

City of Rio Communities Council Minutes
Regular Business Meeting
October 22, 2019

Call to Order

- Mayor Pro-tem Peggy Gutjahr called to order the city council regular business meeting at 6:00 pm.

Pledge of Allegiance

- Abel Romero led the Pledge of Allegiance.

Roll Call

- Present: Mayor Pro-tem Peggy Gutjahr, Councilors; Bill Brown, Arturo Sais and Joshua Ramsell.
Absent: Mayor Mark Gwinn
Present: Municipal Clerk Lisa Adair.

Approval of Agenda

- Councilor Ramsell moved to approve the agenda for the regular business meeting of October 22, 2019. The motion was second by Councilor Sais. With a 4-0 vote the agenda for the regular business meeting for October 22, 2019 was approved as presented.

Approval of Workshop Minutes

- Councilor Sais moved to approve the Workshop minutes of 9/24/2019. The motion was second by Councilor Ramsell. With a 4-0 vote the workshop minutes of September 24, 2019 was approved as written.

Approval of City Council Minutes

- No minutes to approve.

Public Hearing

- Mayor Pro-Tem Gutjahr asked for a motion with a roll call vote
 - **Motion and roll call vote to recess Regular Business Meeting session and to go into Public Hearing:**
 - Councilor Sais made a motion with a roll call vote to go into public hearing from the regular business meeting session regarding Ordinance 2019- Chapter 3 Revenue and Finance Article 5 Municipal GRT. The motion was second by Councilor Brown. Vote: Councilor Ramsell-yes; Councilor Gutjahr-yes; Councilor Sais-yes and Councilor Brown-yes. With a 4-0 vote Council recessed the regular business meeting session and went into public hearing at 6:05 pm.
 - **Ordinance 2019-__ Chapter 3 Rev & Finance Article 5 Municipal GRT**
 - Mayor Pro-Tem Gutjahr said there were no signatures on the sign-up sheet to speak regarding the GRT ordinance, she then went over the ordinance and raising the gross

receipt tax from currently 7.4375% to 7.6875% which would bring in approximately \$47,000 annually.

- Councilor Sais asked where we stand in regard to other Municipalities.
- Mayor Pro-Tem Gutjahr said even if we raise it we are the lowest in the County and the next lowest would be Peralta at 7.9375% and Los Lunas just raised theirs but was at 8.3125% Bosque Farms is at 8.1875% and they are also raising theirs in January and Belen is 8.3125%.
- Councilor Ramsell further explained that this increase is this is recurring revenue that for the community and not only directed to the residents but the broader area of revenue coming from people coming through our city and shopping and receiving services throughout the City.
- Mayor Pro-Tem Gutjahr said we have had extensive conversations on how to fund another officer which has been an ongoing request and explained other areas that they considered looking into for revenue.
 - A few audience members asked to be put on the signup sheet to speak.
- Ron Gentry said Madam Councilor and Councilmen he was at the workshop today and spoke his opinion on it, not a whole lot of information on it, just a little bit of clarity and brought up the fact at that meeting this morning none of us knew how much that was going to yield by passing it, Councilor Brown asked that questions and nobody had the answer and Mr. Winters finally came up with the answer, it was around \$40,000 and said in his comments, at the time that he served they always looked and see how much yield before they pass the tax and his consideration of it, gross receipt tax is a regressive tax and that's placed on the consumer, that placed on the people are going up to buy things at Dollar General, to buy products from business people in the community and often times when people want to move into the community, one of the things they are very cognitive of how high the taxes is of when you go there, or are you going to have to pay for the goods for you to live in the community. This is a startup community, even though we have been here six years we're basically just starting up. He has said often times brought up at the meetings, he doesn't believe this City can live on taxes, fees and fines. No City can survive on that as small as it might be, you have to have businesses, and you have to have sales, you have to have a revenue stream. He has heard from this Council over and over that we need more roof tops, we need people to move in here, there has only been one or two houses in the last year, people aren't moving here although they are moving in to Los Lunas by the groves, there is not enough place to build, and the comparisons, we'll just be even with the rest of them with the gross receipt tax, while that may be true, Los Lunas with the Gross Receipt tax there is no comparisons because they have every service imaginable and quality service in Los Lunas to offer that gross receipt tax, here we are struggling to pay the bills in his opinion and he doesn't see it growing because there is only so much tax, we can't raise this tax every year, there is only so much income that can come in, you get the mil-levy that's something the people vote on to tax their own property, eventually when you get the Mil-Levy up people will say it is much cheaper to live somewhere else or somebody wants to look at moving here, first thing they are going to look at is how high are my taxes on people that want to buy homes, right away you want to know how much you will be paying on taxes, that's your mil-levy, so you raise yourself out of the rooftop market and when you raise the gross

receipt, they say, well if I move there, it has very high gross receipts and we are competing with Los Lunas and he brought it up at the Council earlier today, we lose our competitive edge as businessmen and as governing officials and governing body when we give away the opportunity to compete and the only thing we have to compete with is certainly not services, it would be on lower taxes, lower property taxes and lower gross receipts tax. He was talking to some business people this morning before he got to the meeting some people interested in building a drug store here, he heard we are going to have one, but doesn't put much faith in that, but he is negotiating right at this time with some people he will be bring in hopefully and they were looking at everything this morning and one of the questions, one of the discussions was will they be competing with Belen, will they be competing with Walgreens, will they be competing with Walmart and that is the basic competition, but they all have a higher gross receipt tax, so this business person looks at it and says well we will have a competitive edge because we can sell as an example our prescription a lot less because our gross receipt tax are less. So what else do we have to compete with, if we are going to bring in homes in here, somebody once asked the two questions, how much is my property tax and how much is my living tax, gross receipt tax, they say I would rather live or build in Rio Communities because those taxes are more competitive than they are with Los Lunas, he discounts Belen, but any way you look at it, he has been in this area all his life and remembers when Los Lunas was like Rio Communities and Belen and that has reversed because of big government, if we give that competitive edge away, his discussion to them this morning was, why would we do that when all we are going to get back is \$40,000, that's actually just a stipend when it comes to your operating budget, that will probably be eaten up in the cost of your employee wages that you have onboard right now, you say it gets us a little bit closer to one more policemen, well how much closer does it get, it may get you closer, but it doesn't get you there, it is a matter of how you appropriate, how you govern, whether you get it, \$40,000 isn't going to buy you a car, so with that you spin your gross receipt tax image, your bartering point, your sales point for this community, you throw it away in his opinion for \$40,000. Los Lunas just passed their tax and raised it and he suspects when they raised it the same increment they thought they would draw in a close to a million dollars and we are going to raise it that much as we are going to get \$40,000. So what he says is to keep the powder dry, wait till it builds up, go over the economic opportunities out there to build the community up and then the people will be happier since they will be getting services, were getting those workers that we would be getting eventually, were getting all the different roads, they are getting public works, they get parks all of the things, police protection, then you can start pumping up taxes worth spending it, that's actually taxing for your value and he really urges the Council not to raise them and gives them the opportunity to bring businesses in here with that business advantage because it is not that big of an advantage to acquire \$40,000 more dollars and he knows you said are having a public hearing so this is it and after that you are going to raise our taxes and after the election you are probably going to raise the mill-levy again and that will come right through and there goes your property tax up again, now that is just is not good growth in his opinion and guess we will all live with what you do.

- Abel Romero said interestingly he agrees with some things Mr. Gentry has said but comes to the opposite conclusion, one of the economic factors that you find in high economic growth, both in our State and across the country right now is the availability of amenities and services that attract a well-qualified workforce making a place people want to live and he does agree in Rio Communities we do lack many services and we are a very new Municipality and before we were a municipality we were perhaps a problem the County would rather not deal with when it didn't have to because it would cost them money, and he has seen the effects of our low tax but low services environment in our community, he is only 22 now but proud to say he was born and raised here, so he might have a little bit different perspective, then people who have seen the diminishing of Rio Communities over the years and he said the only way to grow our community is by investing in it and the way to attract business is if they look at Rio Communities and what we are talking about is value added business, not really retail, but business that actually produce goods and services that add value into the economy, that's the kind of thing that keeps wealth more local and that generates economic activity in specific area, those types of businesses because they're going to need to attract a well-qualified and motivated workforce. When they look at an area, they say, am I going to be able to attract employees to live here, because if all my employees have to live in Albuquerque or Los Lunas, they may not want to do it or if it is a major corporation, which the City Council candidates of last night meeting want to attract, they might bring in management and other experts, they won't be willing to move into an area that does not have adequate police protection or City services and just the simple fact Rio Communities has \$500,000 sustainable revenue annually. He then said his student government had about \$480,000 a year and talking about half a million dollars for a City government for thousands of residents, we can't reasonably expect to get those services, we can't reasonably expect to protect our community and take care of it well. He does support, and said a .25%, is 2 ½ pennies per a \$10.00 purchase, it's not a large tax increase, by the way if you look at the evidence that we already have the lower tax rate is not attracting businesses, they are moving to Los Lunas with the higher tax rate because they have the services. He thinks this is a modest proposal and thinks it is well founded and he wants us to have more reacquiring revenues to provide those service that our City desperately needs.

- **Motion and roll call to go back into Regular Business Meeting session**

- Councilor Ramsell made a motion with a roll call vote to go back into the regular business meeting session. The motion was second by Councilor Sais. Vote: Councilor Brown-yes; Councilor Ramsell-yes; Councilor Sais-yes; Councilor Gutjahr-yes. With a 4-0 vote Council went back into the regular business meeting session at 6:27 pm.

Public Comment

- Steven Boliver a teacher from Belen High School; said he is here to share some exciting opportunity to come into the County. He then explained about VIVO Theatre group and wishing to create a performing arts center in the County. He then invited Council and everyone in the room to a meet and greet event on October 30 in Belen Public Library.

- Jerry Gage Rio Communities; made a public warning regarding snakes and to beware of them out there.
- Abel Romero said he is fully aware that the Rio Communities Council does not have statutory authority over this regarding the upcoming Valencia County Soil and Water Conservation District mil-levy and explained unfortunately there has been spread rumors that are untrue about where the money is going. He further explained where the money is going and asked for a yes vote on the mil-levy.
- Councilor Sais said there is a lot of miss information going around regarding the Mil-levy and thanked him for Abel clarifying.
- Abel Romero gave more clarification regarding the Mil-Levy.

Ordinance 2019 – Chapter 3 Rev & Finance Article 5 Municipal GRT

- Councilor Brown said nobody likes taxes and nobody likes to pay more. He then explained his oppositions to the GRT.
- Councilor Sais said he is a businessperson here in Rio Communities and he doesn't think we are negative and in a whole people can see down the line as see the unforeseen circumstances and we need money to grow.
- Councilor Ramsell said he agrees with Mr. Romero's comments as far as the GRT and also agree that GRT is an aggressive tax but unfortunately this is the tax system we are set up with in our State. as far as the argument of having the lowest GRT will attract business, if that is the case we are the lowest and that will hold true.
- Mayor Pro-Tem Gutjahr said she understands the concerns and then asked for a motion.
 - Councilor Ramsell moved to approve Ordinance 2019-72 Chapter 3 Revenue & Finance Article 5 Municipal GRT. The motion was second by Councilor Sais. Vote: Councilor Brown-no; Councilor Sais-yes; Councilor Ramsell-yes and Councilor Gutjahr-yes. With a 3-1 vote Ordinance 2019-72 Chapter 3 Revenue & Finance Article 5 Municipal GRT was passed, approved, adopted and signed.

Accounts Payable approval

- Mayor Pro-tem Gutjahr explained we reviewed accounts payable this morning and then gave the highlights for accounts payable for the Fire Department and the City.
- Councilor Sais moved to pay the bills as read. The motion was second by Councilor Ramsell. Vote: Councilor Brown-yes; Councilor Ramsell-yes; Councilor Sais-yes and Councilor Gutjahr-yes. With a 4-0 vote the accounts payable for the Fire Department and the City were approved for payment.

Resolution 2019 – xx Transportation Project Fund Grant Agreement

- Clerk Adair read resolution 2019-xx transpiration project fund grant agreement into the minutes.
- Councilor Brown moved to approve Resolution 2019-159 transportation project fund grant agreement. The motion was second by Councilor Ramsell. Vote: Councilor Sais-yes; Councilor Ramsell-yes; Councilor Brown-yes and Councilor Gutjahr-yes. With a 4-0 vote Resolution 2019-159 Transportation Project Fund Grant Agreement was passed, approved, adopted and signed.

Council Reports

- Councilor Ramsell said later this week the temperatures will drop at night so be very cautious about your water faucets.
- Councilor Ramsell said we do have a full-time Deputy he is not a rent a cop as said before.

- Councilor Sais said last night there was a public forum for the candidates and said it was done very professionally.
- Councilor Brown explained he has one item having to do with the electrical charging station, he said we are still pursuing it and the clock is ticking on getting the grant issued and further explained the grant and deadline.
- Mayor Pro-tem Gutjahr gave some upcoming events: this Saturday in our parking lot from 1-3 Clariant will be putting a trunk or treat for the kids, on Monday there will be an honoring Veterans at Daniel Fernandez Park a fellowship and food and the fire department will be having a food drive to fill boxes this time of the year. She further said the morning of the 24th the fire department will be having their ISO inspection.

Executive Session limited personnel matters regarding Fire Chief and subject to the attorney/client privilege. NM Section 10-15-1 (B)(H)(2)(7)

- Mayor Pro-tem Gutjahr asked for a motion to go into executive session. ***1.05***
- **Motion and roll call vote to go into close session**
 - Councilor Ramsell made motion by roll call vote to go into executive session limited personnel matters regarding fire chief and subject to attorney/client privilege. NM Section 10-15-1(B)(H)(2)(7). The motion was second by Councilor Brown. Vote: Councilor Sais=yes; Councilor Ramsell=yes; Councilor Brown=yes and Councilor Gutjahr=yes. With a 4-0 Council went into executive session subject to limited personnel matters regarding Fire Chief and subject to the attorney/client privilege. NM Section 10-15-1(B)(H)(2)(7) at 7:07 pm
- **Motion and roll call to go back into regular business meeting session**
 - Councilor Sais made a motion with a roll call vote to go back into the regular business meeting session. The motion was second by Councilor Ramsell Vote: Councilor Brown=yes; Councilor Ramsell=yes; Councilor Sais=yes and Councilor Gutjahr=yes. With a 4-0 vote Council went back into the regular business meeting session at 8:27 pm.
- **Welcome everyone back and statement by the Mayor Pro-Tem**
 - Mayor Pro-tem Gutjahr stated the Governing Body of the City of Rio Communities, NM hereby states that on October 22, 2019 a closed executive session was held and the matters discussed in the closed meeting were on limited personnel matters regarding fire chief and subject to the attorney/client privilege as posted on the agenda, no decisions were made and topic will be continued on the 12th of November.

Adjourn

- Councilor Ramsell moved to adjourn. The motion was second by Councilor Sais. With a 4-0 vote the City Council regular business meeting was adjourned at 8:28 pm.

Respectfully submitted,

Elizabeth (Lisa) Adair, Municipal Clerk

Date: _____

Approved:

Mark Gwinn,
Mayor

Margaret (Peggy) Gutjahr,
Mayor Pro-tem

Bill Brown,
Councilor

Joshua Ramsell,
Councilor

Arturo R. Sais,
Councilor