

**Town of Kirtland**  
**Regular Town Council Meeting Minutes**  
**47 RD 6500 Kirtland, NM 87417**  
**May 10, 2022**

Mayor Mark Duncan called the meeting to order at 4:30 pm in the Council Room at Town Hall located at 47 RD 6500, Kirtland, New Mexico.

Mayor Mark Duncan led the Pledge of Allegiance.  
The Invocation was offered by Annette Foutz.

Those present:

Mayor Mark Duncan  
Councilor Larry Hathaway  
Councilor Jason Heslop  
Councilor Tyrone Austin  
Councilor Alex Uhl

Clerk, Gwen Warner  
Engineer, Dan Flack

Those absent: None

Visitors: 3

**APPROVAL OF AGENDA:**

Councilor Larry Hathaway pointed out one change to the agenda, with the pledge of allegiance being said before the invocation. Councilor Jason Heslop made a motion to accept the May 10, 2022 agenda with the change as presented. Councilor Larry Hathaway seconded the motion. Upon voice vote, the motion passed unanimously.

**CONSENT AGENDA:**

Councilor Larry Hathaway made a motion to approve the Consent Agenda consisting of April 12, 2022, Regular Meeting Minutes, the Monthly Financial Reports as presented. Councilor Jason Heslop seconded the motion. Upon voice vote, the motion passed unanimously.

**NEW BUSINESS**

• **ACTION ITEMS**

**1. Virtual Presentation of FY 2021-2022 Audit by Dahlia Garcia with Beasley, Mitchell & Co., LLP.**

Dahlia Garcia presented the audit report to the Council by stating, the opinion was an unmodified opinion which is the best that could be received. There were no insufficient materials or weaknesses noted. There was one finding for a late audit finding.

**2. Resolution 2022-04 – For the Acknowledgement of the FY 2021 Audit Findings and Acceptance of Corrective Action Plan.**

Councilor Heslop made a motion to approve Resolution 2022-04 – Acknowledgement of the FY 2021 Audit Findings and Acceptance of Corrective Action Plan. Councilor Hathaway seconded the motion.

The roll was called with the following result:

Those voting aye:  
Jason Heslop  
Larry Hathaway  
Tyrone Austin  
Alex Uhl

Those voting nay:      None

Mayor Mark Duncan thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution 2022-04 – Acknowledgement of the FY 2021 Audit Findings and Acceptance of Corrective Action Plan was duly passed and adopted.

### **3. Resolution 2022-05 – Adopting a Budget Adjustment for the FY 2021-2022**

Councilor Hathaway made a motion to approve Resolution 2022-05 – Adopting a Budget Adjustment for the FY 2021-2022. Councilor Heslop seconded the motion.

The roll was called with the following result:

Those voting aye:  
Jason Heslop  
Larry Hathaway  
Tyrone Austin  
Alex Uhl

Those voting nay:      None

Mayor Duncan thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution 2022-05 – Adopting a Budget Adjustment for the FY 2021-2022 was duly passed and adopted.

### **4. Consideration and Approval of FY 2022-2023 Interim Budget**

Councilor Heslop made a motion to approve the FY 2022-2023 Interim Budget. Councilor Hathaway seconded the motion.

The roll was called with the following result:

Those voting aye:  
Jason Heslop  
Larry Hathaway  
Tyrone Austin  
Alex Uhl

Those voting nay:      None

Mayor Duncan thereupon declared that four Councilors having voted in favor thereof, the said motion carried, and FY 2022-2023 Interim Budget was duly passed and adopted.

**5. Consideration and Approval of an Insurance Provider; New Mexico Self Insures' Fund FY-23 Coverage Proposal, Renewal Date July 1, 2022, or Kysar Millennium Leavitt Insurance Agency**

Councilor Hathaway made a motion to accept the quote from Kysar Millennium Leavitt Insurance Agency. Councilor Heslop seconded the motion. Upon voice vote, the motion passed unanimously.

**6. Consideration with Possible Approval of Farmers Mutual Community Ditch Request – Alan Walraven**

Alan Walraven shared the challenges of piping the Farmers Mutual Community Ditch, which have kept the project from moving forward with the Army Corps of Engineers. In an email he received the information that the project was going forward and would cost \$4 million; three weeks later he received another email to say the cost would be \$14 million. There is a meeting with the Army Corps of Engineers next Thursday at 12:30 to include Interstate Streams Commission, San Juan Water and others that are involved in the project.

Mr. Walraven is working to get some of the funds dedicated to part of phase one of the project. He is having a difficult time getting information for where the funds are being used. He continued to explain what has been done in an effort to work with the Army Corps of Engineers to use the awarded \$3.3 million towards the cost of phase one. He shared that phase two would cost more due to the difficulty of accessing the area.

Mayor Duncan stated that the governing body is committed to the project and that it does not need to be voted on each year. The mayor inquired, if the Army Corps of Engineers says the \$3,321,000 cannot be used for the first phase so, the funds will have to be used for something different, how would we do that?

In response, Alan Walraven said he was not sure; there is a way through Interstate Streams to receive a loan with interest. The hope is to bring down some of the cost of the design flaws.

Dan Flack noted that according to the Capital Appropriation Project Agreement it says the \$3.3 million can be used for a match with the Army Corps of Engineers. He said if there was any way to use some of the funds towards any of the cost before next year there is a possibility the state will not take back the funds if we could show some progress. In expressing his thoughts, if you have not used any of the funds by next year you would have a hard time keeping the funds. Mr. Flack continued to point out that even if some of the funds could be used to pay for part of the match, the agreement specifically says the funds can be used for planning and engineering, it would be good to use the funds to pay for something this year.

Mayor Duncan asked Dan Flack how this can be accomplished. In response, Mr. Flack inquired whether Alan Walraven has been able to see where the Army Corps of Engineers is spending the money? Mr. Walraven shared that he has tried to get this information from the start, and they have not provided anything except one test that was approved by Farmers Mutual Community Ditch.

Mayor Duncan requested this topic be placed on the June agenda.

**7. Permission to Post a Notice for Ordinance 2022-XX – Food Truck Units**

The food truck ordinance was explained by Dan Flack, following review of the proposed ordinance the governing body suggesting a few changes to the proposed ordinance. The changes would be provided to the attorney for his recommendations.

Councilor Heslop asked about the enforcement of the ordinance. This was discussed by the Mayor and Engineer, as there is no compliance officer for the town.

Councilor Heslop made a motion to approve posting a Notice for Ordinance 2022-XX – Food Truck Units. Councilor Hathaway seconded the motion.

The roll was called with the following result:

Those voting aye:  
Jason Heslop  
Larry Hathaway  
Tyrone Austin  
Alex Uhl

Those voting nay:      None

Mayor Duncan thereupon declared that four Councilors having voted in favor thereof, the said motion carried and approval to Post a Notice for Ordinance 2022-XX – Food Truck Units was duly passed.

## **8. NM DOT Funds – Dan Flack**

Dan Flack shared that the Local Government Road Funds (LGRF) must be spent by October. The \$75,000 available funds includes the town's match and NM DOT's portion. After putting the project out for bid, there was one bid for \$200,000 and one for \$112,000, where the bids were over the available funds by \$37,000 the town would need to come up with difference or send the awarded \$57,000 back to the state if it will not be used by October.

The LGRF awarded are to chip seal County Road 6500 from the light to the transfer station. This is a top priority where it is a main road with high truck traffic.

The other top priority is to rebuild 300' of roads 6405 and 6411 which are in the town limits. The projects required six (6) NM DOT clearances that were completed last week, with the projects ready to go out for bid. The budgeted amount was \$121,000 for each road, however, the cost has probably gone up between \$100,000 to \$200,000. The time period for spending those funds is in 2025, but it is not anticipated that the construction cost will come down.

Mayor Duncan inquired if approval to bid the projects is needed, to which Dan Flack replied, it is. He then shared that another \$300,000 for chip seal and crack seal has been applied for with the possible approval of funds in August of this year.

Councilor Heslop made a motion to approve an additional \$37,000 for the chip seal of Road 6500 along with posting a bid for Roads 6405 and 6411. Councilor Uhl seconded the motion. Upon voice vote, the motion passed unanimously.

## **9. Projects Updates – Dan Flack**

In reporting on the projects Dan Flack let it be known that bids are coming in anywhere from 50% to 150% more, with some bids being good for only 7 days this might require the approved dollar amounts

to be adjusted. In reviewing the list of projects it was noted that the budgeted bids were about \$330,000, however, with the increases the bids are over the projected amount by around \$366,000. It is difficult to get quotes at this time as no one knows the future cost for products.

Councilor Heslop voiced his opinion that, we may need to relook at the projects and prioritize what is really needed. If funds need to be allocated to other areas then it may be necessary to reevaluate the list. With the increases going from 400 to 800 it is a huge jump but, if the project is not done now the cost could be over a million dollars in the next year or two.

Dan Flack indicated there are two things affecting cost increases, the cost of material and the cost of labor. With the wage decision increase some labor's are making \$26/hr in some categories. All of the wages for the projects would have to be prevailing wages going through CES and the State. That cost will not come down, if anything it will go up.

The question was asked by Mayor Duncan, each of the projects listed is combined with the maintenance building, is that right? To which Dan Flack acknowledged the new access is not necessary at this time but the utilities, camera system, and lights would need to be included for safety and security. The asphalt and sidewalk could be delayed, the electric service really needs to happen if we are going to increase to just one service. The water and gas service for the maintenance building could be postponed. Mayor Duncan pointed out that if some things are not done now, it would cost more to go back and tear things out to put something in later. The conclusion was that the projects should go forward, postponing the north driveway, landscaping and roadway sidewalk.

Councilor Hathaway made a motion to approve the Project Updates with the adjustments as presented. Councilor Heslop seconded the motion. Upon voice vote, the motion passed unanimously.

- **DISCUSSION ITEMS**

- 10. Presentation for a Community-Wide 4<sup>th</sup> of July Event – Jason Oberholser and Kara Wood**

Kara Wood and Annette Foutz standing in place of Jason Oberholser addressed the governing body regarding their projects as well as a large flag they would like to erect over the town.

Mayor Duncan inquired if they had looked at putting the flag at the Fire Station where there are individuals that could raise and lower the flag when needed. The mayor said he would visit with Mike Stark, San Juan County Manager about the idea.

Mayor Duncan asked that this topic be placed on the agenda for the June meeting.

- 11. Consideration of Car Show, Fry Bread/Navajo Taco Contest**

The Mayor and Councilor Austin have talked about holding a Fry Bread/Navajo Taco contest at the park. Mayor Duncan also visited with Frank Vandruff involving holding a car show at the park as well. These events would possibly be in July or August. This will be brought up again at the next meeting.

- 12. Consideration of Part time employee**

Mayor Duncan and the Clerk discussed the need for a part time employee with the addition of Valley Water & Sanitation District (VW&SD) responsibilities. It was suggested by Councilor Heslop that the

person should be responsible for anything to do with the VW&SD including the minutes of the meetings, the agenda, as well as the financials. Mayor Duncan asked the Council to think about this and consider a part time employee at the next meeting.

**REPORTS FROM ELECTED OFFICIALS:**

**COMMENTS FROM THE PUBLIC:**

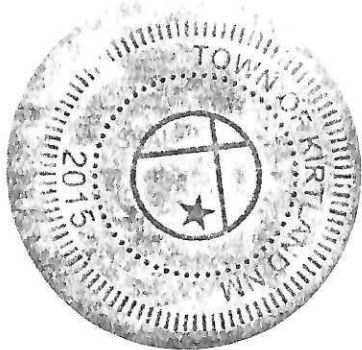
**ADJOURNMENT:**

There being no further business to come before the council, Councilor Larry Hathaway made a motion to adjourn the meeting, Councilor Jason Heslop seconded the motion. Upon voice vote, the motion passed unanimously.


The meeting was adjourned at 6:05 p.m.

Approved this 14<sup>th</sup> day of June 2022.

Entered in the permanent record book this 15<sup>th</sup> day of June 2022.



  
Mark Duncan, Mayor

ATTEST:   
Gwen Warner, Town Clerk