



Village of Taos Ski Valley
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VILLAGE COUNCIL
WORKSHOP
DRAFT MINUTES
EDELWEISS LODGE CLUB ROOM
110 SUTTON PLACE
TAOS SKI VALLEY, NEW MEXICO
WEDNESDAY, DECEMBER 12, 2018, 9:00 A.M.

1. CALL TO ORDER & NOTICE OF MEETING

The workshop of the Village of Taos Ski Valley Council was called to order by Mayor Brownell at 9:05 a.m. The notice of the meeting was properly posted.

2. ROLL CALL

Ann Wooldridge, Village Clerk, called the role and a quorum was present.

Governing body present:

Mayor Christof Brownell
Councilor Jeff Kern
Councilor Roger Pattison
Councilor Chris Stagg
Councilor Tom Wittman, Mayor Pro Tem

Staff present:

Retiring Village Administrator Mark Fratrack
New Village Administrator John Avila
Village Clerk Ann Wooldridge
Community Development Director Patrick Nicholson
Police Chief Sam Trujillo
Building Inspector Rich Willson
Administrative Assistant Christina Wilder

3. APPROVAL OF THE AGENDA

MOTION: To approve the agenda as presented

Motion: Councilor Wittman Second: Councilor Kern Passed: 4-0

4. DISCUSSION OF NEW VILLAGE HALL

Administrator Fratrack gave a PowerPoint presentation on the new Village Hall, which was formerly the Taos Mountain Lodge. The property is .89 acres, about half of which is open space. There are 10 one-bedroom suites with lofts, and a building which served as owners quarters, with two bedrooms.

Administrator Fratrack explained that the first offer on the purchase was made in November 2015, with final closing occurring on July 1, 2016. Since that time, Administrator Fratrack said, there have been monthly reports and updates on the project, as well as walk-throughs at the site. From July 2016 to spring 2018, Staff designed and then redesigned the office plans and the driveway plans. Some initial demolition work was conducted on the main building, as well as the removal of the fireplace units in the apartments. Administrator Fratrack said that various parts of the project status had been briefed to the Council. At the August 14, 2018 Council meeting, Council approved expenditures of \$470,436 in funding for the project, and indicated that the project should move forward, Fratrack said. Items included in the expenditure were: tree and stump removal (\$5,462), purchase of Redi-Rock and World Block for retaining walls (\$141,881), and site excavation to include grading, rock installation, and septic tank installation (\$291,967). Phase I includes excavation, installation of the holding tanks, work on the NMDOT requirements, installing new electric service and transformers, as well as preparing for the remodel and construction of the new Village Hall. New water heaters/boilers were required to be purchased, at a cost of \$47,000.

Approximately \$80,000 more is necessary to get the apartments ready in order to rent out. A spreadsheet was presented with costs to date, totaling \$657,797. The project scope has grown since the original plan, Administrator Fratrick said, because of interest in building Council Chambers, and because of various other aspects of the project. The holding tanks will hold approximately 4200 gallons, with emergency space for another 1800 gallons. The Village has a truck that can pump the tanks, or there is a possibility of purchasing a larger truck, for \$26,000. A bid for pumping was received for \$900 per pump for two times a month, or \$750 each time for three pumps a month. With these costs accumulating, after one and a half years, a truck could be purchased, he said.

Administrator Fratrick explained that many municipal projects do not have a return on investment, such as a gain or loss generated on an amount of money invested, because municipal projects include providing services for the community, insuring health, welfare, and safety in the community, and working to make the community a nice place to visit, work, and live. Other municipal goals include encouraging investment and economic growth, protecting the environment, and providing good working conditions for its employees.

Administrator Fratrick explained that project construction costs could be expected to increase 10% a year, based on information from Building Inspector Rich Willson. Annual revenue from apartment rentals is estimated at \$115,200 gross, \$86,300 net, which would not keep up with construction cost inflation. The Village had considered purchasing the large lot on Ernie Blake Road 15-20 years ago for \$1.5 million, and that property was sold 10 years ago for \$4 million, and again recently for most likely a greater amount. There has been discussion of locating a Town Hall near the Wastewater Treatment Plant, but that could cost approximately \$3 million, Fratrick said. It could be problematic to have the Town Hall near the plant due to strong odors, at times. The total cost of this project so far, including the purchase price of \$875,000, was \$1.4 million. An estimate to complete the cost of the Village Hall is about \$1.5 million. There has been discussion in the past of adding on to the Firehouse building on Firehouse Road in order to increase the size of the current Village office, but the building is not owned by the Village.

Mr. Brad Angst, with G.K. Baum & Associates, said that he has been advising the Village since 2012 on Village finances and development. He said that although a portion of the GRT increase over the baseline, adopted when the TIDD was formed, goes to the TIDD, there are also GRT increases going to the Village. He said that part of the increase goes to maintain the TIDD-dedicated projects, but there is more revenue than is required for just the maintenance. Mr. Angst presented several financing options for obtaining a loan, with and without a cash contribution by the Village. The original loan for this project of \$1.2 million included the purchase price plus funds for excavation work, electrical service upgrades, and septic system installation. The original loan had no capitalized interest, but there could be a higher rate on a second loan, he explained. Mr. Angst presented copies of Village Hall financing options and debt profiles, which included financing options, historical data, general obligation bonding capacity profile, revenue bonds debt profile, and historical financial data for the Village, including GRT revenue historical data. He said that the audit should show which funds in the Village reserves are restricted funds. If the new Wastewater Treatment Plant project were to be bid at the estimated amount of \$7 million, then there would be enough additional funds to proceed with the Village Hall project. Mr. Angst recommended that the Wastewater Treatment Plant project still be the top priority for the Village.

Administrator Fratrick said that reserve funds had increased in order to save for larger projects, such as the Wastewater Treatment Plant or new Village Hall. He said that municipalities in general don't build up reserves in order to hold on to the funds, but to use for projects. If there were a natural disaster, FEMA would be notified and funds obtained, Fratrick said.

Much discussion took place, including comments that a new Village Administrative Complex was a good idea, as well as providing low-cost workforce housing, but that there is concern about the amount of funds being expended on the project. There was also concern from Amizette residents that a new Village Hall would alter the nature of their neighborhood.

Councilor Pattison expressed his concern that the project had doubled in scope and was now beyond the control of the Village Council. He said that cost estimates were not real numbers and that full disclosure from Village staff to the Council had not occurred. Councilor Pattison expressed his feeling that it was criminal that Administrator Fratrick had initiated and proceeded with this project. He said that Administrator Fratrick should not have made commitments to the NM Environment Department, in the form of a 10-year variance for holding tanks at the Village Hall that the Village would have to abide by. He also expressed concern that upkeep of the rental units would cost more than expected.

Mayor Brownell asked that no personal attacks be made, but said that having a discussion about the project was a good thing, as well as asking questions.

Councilor Wittman said that he appreciated being presented the information at this workshop, which he thought was valuable, and that because of it, he would be able to make educated decisions on the project in the future.

Councilor Stagg said that it was appropriate for the community to invest in a municipal building, for employee use and for municipal business such as conducting meetings. If the rental income would not be adequate for coverage of debt service, then other possibilities would need to be investigated.

5. DISCUSSION OF AMIZETTE UTILITY LINES

Kelly Fearney with FEI Engineers gave a PowerPoint presentation about the various possibilities for extending water and sewer lines to Amizette. She presented five options with varying costs depending on the size and length of the lines. Providing gravity sewer for all of Amizette with dual lift stations would be the most complete, but expensive, approach. A phased plan could be used, she explained. Providing water and sewer service to the new Village Hall would cost approximately \$1.4 million, while providing water and sewer service to all of Amizette could cost between \$3.5 and \$5.2 million. The majority of these costs relate to the trenching and excavation. She advised that there would be a good possibility of obtaining public funding for such a project. Although no formal study has been conducted, she thought that some septic systems were inevitably degraded. Citizens asked whether the systems that were new and proven to be working correctly could be exempt from hooking on to any potential new utility lines.

Village ICIP plans, and the Village’s Sewer Master Plan, show proposed eventual extension of water and sewer lines to Amizette. During the excavation at the Village Hall, lines were installed for connection to future Village utility line extensions. Discussion followed included the possibility of installing another treatment cassette in Amizette, as opposed to pumping sanitary sewer up to the Wastewater Treatment Plant. The cost and feasibility of this proposal have not yet been studied.

5. ADJOURNMENT

MOTION: To Adjourn.

**Motion: Councilor Wittman
dissenting)**

Second: Councilor Kern

Passed: 3-1 (Councilor Pattison

The workshop was adjourned at 11:50 a.m.

Christof Brownell, Mayor

ATTEST: _____
Ann M. Wooldridge, Village Clerk