



Village of Taos Ski Valley
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VILLAGE COUNCIL SPECIAL MEETING
MINUTES
EDELWEISS LODGE CLUB ROOM
106 SUTTON PLACE
TAOS SKI VALLEY, NEW MEXICO
FRIDAY, JULY 27, 2018, 10:00 A.M.

1. **CALL TO ORDER & NOTICE OF MEETING**

The special meeting of the Village of Taos Ski Valley Council was called to order by Mayor Brownell at 10:00 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 Pattison entered after item 5. A.)
Councilor Chris Stagg
Mayor Pro Tem Tom Wittman

Village Staff Present

Administrator Mark Fratrack
Clerk Ann Wooldridge
Finance Director Nancy Grabowski
Administrative Assistant Christina Wilder

3. **APPROVAL OF THE AGENDA**

MOTION: To approve the agenda

Motion: Councilor Wittman Second: Councilor Kern Passed: 3-0

4. **APPROVAL OF THE MINUTES OF THE JULY 10, 2018 VILLAGE COUNCIL REGULAR MEETING**

MOTION: To table this item until Councilor Pattison joined the meeting

Motion: Councilor Stagg Second: Councilor Wittman Passed: 3-0

5. **NEW BUSINESS**

A. Consideration to Approve Resolution No. 2019-366 A Resolution to Approve the 4th Quarter Fiscal Year 2017- 2018 Financial Report for the Year ending on June 30, 2018

As per State Statute, the Village is required to submit the final fiscal year 2018 quarterly report along with the corresponding profit and loss statement no later than July 31, 2018 to the Department of Finance and Administration Local Government Division. This report is a recap of the financial events of fiscal year 2018 beginning July 1, 2017 and ending June 30, 2018, and verifies the ending fund balances for all Village funds. The accurate ending fund balances are an integral part of the next fiscal year 2019 budget.

MOTION: To Approve Resolution No. 2018-339 Approving the FY2017 4th Quarter Financial Report

Motion: Councilor Wittman Second: Councilor Kern Passed: 3-0

B. Consideration to Approve Resolution No. 2019-367 Approving the FY2019 Village of Taos Ski Valley Budget

The Village Council must review and approve the final fiscal year budget for fiscal year 2018-2019. The original budget was presented to the Council at the budget workshop held on May 4, 2018. The original budget included a 4% rate increase for water and sewer for both the fixed and the variable usage rates. No trash fee increase was proposed. The rates will need to be adopted by ordinance.

Because of the requirements for obtaining funding from the USDA for the new Wastewater Treatment Plant project, the Village is required to reactivate sewer fund 02. The USDA requires that revenue from water and sewer sales be separated in order to demonstrate guaranteed funding for financing the project. Since Council's review, all actuals have been entered into the Council working budget spreadsheet as of June 30, 2018. Fund balances are now final. Village insurance costs have been split by category and by department for the fiscal year 2018-2019 budget. The Department of Finance and Administration Local Government Division created a new process for budget submittal and no longer allows changes to the revenue and expense categories. Only cash balances can be changed at this time. Any further changes to the budget will need to be accomplished through Budget Adjustment Requests.

Staff will request to remove the \$300,000 budgeted for the capital expense to purchase the real property required to re-align Ernie Blake Road, as this purchase occurred in fiscal year 2017-2018.

MOTION: To Approve Resolution No. 2019-367 Adopting the FY2019 Budget and Reactivating the sewer fund

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

Director Grabowski will email the final budget to the Mayor and Councilors.

Mr. John Marse asked if the public would be notified of the final budget. After DFA approval, the budget will be posted on the Village's web site.

Ms. Krizia Shelton, Jean Mayer's daughter, representing the Hotel St. Bernard and the St. Bernard Condominiums, said that it is burdensome for businesses when rates go up. Also, the variable nature of the utility rates makes it difficult for businesses to plan.

C. Consideration to Approve Resolution No. 2019-368 Approving an Internal Budget Adjustment Request (BAR) to the FY2018 Budget from the General Fund to the General Reserve Fund

The Village submitted its fiscal year 2017-18 budget in July 2017. In June the purchase of real property for the construction of Ernie Blake Road utilized the budgeted amount in fund 43 General Reserve and an additional amount of \$248,000 for which the Village Council approved a BAR. There was also \$2,909.78 for a KCEC-related expense which was overlooked. Staff is requesting a \$2,909.78 budget transfer from the General Fund to the General Reserve budget. This will not increase the budget and does not need to be submitted to the Department of Finance as the General Fund and General Reserve Fund are reported as one fund in the annual and quarterly budget submissions.

MOTION: To Approve Resolution No. 2019-368 Approving an Internal Budget Adjustment Request (BAR) to the FY2018 Budget from the General Fund to the General Reserve Fund

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

D. Consideration to Approve a Memorandum of Understanding Regarding TSVI's Assistance to the Village of Taos Ski Valley for Accessing the Village's Utilities on TSVI's Strawberry Hill During Periods of Winter Snow Cover

During the summer of 2017, as part of the upgrades to Strawberry Hill, TSVI upgraded the portions of the Village's water and sewer lines that run across Strawberry Hill. The utility lines run from Sutton Place across Strawberry Hill, and connect to lines on Firehouse Road. This was a TIDD project.

If there were ever a break or blockage of these lines, there is concern on how to access the utility lines during periods of winter snow cover, particularly during ski area operations. The Village does not have the proper vehicles or equipment for driving on snow. Through the MOU, TSVI is agreeing to utilize the ski area's equipment to assist in clearing snow if required or tow Village equipment on the snow if required, to allow Village personnel and equipment access to the location of a break or blockage for emergency repairs and maintenance.

MOTION: To Approve a Memorandum of Understanding Regarding TSVI's Assistance to the Village of Taos Ski Valley for Accessing the Village's Utilities on TSVI's Strawberry Hill during Periods of Winter Snow Cover

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

E. Introduction: Ordinance No. 2019-66 Approving a 4% Increase to Water and Sewer Rates, Separating the Water rates from the Sewer Rates, and Keeping the Trash Rates the Same for Fiscal Year 2019
At the May 4, 2018 Village of Taos Ski Valley Council meeting, Council preliminarily approved FY2019 Final Budget adoption. As part of the FY2019 Final Budget, the FY 2019 Budget Summary is adopted, which stated in regards to water and sewer rates and trash collection fees; “Staff is recommending a 4% increase in the fixed and variable rates. This equates to the water/sewer variable rate going from \$.0454/gal to \$.0472/gal, or a \$.0018/gal increase, and the fixed rate going from \$56.82/EQR to \$59.09/EQR, or a \$2.27/EQR increase. Staff recommends that there should be no increase in the trash fees this year.”

Additionally, water and sewer operating will be split into water fund 01 and sewer fund 02. This was a prerequisite to meeting requirements to qualify for the USDA Wastewater Treatment Plant loan. Both funds are enterprise funds and should be self-supporting. When split, the previous fund 01 was allocated roughly at a 20/80 split between 01 water and 02 sewer. Even with higher forecasting of usage and revenue, the funds would still not be operating as self-funding enterprise funds. In FY17 it was forecasted that without the Blake Hotel, the Village required at least a 16% increase in variable and fixed rates in order for the water/sewer fund to break even. A 4% increase will keep the Village in pace with rising operation and maintenance costs and will continue to advance the Village closer to funds 01 and 02 becoming true enterprise self-supporting funds. With the projected WWTP, USDA debt service payment, it is more important than ever to insure that these two funds become self-financing.

Discussion followed. Some of the Councilors asked to have more details to create a better understanding of costs. It was suggested that alternative methods be investigated to find revenue to sustain the water and sewer operations. It was suggested that the consumers wanted predictability and not variability. There was discussion about extending water and sewer lines to those areas not currently served, in order to capture more revenue. In addition, homes within 150 feet of water and sewer lines should be made to hook up through enforcement of the Village ordinance. Data on the number of homes connected and not connected, as well as those with access but not connected, will be reviewed.

Administrator Fratrack said that it is important to be aware of the cost of inflation on materials and supplies. An option could be to institute a fixed charge that was greater and a usage charge that was smaller, to provide more continuity from month to month and year to year. Administrator Fratrack offered to have FEI engineer Patrick O’Brien give an explanation of the new plant’s operating costs, whether they will be higher or lower than current costs.

More discussion followed. There was an interest in having the costs shared by the whole community, in increasing efficiencies, and in having a holistic approach, so that everyone participates to make the entire system work.

No action was required at this time as this was the first reading of the ordinance.

4. APPROVAL OF THE MINUTES OF THE JULY 10, 2018 VILLAGE COUNCIL REGULAR MEETING

MOTION: To take this item off of the table

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

MOTION: To postpone this item until the August 14, 2018 Council meeting

Motion: Councilor Stagg Second: Councilor Pattison Passed: 4-0

6. MISCELLANEOUS

A. Councilor Wittman urged citizens to attend the Planning & Zoning Commission meeting that was taking place that afternoon at 1:00 p.m. at Tenderfoot Katie’s.

B. A new wildland fire truck has been ordered and will be driven back from Dallas soon.

C. Councilor Kern reported on recent conversations he had with Kit Carson CEO Luis Reyes. Councilor Kern was concerned that originally Kit Carson was offering hook ups to fiber optic at no cost, and now the costs were substantial. The cost is based on the distance from the pedestal for the cost of the trench, or in Amizette, the distance from the overhead line. The homeowner could hire a private contractor to dig the trench, but that does not seem to cost much less than having Kit Carson dig it. The charge would be approximately \$1,200 for 60 linear feet of trench at Councilor Kern’s property, but this could vary by property depending on difficulty of access. There was a “rock-adder” charge of \$400 included in the \$1200. However, Kit Carson promises better service, particularly in emergencies like weekend outages, to commercial users.

