

47 (BDM LEASING, LLC PROJECT) SERIES 2014 IN THE MAXIMUM
48 PRINCIPAL AMOUNT OF \$5,000,000 TO PROVIDE FUNDS TO FINANCE
49 THE ACQUISITION, CONSTRUCTION, EXPANSION AND EQUIPPING OF
50 A MANUFACTURING AND ASSEMBLY FACILITY; AUTHORIZING THE
51 EXECUTION AND DELIVERY OF AN INDENTURE, A LEASE
52 AGREEMENT, A BOND PURCHASE AGREEMENT, BOND, AND OTHER
53 DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS
54 AND THE PROJECT; MAKING CERTAIN DETERMINATIONS AND
55 FINDINGS RELATING TO THE BOND AND THE PROJECT; RATIFYING
56 CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL
57 ACTIONS INCONSISTENT WITH THIS ORDINANCE.

58

59 WHEREAS, the Town of Bernalillo (the "Town") is a legally and regularly created,
60 established, organized and existing municipality of the State of New Mexico (the "State") created
61 pursuant to the laws of the State, as amended; and

62

63 WHEREAS, pursuant to New Mexico Statutes Annotated, Sections 3-32-1 through 3-32-16
64 NMSA 1978, as amended (the "Act"), the Town is authorized to acquire industrial revenue projects
65 to be located within the Town and within 15 miles of the corporate limits of the Town, to issue
66 industrial revenue bonds and to use the proceeds of such bonds for the purpose of promoting the use
67 of the natural resources of the State and promoting industry and developing trade or other economic
68 activity to secure and maintain a balanced and stable economy in the Town to promote public health,
69 welfare, safety, convenience and prosperity; and

70

71 WHEREAS, BDM Leasing, LLC (the "Company"), is a limited liability company organized
72 under the laws of the State; and

73

74 WHEREAS, the Company has presented to the Town of Bernalillo Council (the "Town
75 Council") a proposal whereby the Town would (a) issue its Taxable Industrial Revenue Bond (BDM
76 Leasing, LLC Project), Series 2014 (the "Bond") and (b) maintain ownership of the land and
77 equipment to acquire, construct, expand and equip a manufacturing facility (collectively, the "Project
78 Property") for the purpose of manufacturing equipment for governmental and commercial use; and

79

80 WHEREAS, the Company has requested that the Town issue industrial revenue bonds for the
81 purpose of providing funds to finance the acquisition, construction, expansion, and equipping, of a
82 manufacturing facility (the "Project"); and

83

84 WHEREAS, under the Company's proposal, the Town would enter into an Indenture of Trust
85 (the "Indenture") with MCT Development, Inc., a related corporation of the Company (the

86 “Purchaser”) and a Depository acceptable to the Town and the Purchaser pursuant to which, together
87 with this ordinance (the “Bond Ordinance”), the Town would issue the Bond; and
88

89 WHEREAS, under the Company’s proposal, the Town and the Company would enter into a
90 Lease (the “Lease”), pursuant to which the Company will lease the Project Property from the Town,
91 and the Company will make payments sufficient to pay the principal of and interest on the Bond and
92 to pay all other obligations incurred pursuant to the provisions of the Lease and the Bond Ordinance;
93 and
94

95 WHEREAS, the Town is authorized to enter into, deliver and perform all of its obligations
96 under the Bond Documents and to issue, execute and deliver the Bond pursuant to the Act and the
97 Bond Ordinance; and
98

99 WHEREAS, the Bond in a principal amount not to exceed \$5,000,000 will be issued, sold
100 and delivered by the Town, in a private sale to the Purchaser, pursuant to a bond purchase agreement
101 to be dated as of the initial date of delivery of the Bond, among the Town, the Purchaser and the
102 Company (the “Bond Purchase Agreement”); and
103

104 WHEREAS, the proceeds of the Bond shall be applied to pay the costs of the Project and to
105 pay certain costs associated with the transaction; and
106

107 WHEREAS, the Town Council has determined that it is in the best interest of the Town to
108 issue the Bonds and to execute and deliver the Bond Documents, defined below, and other
109 documents related thereto; and
110

111 WHEREAS, the Town will enter into the following documents in connection with the
112 issuance of the Bond:
113

- 114 1. Lease
- 115 2. Indenture
- 116 3. Bond Purchase Agreement
- 117 4. Bond
118

119 The Lease, Indenture, Bond Purchase Agreement and Bond are collectively referred to in the
120 Bond Ordinance as the “Bond Documents”; and
121

122 WHEREAS, the Town is authorized to issue the Bond under the Act and after having
123 considered the Company’s proposal, has concluded that it is desirable at this time to authorize the
124 issuance of the Bond to finance the Project and that the Town’s issuance of the Bond will

125 constitute and be a valid public purpose; and

126

127 WHEREAS, the Town Council has been advised by Bond Counsel that the disclosure
128 provisions of Rule 15c2-12 of the Securities and Exchange Commission are not applicable to this
129 transaction inasmuch as the Bond is being sold in a private sale without participation of an
130 underwriter; and

131

132 WHEREAS, pursuant to Section 3-32-6.1 NMSA 1978, the Town has provided notice to the
133 Sandoval County Assessor and the Sandoval County Commission of the Town's intent to consider
134 this Bond Ordinance for the issuance of the Bonds at least thirty (30) days prior to final action upon
135 the Bond Ordinance; and

136

137 WHEREAS, there has been published in the *Albuquerque Journal*, a newspaper of general
138 circulation in the Town, public notice of the Town's intention to adopt this Bond Ordinance, which
139 notice contained certain information concerning the ownership, purpose, location and size of the
140 Project and the amount of the Bond to be issued to finance the Project, which notice was published at
141 least fourteen (14) days prior to final action upon this Bond Ordinance; and

142

143

144 BE IT ORDAINED BY THE TOWN OF BERNALILLO TOWN COUNCIL, THE
145 GOVERNING BODY OF THE TOWN OF BERNALILLO, NEW MEXICO:

146

147 Section 1. RATIFICATION. All actions not inconsistent with the provisions of this
148 Bond Ordinance previously taken by the Town Council and the officials of the Town directed toward
149 approval of the issuance and sale of the Bond be approved and the same hereby are ratified, approved
150 and confirmed.

151

152 Section 2. FINDINGS.

153

154 A. General. The Town Council hereby declares that it has considered all relevant
155 information presented to it relating to the Bonds and the Project and hereby finds and determines that
156 the issuance of the Bond pursuant to the Bond Ordinance to provide funds for the Project is
157 necessary and advisable and in the interest of and will promote industry and trade and a sound and
158 proper balance in the State between agriculture, commerce and industry.

159

160 B. The Town Council finds that:

161

162 (1) The Bond will be issued for the purpose of financing the Project.

163

164 (2) The face amount of the Bond to be issued with respect to financing the
165 Project is not to exceed \$5,000,000.

166
167 (3) The developer of the Project Property is the Company.

168
169 (4) The Project Property is located in Tierra Montana Business Park,
170 Bernalillo, New Mexico.

171
172 Section 3. BOND - APPROVAL, AUTHORIZATION AND DETAIL.

173
174 A. Approval and Sale.

175
176 The issuance of the Bond in a principal amount not to exceed \$5,000,000 and
177 the use of the proceeds of the Bond to finance the cost of the Project including payment of
178 transaction expenses related thereto are hereby approved and confirmed. The sale of the Bond at par
179 at a purchase price not to exceed \$5,000,000 is approved.

180
181 B. Form and Terms.

182
183 Subject to the limitations set forth in this Bond Ordinance, the Bond shall (i)
184 be in the form and denomination and shall be numbered and dated as set forth in the Indenture, (ii) be
185 payable as to principal and interest and subject to optional and mandatory redemption and defeasance
186 in the amounts, upon the conditions and at the times and prices set forth in the Indenture; and (iii) be
187 issued in a principal amount not to exceed \$5,000,000, bearing interest at the rate and maturing on
188 the date set forth in the Indenture.

189
190 C. Execution. The Bond shall be signed by the presiding officer of the Town
191 Council.

192
193 D. Interest Rate. The interest rate on the Bond shall be three and a half percent
194 (3.50%).

195
196 Section 4. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS;
197 ACTIONS TO BE TAKEN. The Bond Documents in the form presented to the Town Council are
198 hereby approved, authorized and confirmed. The Mayor is authorized to execute and deliver in the
199 name and on behalf of the Town, and the Town Clerk is authorized to attest, as necessary, the Bond
200 Documents and the Bond with such changes therein as are not inconsistent with this Bond
201 Ordinance.

202

203 The Town Manager and Town Clerk are further authorized to execute, authenticate and
204 deliver such certifications, instruments, documents, letters and other agreements, including security
205 agreements, and to do such other acts and things, either prior to or after the date of delivery of the
206 Bond, as are necessary or appropriate to consummate the transactions contemplated by the Bond
207 Documents.

208
209 The Mayor, Town Manager, Town Clerk, and other officers of the Town shall take such
210 action as is necessary to effectuate the provisions of the Indenture and shall take such action as is
211 necessary in conformity with the Act to finance the costs of the Project and for carrying out other
212 transactions as contemplated by this Ordinance, and the Bond Documents, including, without
213 limitation, the execution and delivery of any closing documents to be delivered in connection with
214 the sale and delivery of the Bond.

215
216 Section 5. DELIVERY OF BOND. Upon the execution of the Bond Documents, the
217 satisfaction of the conditions set forth in the Bond Documents and upon receipt of the purchase price
218 for the Bond, the Bond shall be executed, authenticated and delivered to the Purchaser. The Bond
219 shall not be valid for any purpose until the Bond has been properly authenticated as set forth in the
220 Indenture.

221
222 Section 6. FUNDS AND ACCOUNTS. There is established in the Indenture, and on and
223 after the date on which the Bond is issued there shall be maintained, the funds and accounts as set
224 forth in the Indenture. Other funds and accounts may be established as are necessary under the
225 Indenture.

226
227 Section 7. FINDINGS REGARDING PAYMENT OF PRINCIPAL AND OTHER
228 MATTERS. The following determinations are made:

229
230 A. The Bond shall have a single maturity in 2044. The maximum amount
231 necessary in each year to pay the principal amount and interest on the Bond, assuming issuance of
232 the Bond as of May 1, 2014, in the maximum principal amount of \$5,000,000 and bearing an interest
233 rate of 3.50%, is as follows:

	<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
234				
235				
236	2015	\$0.00	\$175,000.00	\$175,000.00
237	2016	0.00	175,000.00	175,000.00
238	2017	0.00	175,479.45	175,479.45
239	2018	0.00	175,000.00	175,000.00
240	2019	0.00	175,000.00	175,000.00
241	2020	0.00	175,000.00	175,000.00
242	2021	0.00	175,479.45	175,479.45
243	2022	0.00	175,000.00	175,000.00
244	2023	0.00	175,000.00	175,000.00
245	2024	0.00	175,000.00	175,000.00
246	2025	0.00	175,479.45	175,479.45
247	2026	0.00	175,000.00	175,000.00
248	2027	0.00	175,000.00	175,000.00
249	2028	0.00	175,000.00	175,000.00
250	2029	0.00	175,479.45	175,479.45
251	2030	0.00	175,000.00	175,000.00
252	2031	0.00	175,000.00	175,000.00
253	2032	0.00	175,000.00	175,000.00
254	2033	0.00	175,479.45	175,479.45
255	2034	0.00	175,000.00	175,000.00
256	2035	0.00	175,000.00	175,000.00
257	2036	0.00	175,000.00	175,000.00
258	2037	0.00	175,479.45	175,479.45
259	2038	0.00	175,000.00	175,000.00
260	2039	0.00	175,000.00	175,000.00
261	2040	0.00	175,000.00	175,000.00
262	2041	0.00	175,479.45	175,479.45
	2042	0.00	175,000.00	175,000.00
	2043	0.00	175,000.00	175,000.00
	2044	5,000,000.00	175,000.00	5,175,000.00

- 263
- 264 B. The Bonds will bear interest at the rate of three and a half percent (3.50%).
- 265
- 266 C. The Bonds may be redeemed at any time without premium.

267
268 D. It shall not be necessary to deposit any amount in a debt service reserve fund
269 or a repair and replacement reserve fund for the maintenance of the Project Property.
270

271 E. The Lease requires that the Company maintain the Project Property in safe
272 repair and in such operating condition as is needed for its operations and carry proper insurance with
273 respect to the Project Property as provided in the Lease.
274

275 **F. The Lease requires the Company to make lease payments in an**
276 **amount sufficient to pay the principal of and interest on the Bond as principal and interest**
277 **become due and to pay all Related Costs.**
278

279 **G. The Bond shall be issued on or before December 31, 2014, or on or**
280 **before December 31, 2015 if the Company gives notice to the Town by December 31, 2014**
281 **of its need to extend the time by which the Bond shall be issued.**
282

283 **Section 8. LIMITED OBLIGATIONS. The Bond shall be a special, limited**
284 **obligations of the Town, payable solely from the Basic Rent (as defined in the Lease) paid**
285 **by the Company to the Town as described in the Indenture and any other property or**
286 **interest of the Town specifically pledged under the Indenture and shall never constitute a**
287 **debt or indebtedness of the Town or the State or any political subdivision thereof within**
288 **the meaning of any provision or limitation of the State Constitution or statutes, and shall**
289 **not constitute or give rise to a pecuniary liability of the Town or a charge against its**
290 **general credit or taxing power. Nothing contained in the Bond Ordinance or in the Bond**
291 **Documents or any other instrument shall be construed as obligating the Town (except with**
292 **respect to the Project Property and the application of the revenues therefrom and the**
293 **proceeds of the Bond, all as provided in the Bond Documents), nor as incurring a**
294 **pecuniary liability or a charge upon the general credit of the Town or against its taxing**
295 **powers, nor shall the breach of any agreement contained in the Bond Ordinance, the Bond**
296 **Documents, the Bond or any other instrument be construed as obligating the Town (except**
297 **with respect to the Project Property and the application of the revenues therefrom and the**
298 **proceeds of the Bond, all as provided in the Bond Documents), nor as incurring a**
299 **pecuniary liability or a charge upon the general credit of the Town or against its taxing**
300 **power, the Town having no power to pay out of its general funds, or otherwise contribute**
301 **any part of the costs of acquiring, constructing, expanding or equipping the Project**
302 **Property, nor power to operate the Project Property as a business or in any manner except**
303 **as lessor of the Project Property.**
304

305 **Section 9. APPROVAL OF INDEMNIFICATION. The Town Council**

306 **specifically requires that the Lease contain provisions relating to indemnification which**
307 **provide that the Company shall indemnify and hold harmless the Town and its Town**
308 **Council, officials, employees and agents against liability to the Company, or to any third**
309 **parties, that may be asserted against the Town or its Town Council, officials, members,**
310 **officers, employees or agents with respect to the Town's ownership of the Project Property**
311 **or the issuance of the Bond and arising from the condition of the Project Property or the**
312 **acquisition, construction and operation of the Project Property by the Company, except to**
313 **the extent New Mexico Statutes Annotated Section 56-7-1, 1978 Compilation, would**
314 **preclude such indemnity, and except claims for any loss or damage arising out of or**
315 **resulting from the gross negligence or willful misconduct of the Town or its Town council,**
316 **or any official, employee or agent of the Town.**

317
318 **Section 10. BOND ORDINANCE IRREPEALABLE. After the Bond is issued,**
319 **the Bond Ordinance shall be and remain irrevocable until the Bond, including interest, is**
320 **fully paid, canceled and discharged or there has been defeasance of the Bond in accordance**
321 **with the Indenture.**

322
323 Section 11. REPEALER. All bylaws, orders, resolutions and ordinances, or parts thereof,
324 inconsistent with this Bond Ordinance are repealed by this Bond Ordinance but only to the extent of
325 that inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or
326 ordinance, or part thereof, previously repealed.

327
328 **Section 12. SEVERABILITY. If any section, paragraph, clause or provision of**
329 **the Bond Ordinance shall for any reason be held to be invalid or unenforceable, the**
330 **invalidity or unenforceability of that section, paragraph, clause or provision shall not affect**
331 **any of the remaining provisions of the Bond Ordinance.**

332
333 Section 13. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE DATE.
334 This Ordinance, immediately upon its final passage and approval, shall be authenticated by the
335 signature of the Mayor, and by the signature of the Town Clerk, and shall be recorded in the
336 Ordinance book of the Town, kept for that purpose, and shall be in full force and effect thereafter in
337 accordance with the laws of the State, and notice of adoption thereof shall be published once in a
338 newspaper which maintains an office in, and is of general circulation in the Town.

339
340 Done this 24th day of March, 2014.

341
342 TOWN COUNCIL OF THE
343 TOWN OF BERNALILLO, NEW MEXICO
344

345 Those present representing MCT, Inc. were Ted Martinez, Claudine Martinez, Regina Damon, Frank
346 Duran and Duane Brown from Modrall & Sperling.

347
348 Duane Brown stated authorizing taxable bond of \$5 million in industrial revenue bonds for MCT Inc. to
349 construct and equip an 80,000 square-foot building. In 2000 the Town approved taxable bonds to construct
350 the existing building. This will promote job development within the Town of Bernalillo.

351
352 Mayor Torres asked is there any liability to the Town.

353
354 Duane Brown stated that there is no liability to the Town state statue is clear on that. Case law has
355 supported that. BDM leasing will indemnify the Town for any liability of the project or issuance of the
356 bonds.

357
358 Councilor Dominguez stated that on page 4 it states the Town Manager will execute the document and we
359 do not have a Town Manager.

360
361 Duane Brown stated that we can strike that out. The Mayor and Clerk are authorized to sign the
362 documents.

363
364 Councilor Jaramillo asked about the indemnity and wanted to make sure the Town is not in any way liable.

365
366 Duane Brown stated that on page 7 of the ordinance in section 9 specifies the town's indemnification in
367 relation to bond and the project.

368
369 Mayor Torres stated that the Town Attorney and Chris Muirhead Bond Attorney have both reviewed the
370 ordinance and found no issues with the document.

371
372 Councilor Sisneros asked what was the number of jobs that the project would bring to the Town.

373
374 Duane Brown stated 20 to 40 new employees with respect to the project.

375
376 Mayor Torres asked the leverage of those jobs is to have some of those jobs be local.

377
378 Councilor Prairie asked in 2000 with the first project it was stated that MCT would work with the schools
379 to train painters and welders.

380
381 Ted Martinez President of MCT Inc. stated that he has invited the New Mexico Workforce to come and
382 see the plant.

383

384 Councilor Prairie asked has the company participated in career day at the high school.
385
386 Ted Martinez stated he does not know who to contact to be a part of that at the high school.
387
388 Mayor Torres suggested to advertise the job announcements on our web site and to be advertised in our
389 newsletter.
390
391 Ted Martinez stated he would be happy to work with us to post the jobs available at MCT in Bernalillo.
392
393 Councilor Jaramillo asked what is phase 2 of your project.
394
395 Ted Martinez stated MCT Inc. has been granted a contract with the USAF to manufacture six types of
396 maintenance platforms for Air Force aircrafts. Also a companion trailer for the Humvees.
397
398 Mayor Torres stated that MCT Inc. is an extraordinary success story. We see how successful they have
399 been. Whatever the town can do for recruitment such as introduction to people at the high school we
400 encourage it. The benefit will be both to you and the Town.
401
402 Mayor Torres asked what the timing on the project was.
403
404 Ted Martinez stated breaking ground in 90 days and 8 months to build the new building.
405
406 Mayor Torres swore in those wishing to speak for/against Ordinance#277.
407
408 Mr. James Pike spoke about working with the schools to get some of the youth trained in welding a
409 mechanical engineering to be able to obtain the skills need to work at places like MCT Inc.
410
411 Mayor Torres entertained a motion to adopt Ordinance #277 Authorizing the Issuance of the Town
412 of Bernalillo, New Mexico Taxable Industrial Revenue Bond (BDM Leasing, LLC Project)
413 Series 2014 in the Maximum Principal Amount of \$5,000,000 to Provide Funds To Finance the
414 Acquisition, Construction, Expansion and Equipping of a Manufacturing and Assembly Facility;
415 Authorizing the Execution and Delivery of an Indenture, A Lease Agreement, A Bond Purchase
416 Agreement, Bond, and Other Documents in Connection with the Issuance of the Bonds and the
417 Project; Making Certain and Determinations and Findings Relating To the Bond and the Project;
418 Ratifying Certain Actions Taken Previously; and Repealing All Actions Taken Previously; and
419 Repealing all Actions Inconsistent with this Ordinance.
420
421 Councilor Jaramillo moved to adopt Ordinance #277. The Motion was seconded by Councilor Sisneros.
422

423 Roll Call
424 Councilor Dominguez Yea
425 Councilor Jaramillo Yea
426 Councilor Sisneros Yea
427 Councilor Prairie Yea

428
429
430 **PROCLAMATION: 6a Fair Housing Month**

431
432 **PROCLAMATION**
433 **03-24-2014**

434
435 **Whereas**, the National Fair Housing Law of 1968, as amended, prohibits discrimination in
436 housing and declares it a national policy to provide, within constitutional limits, for fair housing
437 in the United States of America, and

438 **Whereas**, the principles of Fair Housing are not only national law and national policy, but a
439 fundamental human concept and entitlement for all Americans, and

440 **Whereas**, the anniversary of the National Fair Housing Law, during the month of April, provides
441 an opportunity for us as a Town to recognize that complete success in the goal of equal housing
442 opportunity can only be accomplished with the help and cooperation of all residents of
443 Bernalillo.

444 **Now therefore, I, Jack Torres, Mayor of the Town of Bernalillo, do hereby proclaim April,**
445 **2014 as**

446 **FAIR HOUSING MONTH**

447 In the town of Bernalillo and do hereby urge all the citizens of this town to become aware of and
448 support the Fair Housing Law.

449
450 Done this 24th day of March, 2014

451
452 **MINUTES: 7a) Regular Meeting of February 10, 2014**

453 Councilor Prairie moved to approve the minutes of March 10, 2014 as presented. The motion
454 was seconded by Councilor Sisneros and the motion carried unanimously.

455
456 **PERSONNEL: 8b) Utility Administrative Assistant. Presenter Yolanda Mora**

457 Yolanda Mora stated that she is requesting the ratification of the hiring of Sandy Mirabal as the
458 Utility Administrative Assistant for the Town of Bernalillo Public Works Department.

459
460 Councilor Dominguez moved to approve the hiring of Sandy Mirabal as the Utility
461 Administrative Assistant for the Town of Bernalillo Public Works Department.

462 The motion was seconded by Councilor Prairie and the motion carried unanimously.
463

464 **NEW BUSINESS: 9a) Discussion Consideration, Action and Adoption of 3-24-14 A**
465 **Resolution Authorizing The Water Field Service Program Grant (WCFSP) Application.**

466 **Presenter: Maria Rinaldi**

467 **RESOLUTION 03-2401014B**

468 **A RESOLUTION AUTHORIZING THE WATER FIELD SERVICES PROGRAM**
469 **GRANT (WCFSP) APPLICATION**

470

471 **WHEREAS**, The Bureau of Reclamation has requested applications for water conservation
472 efforts, and

473

474 **WHEREAS**, The Town of Bernalillo desires to create a Municipal Water Conservation plan, and

475

476 **WHEREAS**, such plan will include actions to make both the municipal water system and water
477 users more efficient in their water use, and

478

479 **WHEREAS**, The Town of Bernalillo has committed to budgeting a cash match for such
480 application in the amount of \$6,919.00 in the FY2014-15 Utility Budget, and

481

482 **WHEREAS**, The Town of Bernalillo will commit staff efforts to this project for an In-Kind
483 contribution in the amount of \$7,356.00

484

485 **NOW, THEREFORE BE IT RESOLVED** that the Governing Body of the Town of Bernalillo
486 does hereby authorize the submittal of the Town of Bernalillo Water Conservation Field Services
487 Program Grant Application for the purpose of fund a Municipal Water Conservation Plan
488 requesting \$14,275.00 in funding from the Bureau of Reclamation.

489

490 **Passed, Approved and adopted this 24th day of March, 2014**

491

492 Mayor Torres entertained a motion.

493

494 Councilor Dominguez made a motion to adopt Resolution 3-24-14 A Resolution Authorizing the
495 Water Field Service Program Grant (WCFSP) Application. The motion was seconded by
496 Councilor Jaramillo and the motion carried unanimously.

497

498 **NEW BUSINESS: 9b) Discussion Consideration, Action of Restructuring and**
499 **Reorganization of Water and Waste Water Department with Salary Restructuring.**

500 **Presenter: Andy Edmondson**

501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537

PUBLIC WORKS DEPARTMENT

Water Department

Seven Days a Week / Eight Hours a Day Operations Hourly Wage Increases

Using existing resources, the Public Works Department (PWD) proposes implementing a change in the work schedule for water department employees. This change would enhance customer service by providing service to residents and businesses outside normal hours. PWD proposes to modify the work hours of the water department to work seven days a week, eight hours a day. This can be done using existing personnel. This change will result in a full-service department offering residents and businesses the benefit of public services seven days a week. The goals of this proposed change are threefold: Increase customer service, reduce overtime, and increase the hourly wages of water operators.

Existing Worker Conditions:

- Seven employees (one of which is a Superintendent) working Monday through Friday, 8 am – 5 pm with one hour for lunch.
- One employee (of the seven) on-call for non-working hours.

Existing Service Conditions:

- Parts of our water system have old and aging pipes which leak. Right now the water department waits to fix small line breaks that occur on Saturday and Sunday until Monday.

Benefits to having a crew working seven days a week / eight hours a day:

- Crews can respond to and fix leaks as they occur.
- Regular work orders can be completed on weekends.
- Being in the community seven days a week makes the water department more visible in the community and allows the crews to be responsive to the needs of residents and business owners.
- Helps ensure that our storage tanks and wells maintain operational levels.
- Allows for a more immediate response to significant system failures.
- Significantly reduces overtime thus reducing operating costs.
- Reduced operating costs allow the opportunity to increase hourly salaries.

538
 539
 540
 541
 542
 543

Proposed Schedule:

	M	T	W	T	F	S	S	M	T	W	T	F	S	S
Crew 1		3	3	3	3	3			3	3	3	3	3	
Crew 2	4	4	4	4			4	4	4	4	4			4

544
 545
 546
 547
 548
 549
 550
 551

The crews will change schedules every quarter.

Four man crew

Water Superintendent
 Production Operator (level 3)
 Distribution Operator (level 2)
 Labor (Level 1)

Three man crew

Production Operator (level 3)
 Distribution Operator (level 2)
 Labor (Level 1)

552 What about large scale installations or repairs?

553
 554
 555
 556
 557

On occasion, the Water Department installs new valves, makes interconnections, and replaces sections of large diameter distribution lines. These tasks may require more than a four man crew to accomplish. These tasks will be scheduled to occur during the weekdays when a full seven man crew is present.

558

559 What happens in an emergency?

560
 561
 562
 563
 564
 565
 566
 567
 568

On rare occasions an emergency situation may occur, which requires 4 or more employees to resolve (i.e. main water line break on US 550). If this situation occurs on a Monday or Friday the water crew would be supported by employees of either the Wastewater or Parks Departments. If the situation occurs during the weekend the Water Department will be supported by the on-call staff from Wastewater and Parks. If the above staffing is inadequate to resolve emergency, the Water Department crew will contact the Public Works Director or Water Superintendent to arrange assistance from outside contractors.

569 What will this change in schedule cost the Town of Bernalillo?

570
 571

The PWD doesn't anticipate any cost. The change can be made with existing personnel. In fact

572 PWD expects a substantial savings in overtime hours.

573

574 Employees of the water department are already working most weekends. Currently staff is paid
575 overtime for system checks on Saturday and Sunday. Water department staff has reduced
576 overtime during the week by working 8:00 am to 5:00 pm Monday through Friday. Additional
577 overtime reduction will occur by extending working hours to include the weekend.

578

579 • Last fiscal year, water department employees worked 2,040 hours of overtime
580 costing the town \$46,400.

581 • From July 1st 2013 to November 3rd, 2013 employees received 1,435 hours of
582 overtime (averaging almost 79 hours of OT a week) costing the town \$32,600.

583 (Projected FY2014 cost: \$97,800)

584 • From November 4th to February 23rd employees have received 467 hours of
585 overtime (averaging 26 hours of overtime every week) costing the Town \$10,600.
586 Since the last week of October, 2013 most overtime has occurred on weekends.

587 (Projected FY2014 cost: \$53,700)

588

589 Water department staff has reduced projected FY2014 overtime costs from \$97,800 to \$53,700
590 with the Monday through Friday schedule change. This proposal will reduce FY2014 projected
591 overtime costs an additional \$8,700 during this last quarter.

592

593 With ageing infrastructure, the town cannot eliminate all overtime but the goal is to limit the use
594 of overtime to emergencies only. PWD expects to be able to cut overtime to 10 hours per pay
595 period or 260 hours a year for a total cost of \$6,500 a year.

596

597

598

599

600 New Organization Structure

601 Water Department

602 1-Superintendent (requires level 4)

603 2-Production operator (requires level 3)

604 2-Distribution operator (requires level 2)

605 2-Laborer/Meter Reader

606

607 Wastewater Department

608 1-Administrative Supervisor (required level 4)

609 1-Plant operator (requires level 3)

610 1-Collections operator (requires level 3)

611 1-Laborer
 612 Salary Changes in Water and Wastewater Departments

Larry	WW	\$18.13/hr + \$1600	\$18.78/hr + \$500/yr
Mark	WW	\$10.72/hr + \$1600	\$16.64/hr+ \$250/yr
Pete	W	\$10.75/hr + \$500	\$13.64/hr
Robert	W	\$10.51/hr +250	\$11.63/hr
Jerome	W	\$10.30/hr + \$500	\$13.19/hr

613
 614 The proposed wage incorporates the new organizational structure, work task, certification levels,
 615 and regulatory requirements for system operation.

616
 617 Mayor Torres entertained a motion.

618
 619 Councilor Jaramillo made a motion to approve the restructuring and reorganization of Water and
 620 Waste Water Department with Salary Restructuring. Councilor Sisneros seconded the motion.

621
 622 Roll Call Vote
 623 Councilor Jaramillo Yea
 624 Councilor Dominguez Yea
 625 Councilor Prairie Yea
 626 Councilor Sisneros Yea

627
 628 **FINANCIAL SECTION:10a) Approval of Accounts Payable Voucher List.**

629 Mayor Torres asked for a motion to approve the accounts payable voucher list in the amount of
 630 \$233,411.29.

631
 632 Councilor Sisneros made a motion to approve the accounts payable voucher list in the amount of
 633 \$233,411.29. The motion was seconded by Councilor Jaramillo and the motion carried
 634 unanimously.

635
 636 **MISCELLANEOUS SECTION:11a) Public Comment.**

637 None.

638
 639 **MISCELLANEOUS SECTION: 11b) End of Month Financials. Presenter: Juan**
 640 **Torres**

641 Juan Torres presented a General Fund Summary Report to the Governing Body. The expense
 642 summary report has current budget, current period, YTD actual, YTD encumbrance, budget
 643 balance, and percent of budget. There is also a Revenue Summary with the same information.

644 The report will assist the Governing Body with the information on each department's financial
645 status. The report will be given to the Governing Body monthly for all funds.

646

647 **MISCELLANEOUS SECTION: 11c) Announcements. Presenter: Mayor Torres**

648 Mayor Torres made the following announcements;

649

650 Mayor Torres stated he and Maria Rinaldi attended Middle Rio Grande Conservancy District
651 board meeting. Dan Aguirie from Wilson and Company presented our project. It was well
652 received. Storm water in the Bernalillo Acequia proposing to widen the ditch between Bobby
653 Place and Richardson by taking the road on the east side and putting some structures in there thru
654 a trunk line and thru a release valve to take the water to Athena Pond. Once we hear more news
655 it will be relayed on to the Governing Body.

656

657 Mayor Torres stated you have received a copy of the Capital Outlay from the Legislature
658 Coronado League \$100,000, Rotary Parks Improvement \$65,000 Street Improvements to the
659 Thatcher Addition \$353,000 and Water Improvements \$195,000.

660

661 There being no further business, Councilor Dominguez moved to adjourn the meeting at
662 7:40 P.M. The motion was seconded by Councilor Prairie and carried unanimously.

663

664

665 Done this 24th day of March 2014.

666

667

668 ATTEST:

669

670 _____
671 Ida Fierro, Town Clerk
(seal)

Jack S. Torres, Mayor