all the COVID safe practices, which includes the increased sanitization, wearing masks in a public setting. Obviously, our buildings are still closed to the public, the LCU buildings. We are servicing customers and customer service, and we've had that option open at both City Hall and the East Mesa site through this entire pandemic and health order. In order to return to work we're anticipating if everything phases correctly based on the gubernatorial orders, we're anticipating we can bring back 50% staff levels within the building. I just want

to reiterate; we are working at full capacity. We are 100% reporting; we're just not reporting to the building.

One example of that is even in some of our field staff, they're doing truck to truck reporting. They leave their personal vehicle and come into a utility vehicle and we start to track their time based on their GPS trackers. We know when they start reporting into work. We'll continue those practices. We really don't anticipate getting to a 100% building or staff capacity internally until August. We'll continue to make adjustments. Like everybody else our staffers who may have compromised immune systems or meet some of the criteria of compromised health issues will be the last to come back. Our big focus now is PPE and sanitization. Our warehouse has done a great job to order what we need in order to fully staff and continue those COVID safe practices probably into perpetuity. I think that's going to be our new normal, especially as we go through the next peak cycle, the next illness cycle that Department of Health has been predicting. Do you have any questions for me?

O'Neill: Can you hear me?

Walsh: Yes, sir.

O'Neill: Okay. Just curious with the regulations on now, is this saving the City any money or are all these staff members salaried employees?

Walsh: I can't speak for the rest of the City because the Utility, we've been paying our staff and they've been working. I know there are some departments that were on half crew, so employees were actually paid to stay home in order to meet staff production levels, but I really can't speak to what happened to the rest of the City because we're running just as we were pre-COVID-19.

O'Neill: That's great that everything is full steam ahead.

Walsh: Exactly.

O'Neill: Appreciate your report. That's all I have.

Chair Lorenz: I'd like to pat you on the back because Doña Ana water stopped installing meters and they are causing enormous issues for many builders in subdivisions supplied with their water utility. Not only did they stop installing meters, but they stopped returning phone calls, stopped returning e-mails and just ignored any request for a meter. The work you guys have been doing to support our industry is greatly appreciated.

Walsh: Thank you very much Mr. Lorenz. Larry said it best, I mean we're still seeing the demand for our services as well as the growth for the City and we need to respond to that.

Chair Lorenz: Any questions from Mr. Suttmiller?

Suttmiller: I have no questions at all. I second your praise of how good they've been doing their job.

Walsh: Thank you.

Chair Lorenz: Mr. Newby?

Newby: Just a shout out thank you to Alma and Lizeth and all of the people who do things like putting our booklets together, hand delivering them to our house in the midst of all these issues. Your efforts do not go unappreciated. Also with Utilities and Larry's department, we really appreciate you guys doing the hard work because we all know it's a lot harder to do this work today than it was two months ago. Again thank you guys so much.

Walsh: Thank you very much.

Chair Lorenz: Mr. Roberts?

Roberts: No, I don't have anything. Again just thank you guys for all that you guys have been doing.

Walsh: Thank you.

Chair Lorenz: Thank you Delilah.

7. Board Comments:

Chair Lorenz: Next is Board Comments. I guess Mr. Newby and I sent the right Christmas card to City Council because we were, what's the right word, appointed for another term on CIAC. I'm not sure what that timeline is due. Can you fill us in Alma, how long you're gonna have to put up with us?

Ruiz: Yes. Your term will go for another four years. It would end in May 2024.

Chair Lorenz: I believe that's all I really need to say there. I finally got my paperwork turned in yesterday I think. Thank you Mr. Newby for continuing your service on this Committee.

Suttmiller: I have a question,

Chair Lorenz: Yes, Mr. Suttmiller, please go ahead.

Suttmiller: I'm sorry, for Alma. Alma, do you know where I'm at on my term right off the top of your head?

Ruiz: I do. I just looked at that in fact when I was updating Mr. Steve Newby and Jason Lorenz, your term expires in 2022. If you want I believe Mark, let me just pull it up and I can give everybody theirs. I want to say Mark's was 2023

but we'll get verification here. Our newest member, Mr. Roberts, I want to say is also 2023 but we're getting verification here from Lizeth.

Suttmiller: Thank you.

Ruiz: Okay. I can send those also as a verification via e-mail right after this meeting.

Suttmiller: Okay. Thank you. It's just I've lost track.

Ruiz: You sit on two of our Boards so we really appreciate your participation and willingness to serve us and the community. I know that when I just updated Mr. Lorenz and Newby's, I did check on yours and I'm almost certain it's 2022.

Suttmiller: Yes, I know it was getting, it starts running together six, seven or eight. Okay. Thank you.

Chair Lorenz: With the lack of Impact Fees to review, the last time we met we did talk about slowing down our meeting pace. I think with the pandemic conditions it doesn't make a whole lot of sense for us to plan a meeting for next month. Unless there's objection from the rest of the Committee I'd like to cancel next month's meeting and hopefully we'll be able to meet in person next time, maybe July, maybe August. We'll just see how that goes. Let's keep it on the calendar for July just in case. Any objections from the Committee?

O'Neill: Sounds like a plan.

Chair Lorenz: Just as Mr. Newby said, thank you Alma, thank you Lizeth for all the work to make it easier for us to do this at a distance.

Ruiz: You're welcome.

Chair Lorenz: Next time I'd much rather be in the Board room with the rest of you.

8. Adjournment:

Chair Lorenz: With that we'll adjourn. You have something else Alma?

Ruiz: Just real quick because on our end here in the conference room cut off, we could not hear so I just want to make sure that the June 18th meeting is going to be canceled.

Chair Lorenz: Yes.

Ruiz: Okay. The plan will be for a July meeting. Okay. Thank you.

Suttmiller: Alma does that require a motion?

O'Neill: I was going to ask the same thing.

Ruiz: It does not. The Chair has the authority to cancel meetings. Also, it's not on the agenda now, so it really doesn't take an action.

Suttmiller: I just want to make sure we didn't have to vote.

Ruiz: No. The Chair does have that ability to cancel a meeting.

Chair Lorenz: Thank you for the clarification. With that, I will adjourn. See you guys in a couple of months.

Jason Lorenz, Chairman

Date

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