

## Capital Improvements Advisory Committee

Minutes for the Meeting on  
April 1, 2021  
1:30 p.m.  
Utilities Center  
Conference Room 218  
via Zoom Video Transmission

### Committee Members Present:

Jason Lorenz, Chairman  
Steve Newby, Committee Member  
Mark O'Neill, Committee Member  
Adam Roberts, Committee Member

### Committee Members Absent

Eugene Suttmiller, Vice-Chairman

### Others:

Cassie McClure, Public Outreach Consultant,  
McClure Publications  
Gregory Shervanick, Constituent

### City Staff Present:

Liam Beasley, Accountant  
Ronald Borunda, Interim Deputy Director  
Water  
Paul Brock, Police Deputy Chief  
Rhonda Diaz, Water Conservation Program  
Coordinator  
Larry Nichols, Community Development  
Director  
Jose Provencio, Deputy Director Business  
Services  
Alma Ruiz, Senior Officer Manager  
Jason Smith, Fire Chief  
Amares Tarin, Office Assistant Senior Temp  
Lisa Valleroy-Djang, Office Assistant Senior  
Temp  
Monica Vega, Office Assistant Senior Temp  
Adrienne Widmer, Deputy Director Water

Chair Lorenz called the regular meeting to order at approximately 1:30 p.m.

Chair Lorenz: If any of you speak today or when any of you speak today, please announce your name at the beginning so that we can clearly hear you. Members of the public should be afforded remote access via livestream or other technology or a call-in number for listening by phone. If there is any interruption in the audio or video, I will suspend discussion until it is reinstated. All votes will be by roll call vote. We will produce and maintain a recording of the open session of the meeting.

### 1. Conflict of Interest:

Chair Lorenz: Do I have anybody either on the committee or member of the City staff that has a known Conflict of Interest with any item on the agenda today?

There were none.

### 2. Acceptance of the Agenda:

Chair Lorenz: Okay, do I hear a motion to Accept the Agenda as written?

Newby: So made.

O'Neill: Second.

**The Agenda was Accepted Unanimously 4-0.**

**3. Acceptance of the Minutes:**

**3.1. Regular Meeting on February 18, 2021.**

Chair Lorenz: Do I hear a motion to Accept the Minutes from the last meeting?

O'Neill: I will make a motion to accept the minutes from prior meeting.

Chair Lorenz: Thank you, Mark.

Newby: Second.

**The Minutes were Approved Unanimously 4-0.**

**4. Old Business:**

**4.1. Utilities Department Impact Fee Update**

Chair Lorenz: Okay, so the first thing is the Old Business, the Utilities Department Impact Fee Update by Mr. Provencio. I saw him here.

Provencio: Good afternoon, Chairman, Commissioners. If I could ask the co-host or host to bring up the PowerPoint to walk through the financial report for the second quarter for utilities, water and wastewater impact fees.

Ruiz: Good afternoon, Joe. This is Alma Ruiz, Senior Office Manager for the Utilities Department for the record. What Chair Lorenz is talking about is Old Business. This is the verbal update on the Utilities Department Impact Fee.

Provencio: Okay. In that regard, the survey in regard to Impact Fee allocation has been completed and will be presented to the City Council, I think that would be next month, if you could help me with the date, Alma.

Ruiz: Thank you. I am going to verify that, but I believe it's April 12th, that it's going to go to the work session for City Council.

Provencio: Right. The results of the survey from public input will be presented and discussed at that time. Again, just as a reminder, this is the topic in regard to the allocation of Impact Fees between the three parties or three entities; the developer, customer, and the current rate-based customers for impact fees. I will standby for any other questions you may have.

Chair Lorenz: Thank you Mr. Provencio. I think we have got that discussion next on our agenda. Is anybody got any questions for Mr. Provencio about that? I do not see any.

O'Neill: Do we need to be in attendance there or would it be helpful at all or no? Not really.

Chair Lorenz: I do not believe so. We certainly do not have to be there. If you would like you're welcome to attend. They are a little touchy about how you speak on behalf of the committee if you do speak.

O'Neill: I have seen it.

Ruiz: Thank you. That is correct. Thank you, Chair Lorenz. If you do plan to participate in the Zoom meeting for the City Council, and you have comments it would be as a private citizen versus the committee.

O'Neill: I understand. Thank you.

Chair Lorenz: Thank you Alma.

#### **4.2. Public Safety Impact Fee Update**

Chair Lorenz: I trust by now everybody has had a chance to read the letter that I wrote on our collective behalf.

Ruiz: Before this item was on the agenda, we were supposed to have a Public Safety Impact Fee Update. We can go onto the letter and in the meantime, I will try and get ahold of someone from Fire. I know Jason Smith was out of office, but I will see if he identified a representative for his item. However, that might throw the agenda off Chair a little bit unless you want to hold to see if I can get ahold of him.

Chair Lorenz: I do not mind just moving that down and we can, if somebody can attend, we'll hear what they have to say. You know I think last we heard from them was they were not ready. I would like to hear if they plan on putting something together this year.

Ruiz: Yes, actually e-mailed me to be put onto the agenda. I did not know if he was going to propose a deferral or what his reasoning for adding it to the agenda for today's meeting. Like I said, my staff and I will try and get a hold of someone from Fire to represent.

Nichols: Mr. Chairman. If I may.

Chair Lorenz: Yes Mr. Nichols.

Nichols: Larry Nichols, Community Development. I know that Chief Smith right now is attending a City Manager weekly meeting. He has some presentation material there. Probably is why you have not heard from him. Maybe, and I do not know if he has had an alternate or stand-in, but he may not be able to provide that information today.

Chair Lorenz: Thank you sir. I appreciate that.

**4.3. Discussion on CIAC Letter to Mayor and Council Members Regarding Utilities Development Impact Fees for Water and Wastewater**

Chair Lorenz: We'll move on to this letter. The intent of the letter is to give our opinion

O'Neill: Mr. Chairman.

Chair Lorenz: Yes.

O'Neill: I am wondering if we have to take action to change something on the agenda. If we have to, that's an action item that we need to you know make a motion to switch those two items.

Chair Lorenz: Only if we remove it.

O'Neill: Okay.

Chair Lorenz: Are there any questions, comments, concerns with this letter as written?

O'Neill: I think it is a good letter.

Chair Lorenz: Are you in agreement as well Mr. Newby?

Newby: Now you can hear me. I was reading while you were talking. I think it breaks down a pretty complex subject into just simple to understand language. No, I am good.

Chair Lorenz: Mr. Roberts.

Roberts: The letter looks great to me.

Chair Lorenz: Well, then I would like to hear a motion of acceptance of this letter so that we can forward it on to City Council.

Ruiz: Sorry for the interruption. We do have this item under Action, so at this point it was to discuss and make any changes if the committee needed to do so. We can take action at the point of the agenda on item six.

Chair Lorenz: Okay. That is perfect. Thank you. I appreciate that.

**5. New Business:**

**5.1. Utilities Fiscal Year 2020/2021 (FY@!) Mid-Year Financial Review**

Chair Lorenz: Next under New Business will be what Mr. Provencio wanted to talk about a little while ago.

Provencio: Okay. All right. Thank you. Jose Provencio, Deputy Director of Business Services for Utilities. Thank you Chairman for being patient with my

anxiousness. Okay, sirs, before you I will walk through the second quarter review for the financials for Water and Wastewater Impact Fees. The current Fiscal Year Water Development Impact Fees is presented in front of you on slide number two, and it reflects the general distribution of the revenue that we have been collecting for Impact Fees. It also presents the same level of activity for revenue collections. Given the current robustness of construction, the next slide it will show the effects of the activity out in the service area with respect to Water and Wastewater Development Impact Fee revenues. It is in good condition and continue to install and connect new services, both Water and Wastewater Utilities at a very good clip. This pretty much summarizes both current and historical perspective in revenues. The next slide presents the information on the Wastewater side for financial activity. It mirrors the same robustness in terms of business activity and new connections in construction in our town and service area. Slide number six presents the actual split and presentation of revenues by different categories. The next slide provides the historic activity that we have collected. This is the budget and the record at the second quarter for Utility Impact Fee Development. With that, I will stand by for any questions you may have.

O'Neill: I have a question.

Provencio: Yes sir.

O'Neill: Yes, Mr. Provencio. The way I read this is that in just three months of 2021, you raised half, already about half in both Wastewater and the Water, the fees you have raised almost half from entirely from last year 2020. Is that correct?

Provencio: Chairman, Commissioner O'Neill. That is correct. Two things that you are seeing here is both the effects of the new Impact Fees going into effect, as well as robust construction in our City.

O'Neill: Thank you. That's all.

Chair Lorenz: Mark, and you should also note that the Fiscal Year is a little bit different, so it is not quite three months. What we are seeing here is July through December, so it is five months of the Fiscal Year.

O'Neill: I see.

Chair Lorenz: Which ends at the end of June.

O'Neill: Thank you for clarifying that. I was just seeing if I am reading this right.

Chair Lorenz: Any questions Mr. Newby or Mr. Roberts?

Newby: I am good.

Roberts: I do not have any questions.

Chair Lorenz: Thank you Mr. Provencio.

## **5.2. Public Safety FY21 Mid-Year Financial Review**

Chair Lorenz: Next, we have a Public Safety Mid-Year Financial Review from Mr. Liam Beasley.

Beasley: Good afternoon Chairman and Commissioners. My name is Liam Beasley. I am an accountant with the City of Las Cruces Finance Department. We are going to be going through the Public Safety Impact Fees Financials Update as of December 31, 2020. This will be the mid-year review for the current fiscal year. Here are the month to month revenues and expenditures for Public Safety Impact Fees. In the red bars for the expenditures, we have \$58,000.00 per month. This is debt service for the East Mesa Facility. We'll cover that in a few slides a bit more thoroughly. Then the revenues range from \$9,000.00 in December up to \$103,000.00 in September. Here is the cumulative amount for the current fiscal year, as of the end of December we have \$350,000.00 in expenditures and \$284,000.00 in revenues for Public Safety Impact Fees.

Here's the six-year comparison from Fiscal Year 2016 to the current Fiscal Year 201, comparing revenues, expenditures, and the ending fund balance. On the right side in the very right section you can see again the \$284,000.00 in revenue, \$350,000.00 in expenditures, resulting in an ending fund balance of \$464,000.00. The ending fund balance represents an 8% decrease from December of the previous fiscal year.

These two graphs are going to be another six-year comparison. On the left side we have the Public Safety Impact Fees actually collected. For Fiscal Year 2021 as of December we've collected about 7% more than at the same point in the previous fiscal year. On the right side we have the expenditures. For these we have about 27% less compared to December of the previous fiscal year. Obviously, each line would represent a different fiscal year from month to month.

Some terms of what the actual Impact Fees have been spent on this year. It has just been for debt service payments for the East Mesa Public Safety Complex. As of the end of December, there is about \$5 million in principle remaining on this debt, about \$409,000.00 interest remaining, and the bonds will go through June 2026. It is important to note that Public Safety Impact Fees are not the only funding source that goes to pay this debt. Another one would be gross receipts taxes. Then here's the same information presented in table format. This was used to construct the graphs. On the left table we have the revenues for the current year broken up by type, so on the very left column we have the actual impact fees collected, in the middle we have the investment income, and on the right side we have the fair market value

adjustments. Then on the right side is just the monthly expenditures, again reflecting that \$58,000.00 per month in debt service.

Here is the table for all revenues for the previous six fiscal years since 2016. The very bottom row is the one year, year to year change. For all revenues right about 14% more than where we were in Fiscal Year 2020 at the end of December. Here is the same thing just for the revenue Public Safety Impact Fees. The Public Safety Impact Fees are going to most of the revenue, pretty much all of it. So this is going to track (*inaudible*) to total revenues. We are up about 7% from December of last year. And finally, we have the same information but for expenditures. As of December we are about 27% down compared to last year. The bottom table shows the fund balance with that \$464,000.00 being 8% decrease from December of the previous year. That concludes the Public Safety Impact Fee presentation. If anybody has any questions, I can take those right now.

Chair Lorenz: Mr. Newby. Any questions?

Newby: Yes, thank you, Mr. Chair. On this slide, the 3,545% increase in fiscal year 2019. Obviously, it looks like you started paying bonds or something there.

Beasley: Yes. Fiscal Year 2019 would be when we were first starting to use the Public Safety Impact Fees for debt service. On that year it would not have just been for the East Mesa Facility, I believe we were paying two Fire vehicles as well. Fiscal Year 2018 did not have any of that. That would represent a huge increase.

Newby: If you could go back to slide number four. Yes. On Fiscal Year 2019 there seems to be obviously a declining balance as far as the revenue is going down each year, the expenditures are going down each year. Can you kind of explain the trend line there? Right, whereas 2016 through 2018 everything was kind of going up, now expenditures are going down as well as income and fund balance.

Beasley: Yes, sir. The fund balance would be going down because of the increase in debt service payments, but as to why the Impact Fees collected would be going down, I am not 100% sure on that. Then the expenditures were probably going down in order to reflect that in order to make the fund more sustainable. It does not go down as quickly.

Newby: Just to comment more than a question. You know I am a firm believer in trend lines, if you just look at the trend line on the revenue it is a fairly steep decline, and especially in the last half of fiscal 2019, as well as all 2020. I am sure Larry Nichols would agree that those were pretty much moving times as far as new construction. I am puzzled about the number of development projects coming online, and yet the revenue has got a pretty steep decline over the last two and a half years.

Chair Lorenz: Steve. I share your confusion there because the revenue collected seems like it should trend with permits pulled. Certainly, for residential permits pulled has been a pretty steady increase from 2014 through 2019. Then spiked significantly from 2019 through today. It is interesting to me that the revenue changed. The one thing that did happen was back in, I believe it was 2015, it may have been 2016, when the last Impact Fee change happened with Public Safety and the fee became progressive. Before that it was a flat fee for all homes. The last adoption of a new Impact Fee which was before my time on this committee, but it was something I was somewhat involved in during its development, just as a stakeholder, but it went progressive. Now the larger the home, the higher the fee. I believe that was in 2015 Liam may be able to correct me on that, but that is the only input I have got for you there, Steve.

Newby: Yes, just seems like there should be somewhat of a linear progression between the number and cost of the building permits, because of course values for the same house in 2018 are a lot higher values today. Yet there is a pretty darn steep decline there. Perhaps if you know we can get an answer at the next meeting. I have never doubted you guys, my *(inaudible 0:29:05)* amazing amount of accounting, but I am just looking at numbers that don't make sense.

Chair Lorenz: Well, it looks like Mr. Smith has joined us and may have an answer for you there, Steve.

Newby: There you go.

Chair Lorenz: Mr. Smith.

Smith: Thank you Chair. Jason Smith, Fire Chief for the Las Cruces Fire Department. Just to touch on some of those items there. The last time we renewed the Impact Fees was in 2016. I don't believe that this advisory committee was completely intact in its current form in 2020, when we visited you about a one-year extension, that's why I was on the agenda for the old language and we can cover that at your direction. The changes that we made in 2016 is this incremental increase based on the square footage of the home. It's not tied to home values. Although home values go up, and as we've seen with COVID, the cost of lumber supplies, materials has really gone up. That's not impacting the Public Safety Impact Fee because that is designed to go up with square footage.

Newby: Okay.

Smith: Those tiers at \$337.00 for anything less than 900 square feet, up to \$887.00 for anything over 2101.

Newby: Okay.

Chair Lorenz: Thank you Mr. Smith. Mr. O'Neill.

O'Neill: Yes. Thank you for that explanation, much appreciated. I have a question about the Impact Fees and expenditures. Other than debt service, what would you say, what category or what items are the most expensive? I mean the expenditures that were spent. Can you put a category that made up for the bulk of those expenditures as far as Public Safety Impact Fees?

Smith: Mr. O'Neill. Yes. Aside from debt service, well we had the East Mesa Safety Complex that I mentioned. There were some other Fire vehicles that were being paid with the debt service, but before that it would have just been used for capital improvements for certain facilities for the use for both the Fire Department and Police Department.

O'Neill: Those would be the highest percentages of the fees used in those categories?

Smith: Yes sir.

O'Neill: Thank you very much.

Chair Lorenz: Mr. Roberts. Any questions?

Roberts: No, I do not have any at the moment.

Chair Lorenz: I appreciate your report Mr. Beasley. Thank you very much.

### **5.3. Parks and Recreation FY21 Mid-Year Financial Review**

Chair Lorenz: Before we get to Mr. Smith's presentation, let us go ahead and continue through New Business and get the mid-year Financial Review on Parks and Rec also from Mr. Beasley.

Beasley: Okay, so these are the financial updates as of December 31st for Park Development Impact Fees. This will be the mid-year for those. Again, here are the month-to-month revenues and expenditures. Most of the expenditures, pretty much all of them happened in September at \$386,000.00. There were only \$3,000.00 in October. Then the revenues range from \$21,000.00 in December to \$237,000.00 in September. This would be the cumulative amounts. At the end of December we have \$703,000.00 in revenues, and \$389,000.00 in total expenditures.

This graph represents the six-year comparison from 2016 through 2021 of revenues, expenditures, and fund balance. Revenues in green and expenditures in red, and the fund balance in orange. The ending fund balance of \$5,032,000.00 is about a 6% increase from December of the previous fiscal year. The left graph on this slide would be just the Impact Fees collected for the previous six years. From month to month the cumulative amount in Fiscal Year 2021 as of December we have collected about 41% above the amount collected through December in Fiscal Year

2020. On the right side for the expenditures, the amount is about 190% above where we were December of last year in terms of expenditures.

In terms of what we have actually spent the Park Impact Fees on, the biggest bulk of it is going to be a reimbursement to developer for the Metro Park Village Phase 3, about \$380,000.00, minor work done out at the East Mesa Outdoor Fitness Court, and then electrical upgrades done at the Veterans Memorial Park. Here is the data used to construct the graphs. This is just the current fiscal year, Fiscal Year 2021. The revenues on the left side are broken down to the Park Fee on the leftmost column, the investment income in the middle, and then the fair market value adjustments on the right side. Then the expenditures on the right are all for Park Improvements as well. Those total to 389,000.00.

Here is is a six-year month to month comparison for all of the revenues. At the bottom row we have the year-to-date change, or year over year change. As of December, we are about 56% up on all revenues compared to Fiscal Year 2020. This would be the revenue just from the Impact Fees, excluding the investment income and fair market value. We have collected \$698,000.00 as of the end of December, and this is a 41% increase compared to last year. This would be the expenditures for the same time period, \$389,000.00 so far this year representing a 188% increase from December of Fiscal Year 2020. Finally, the bottom graph represents the fund balance with the ending balance of \$5,032,000.00 being a 6% increase over the previous fiscal year. If anybody has any questions on Park Impact Fees, I can feel those right now.

O'Neill: Question.

Chair Lorenz: Go ahead Mark.

O'Neill: I am not sure if they do this, but do you have like estimated, like a forecast of what Impact Fees or what expenditures for the remainder of this year and next year? I know you are forward looking department so I'm just wondering if they have like what they expected as far as expenditures for remainder this year and next year. I am wondering if that might be an item to have on here as well, on our report as well. Anyway.

Beasley: Mr. O'Neill. Yes, I can take a look at the budget amount for the expenditures this fiscal year. I believe that should be a few slides back if the controller could go back, one more slide. Thank you. The total budgeted on the top row of the right graph.

O'Neill: Well eight.

Ruiz: Seven. Page seven.

O'Neill: There it is. The corner I did not see it on my screen.

Beasley: Yes sir. In the one of the top rows on the right graph under expenditures, you have the budget row, and if you look at the total on the right side, we've had \$2.2 million budgeted expenditures for this year. I know in, I believe November, at the CIAC (Capital Improvements Advisory Committee) meeting, me and the Parks Department gave a presentation on future expenditures expected to be utilized by the Park Impact Fees. I don't recall a lot of those off the top of my head, but Parks does have a lot of projects lined up currently in order to spend this money down.

O'Neill: I see. Can those be included in our reports in the future when you make this presentation?

Beasley: Yes sir. Would you like the kind of the seven-year forecast and just some potential future projects?

O'Neill: Seven years might be looking too far forward. To get a closer estimate maybe just like a three year or if they do it only in seven year that is fine.

Chair Lorenz: Just to kind of maybe take a little short walk down history. The last time we got one of these reports I had some concerns about spending the money before it ran out because we do have to spend it within seven years, or Parks has to spend it within seven years. Mr. Beasley came back with that report to sort of forecast it and I think Sonya really wants to spend it. I think she will do her best to do so. I look forward to seeing the Parks happen. Did that answer your questions Mr. O'Neill?

O'Neill: Well I'm just, well mainly I just wanted to get a brief forecast of what they're looking at for a few years and just to see how we're trending as far as expenditures that we're going to have to meet up with. When would be our next report on this?

Chair Lorenz: The financial report is twice a year. The future projects she normally does that once a year, I believe.

Beasley: Chair Lorenz. That is correct. Mr. O'Neill, I can be sure to include some up and coming projects for the Park Impact Fees in order to give you a bit more detailed information for future presentations.

O'Neill: All right. I appreciate that.

Chair Lorenz: Mr. Newby or Mr. Roberts, any questions we can field for you?

Roberts: Yes, I agree with Mr. O'Neill if we can just get something that kind of shows what those projected are. I know that we have had concern with that fund balance in the past, especially with being up over \$5 million is a little harder to spend that much. I know that there is some bigger projects in the works. If we are going to see some timelines on when those are supposed to be

getting underway, I mean obviously there is the swimming pool and the sports complexes, so I know that the projects are there. I agree with Mr. O'Neill if we can just see a breakdown of when that fund is supposed to be used to make sure that we do not run out by the time that we have to spend it.

Newby: Jason. I have been commenting on the ever growing fund balance for last year. I truly understand the frustration on Sonya's part in getting this money spent, there is a lot of impacts that are out of their control. Finding land just takes sometimes a while to put these projects together. My biggest concern is there could be a view that the money's being collected and not spent and therefore we need to stop collecting the Parks Fees or something, which I think would be disastrous. If anybody needs help it is the Parks Department. Let's get a list and projection on when the projects will happen to get that fund balance worked down.

Beasley: Yes sir.

Chair Lorenz: Great. Thank you Mr. Newby. If I hear no more questions on this item, thank you Mr. Beasley for your report and your questions. If it is alright with the committee, I would like to turn back and hear from Mr. Smith about the Public Safety Impact Fee Update.

#### **4.2. Public Safety Impact Fee Update**

Smith: Good afternoon. Thank you Chair. Sorry for being a little delayed today I was on the City Manager meeting and we had some of our meeting times crossed with the Battalion Chief Cody Haber, who is our Fire Marshall. I am going to try to find my share the screen button here.

Ruiz: Let us make you a co-host Chief Smith so that you can share your screen.

Smith: All right, thank you. Excellent. Really, the purpose of this is just to recap and review where we were last year in 2020, and hopefully answer some of your additional questions that I heard this afternoon. History, in 2011 is when the Public Safety Impact Fee was approved by Council. Impact Fees as we all know need to be updated every five years. Our last update was May of 2016. We're up for renewal again. Last year, in February I believe, we went to the advisory committee and asked for their approval on an extension. Some of our current uses right now as you heard in that budget report is the debt service for the East Mesa Public Safety Complex, as well as a previous purchase of Fire Engine 8. I have got some additional information on where we have been spending that money for you.

Our current schedule is going to expire June 30, 2021 without an extension. In February 2020 it was approved for the one-year extension. We are going to go to Council April 19th and ask for them to approve no changes in the Public Safety Impact Fee for the next year so that we can retain the consultants and look at updating our land use as well as our capital needs for

public safety, with the hope of going back in 2022 in April and getting those fees approved after we have held the public comments and all of our public hearings and our engagement with the community.

We ran down where we were spending the Development Fees. Some of that was to the consultants last time of \$36,000.00. We did buy a fire engine, a Spartan Pumper for \$425,000.00, Engineering, and White Sands construction. This was all part of building Station 8 and the Police East Mesa Public Safety building, just under a million there. You can see some of the other things that J&R Laundries of \$27,000.00 for FF&E, or furniture, fixtures and equipment, as well as the Artesia Fire Compressor, that is an air compressor or SCBA compressor for fire in that same building. Then you can see the debt service for a couple of fire apparatus of \$71,123.00 and \$177,000.00. Then the biggest amount of funds have been going to that debt service for East Mesa Public Safety building. That is the end of my presentation. Just concise just to let you know that we are going to Council this month to hopefully get that extension approved so we can get a consultant in to review everything and hopefully answer some of those questions about our trend line and what we are going to expect for Public Safety collection. With that I will stand for any questions that you may have.

Chair Lorenz: I do have one question and it really just centers around the hiring of a consultant. Tischler Bise did some land use assumptions for us at the last Park Impact Fee and there was some collaboration with them and the other consultant handling the comp plan, I can't remember the name right off the top of my head. Are we going to be able to reuse those land use assumptions and just do a new fee calculation, or are we going to have to redo the land assumptions as well?

Smith: We may be able to. I need to look at the timing of those and then ask Council for direction if they want to have that completely repeated or look into it. Right now it is a resource document in the plan to RFP, the Request For Proposals. That is an item that I'm hopeful that we can reuse. I think Parks and Rec just finished theirs last year, I want to say in 2019 they went for an extension to allow them to do the same process. That may be recent enough that we can just use that information.

Chair Lorenz: I sure hope so. It is a lengthy process and an expensive one as well, to pay the consultants to do that. Hopefully, we will be able to reuse it with the comp plan being so fresh hopefully we will be able to use that. That is the end of my questions. Mr. O'Neill.

O'Neill: Yes. Mr. Smith. Do these Safety Fees also help with the, it might be a different fund, but does it help with the mobile unit that you have? Has that been expanded at all?

Smith: Mr. O'Neill. Are you referring to the mobile integrated healthcare?

O'Neill: Yes.

Smith: Okay. Currently no. These funds are only for capital and vehicles that can be depreciated over 10 years. None of the infrastructure equipment we use in that program fall into this. In the future if we wanted to look at something like a building or facility for this new service, we could include that in an updated Capital Improvement Plan.

O'Neill: Yes, I would like to see that expanded. You do not pay for a vehicle for that out of this fund.

Smith: No sir. We do not

O'Neill: Is one needed?

Smith: No sir. Currently, we only have one approved staff member, and then we have a grant that gives us the ability to put an EMT to help manage an opioid intervention grant. We have currently two vehicles in that program.

O'Neill: That program is very interesting to me and I would like to see it expanded. Just on record. Thank you.

Chair Lorenz: Thank you Mr. O'Neill. Anything from Mr. Newby?

Ruiz: It appears that he either ended his participation or got dropped. I sent him an e-mail just to confirm so hopefully if it was internet issues, he will join, if not he can read the minutes.

Chair Lorenz: Understood. We don't need him for a quorum to take action, do we?

Ruiz: No. With yourself, Mr. O'Neill, and Mr. Roberts it is a quorum.

Chair Lorenz: Thank you. Any questions Mr. Roberts for Chief Smith?

Roberts: No, I do not have any.

Chair Lorenz: Great. Thank you, Chief Smith. I appreciate your presentation. I look forward to hearing from you when you are ready to move forward with the Impact Fee analysis.

Smith: Thank you.

#### **5.4. 2021 Construction Activity Quarterly Update**

Chair Lorenz: Okay. One of my favorite reports that we get in this committee is from Larry Nichols. He should have for us the 2021 Construction Activity Quarterly Update.

Nichols:

Thank you for that introduction, Mr. Chairman. For the record, Larry Nichols, Community Development Director. I share the same sentiment you do, Mr. Chairman, I enjoy giving this report because it is very reflective of everything that has been happening, in particular through this pandemic year. My title on my presentation is not necessarily a quarterly report for you. I do have the first quarter of 2021 that I will comment on at the end of this report, but primarily I am going to offer commentary on the pandemic year, as we have all experienced.

This is a slide that you've seen before but it is very, to me it's very informative as to how the building department in particular Community Development and the development community, the builders, the developers, the material supply members, the contractors, the real estate folks. All of us have been kind of helping one another up this steep incline of pandemic condition. The Community Development Department was declared an essential department at the very onset of the pandemic. I'm very pleased to tell the committee that we have not missed a single day of work. We have utilized our technology improvements to keep folks on track with inspection and plan review and permitting. A lot of that, about 75% of our work now on inspection for the community is by virtual inspection. We call it IVI, Interactive Video Inspection. It has been working very well. We're starting to go back now, my inspectors nearly all of our staff have been vaccinated, have their vaccinations. I heard at the first of this meeting today that the Chair and others have had either one or two of their vaccinations. I will share information with you I have had both of mine now. We are finding that with that happening with our inspection staff, you'll begin to see more presence in the field with our inspectors. We'll continue with IVI but we will be seeing more, certain inspections we will be doing on site now.

We have had a little bit of change in the department structure. The City Manager has moved the Community Improvement Program that was under my venue, well for the last four years. Community Improvement was the folks that do the federal funding, the Community Development grants, and HOME grants. He has moved them under his, up to the Community Economic Development Department and that department is now under the City manager. A lot of that reasoning for that was to do with the monies that were being funded for to address the pandemic. Many of those programs were needed for our businesses and individuals. Who we have now, I have four programs in this department, the Office of the Director; the Building Safety, often referred to as the One Stop Shop; the Planning is still my department, as well as the MPO, Metropolitan Planning Organization. The pandemic, we were declared as I mentioned essential operations. We have 52 staff now with permit techs, inspectors, planners, and GIS technicians.

Let us talk about some numbers this past year. Our permanent valuations you know the valuations that are declared on each project and then we summarize those, and we have a permanent valuation for the year, that is the calendar year 2020, primarily the pandemic period. \$251 million, that

represents about a 9% increase from the previous year of 2019. Our permits issued, we issued 12% more permits during the pandemic. New homes, we built 739 new homes last year in spite of the conditions of the pandemic. My credit and my admiration goes to the home builders and the developers during this period to achieve that number. That number was the most highest number in about 14 years as terms of total new homes. Commercial buildings, we saw six commercial activity did slow during that time the last year, but even so it was 6% above what it was in 2019. Of course we still have quite a bit of medical facility activity. The Mountain View Hospital renovation, the Three Crosses Regional Medical Center. Just this last month or well actually it was the last two weeks I have signed all the certificates of occupancy for the medical clinics that is adjacent to the Three Crosses Regional Medical Center. It is known as the Medical Office Building, MOB. New business registrations for the year were 3081. These are not all new business. They're renewals of existing businesses, but there were a number of new businesses in that reregistration as well.

Then of development activity, we have subdivisions, we had 58 different types of subdivision submittals, rezonings, new subdivisions, replats. All of that activity provided places for people to build their projects. Some of the more active ones were Legends West, Metro Central, and then we had multifamily apartment and commercial infill development. Not very much activity in the infill development area, but there was more than there was the previous year. Rezoning's, we are finding a lot of requests for rezonings for people that want to go into business. Several of those rezonings are related to multifamily apartment complexes wanting to be built to address our housing situation that we have for that market, for the need. Infill district, we had seven projects there. Then we talked, I mentioned this several times last year, but we have what we call our Community Blueprints. Basically, these are projects that are going to be the next availability for commercial development, as well as residential, but residential from the standpoint of not only single-family dwellings, but from multi use residential apartments, townhouses, those types of projects. We have the Sierra Tract; it is going to be started shortly. That is one in the central part of the City next to Sierra School. That's going to have 34 units, mixed housing types. You will see a few, I think it is 12 single-family dwellings, about 12 or 14 townhomes, and the balance of that 34 will be in apartments building. We have taken a renewed activity and development for the El Paseo Corridor and we have added Solano to that study. That is ad hoc committee has been formed and there is going to be renewed interest in developing the El Paseo Blueprint. The East Lohman Master Plan is about 112 acres. The site southwest is the master plan consultant that is doing that project. They are in their final stages. It will be going before the City Planning and Zoning Commission for review and recommendations to City Council for adoption. That was probably the more notable landmark for that East Lohman Master Plan is adjacent to the Mountain View Hospital across the street there. Then we have the Metro Vista Master Plan, it is an 840 acre development that is also being developed by a consultant. It is in its very beginning stages of planning. As that comes

forward, you'll be hearing more and more about that this coming year and in particularly the next year and maybe a little after that.

As I mentioned, you know who does this information go out to. You see the list of folks there. I produce a report every month. I call it my construction activity report. I would like to highlight I just completed the March of 2021 report this morning, and I would like to highlight a few elements off of that A little commentary if you will. I am going to have to refer to my other screen so I will do that. Well the commentary on the March 2021 construction in Las Cruces as it relates to the current economic condition of the COVID pandemic. I call it fast facts. The construction and development reflects a continuing 13-month trend of high level activity and March 2020, from March 2021, exceeds March 2020 these values I'm going to read to you was the comparison between March 2021 and March 2020. March 2021 exceeded nearly every metric in the report and that was permits issued, permit project valuation, of business registrations new and renewals. The pandemic has not curtailed the permitting valuation or activity. March 2021 saw \$36,500,000.00 of permit issuance and valuation. The low interest rates have encouraged this, and they have enabled housing in Las Cruces to be affordable to a larger sector of Las Cruces residents, as well as folks coming from outside of the City and the state. Commercial businesses have benefited as well from this low interest rate. Residential structures and the maintenance of buildings are one of the prime generators for this high level of activity. I'm going to offer a comment to the committee here, kind of what I see that my impact this upward trend of high level activity, I am not going to overemphasize but I think we're going to probably see a little bit of a downturn from what we have been seeing in terms of the activity.

I am going to use a reiteration, I believe it is called, it is when you have the first letter of each word, this is similar, and I call this the five L's, the five L's. The first L is labor. What we have done is discovered through the pandemic has been the availability of nonskilled and skilled labor, as well as subcontractors to support this level of activity and building. The pandemic had a profound effect. From what we have witnessed in the field on the labor and construction in Las Cruces. It is lessened (*inaudible 1:05:42*). It has been a factor. That is the first L. The second L is land. Subdivision sites are available to builders. They are becoming more expensive. We have about eight plus or minus subdivisions of various stages of development. We will see more land be available, but it may become more costly. The third L is the lenders, the interest rates are low, and its enabled buyers to qualify for mortgages that maybe they could not have previously. Currently, I think the 15-year, mortgage interest rate is something like 2.3, about two and a third percent. That is a plus. The third or the fourth L is one that is not a plus. The fourth L is lumber, and wood glued products, sheathing, PVCs, windows, paint, steel. I am told that the cost of a sheet of OSB has gone up about 300% in the last two to four months. I do not see that changing much until the manufacturing can kind of catch up from this depletion of inventory and also the high volume of activity not only in Las Cruces, but in the state and

of the nation. Lumber is going to be a big factor there. Then the last L is laws. I have to take responsibility for that. We have building codes, which are laws. We recently introduced the International Energy Conservation code, which I am told will increase some of the cost of homebuilding. It applies to commercial and residential, but it probably will impact the residential market more than maybe the commercial. Those are the five L's and I think those are going to have an impact on what we will be seeing in terms of growth activity in construction over the next few months. I think it will improve after probably the midpoint of the year, but we all know that construction activity in the spring and summer is one of the more active construction periods.

I would give the few last metrics here. This is on March 21. The permit valuation were above March 2020 activity exponentially. We saw a 64% increase from March of last year, that month, not over the whole year, but March of 2020 compared to March of 21 there was a 64% increase in the permit valuations. We saw 103 new home permits and Certificates of Occupancy in March of 2021. That folks is about a higher number than we have seen in about 17 years for that particular month. New residential valuations for March of 2021 over March of 2020 saw an increase of 43% for the residential evaluation only. Then new and tenant improvement on commercial activities was nearly at \$7 million for the month of March as compared to almost \$14 million last year. We had a couple of big projects last year in March. That kind of skewed this number. If you just go by the numbers, it would show that we had a decrease in commercial activity for March this year compared to March of last year, about half, about 48%. What I would say about all of this March report is that for 13 months in a row the Community Development team, which was declared an essential operation, has in alignment with the private sector development, the builders, developers, real estate, subcontractors, material suppliers, have kept development moving forward regardless of the impact pandemic circumstances.

I wanted to show you this. I think most of you know we do have a new City Manager, Mr. Pili. Also, we have a new Assistant City Manager, Eric Enriquez which was the Fire Chief. He is an Assistant City Manager. Also, the other Assistant City Manager that has come in from out of state is, I stumbled over the last name, but the first name is Ikani, and I'm told the last name is Taumoepeau.

When they came to the City, one of my hobbies is oil painting and metal smithing and I do a little artwork. I found this, this is a little group statue here. Then I put the, looking around because I wanted them to know that coming to Las Cruces, we have the comprehensive plan, to Elevate Las Cruces and (*inaudible 1:12:02*). Then I, if you look, the one that is looking down at the top of this, you will see that it has these figures and it says on their mission team, our strategic business plan, communication, community development, and a city manager. In the very middle of all of this, it says the City of Las Cruces. I put little gemstones around there. In the middle is a

combination of all those gemstones. I wanted them to know that you know that's kind of what we are about. That is kind of where we are headed.

I mentioned what happened during the pandemic and you know it had an influence on construction. We had the March, we had the shelter in place, that occurred, it didn't really stop the construction community. We had to approach it differently. Then we had the Governor's guidelines and the public health guidelines, that did impact retail businesses and all, especially from the restaurateurs and others, but construction was able to continue. I mentioned before you from 2019 some of the percentages of increase. The percentages I just read to you from March of this year exceeded the ones I show here from 2019.

I wanted to show the committee that construction industry was not declared you know to stop activity. They were able to continue practice. They had to do it under the safe COVID-19 safe practices, those being distancing, sanitation, gathering, masking. I just have to compliment and applaud the construction crews and the home builders, commercial builders, it goes all the way down the line. It starts from design professionals, the architects, the workers in the field, the supervisors, the administration, they all observed these practices, and they kept this industry through the pandemic of last year to continue and to be thriving. It amazes me at times how that all has taken place. I will give credit where credit is due and that is due to the construction industry community. With that Mr. Chairman and Committee, I will stand for questions that you may have.

Chair Lorenz: Mr. O'Neill, you have got your hand up I see.

O'Neill: Larry. Thank you for the great presentation. Are you finished?

Nichols: I am finished. I was just wanting a different slide than one of the latrines.

O'Neill: I was going to ask Alma if our committee could get one of those coffee cups Elevate Las Cruces. That would be nice.

Nichols: Mr. Chairman, Mr. O'Neill. I will absolutely assure that you get one.

O'Neill: Thank you. I love your artwork. I have a few other comments and then a couple of questions for you. First of all, I thought it was very insightful about, your predictions for the future of the four L's or five L's. It was very interesting. Thank you for that. I always look forward to your presentations. I do not know what we can do about the rising costs of the lumber and so forth, that seems like an important thing for the construction industry. I think one thing that might help too, I think we might be getting some new residents from the southern states, eastern states where the weather is so bad with the tornadoes and flooding. I am thinking some of them might come this way and that might be a good thing.

I have a couple of questions and I would like to go back to the third slide I think it is. You may have answered one. Please number the pages, I would appreciate it so we could refer to them. The pages are not numbered in this section. Maybe if we can do that in the future.

Ruiz: Mark. It is way down at the left corner. Do you see it is very light?

O'Neill: Not on mine.

Nichols: Mr. O'Neill. As Alma mentioned lower left hand corner says number three.

O'Neill: It is not showing on mine.

Nichols: Well, I will make sure we do it.

O'Neill: This is the third slide you did, I think. I think number three. Anyway, you talked about the new business registrations of 3,000 or so, and some of those are existing. I think you did mention how many new homes. What was that number again on the new homes?

Nichols: Mr. Chairman, Commissioner O'Neill. You want to know the total new homes for 2020, or the ones for March of 2021.

O'Neill: For March 2021.

Nichols: March 2021 was 103.

O'Neill: Thank you.

Nichols: The total for 2020 was 739.

O'Neill: Thank you very much. Then I wanted to know about businesses. You had new business registrations. How many new businesses have come in of that 3,000?

Nichols: I am going to refer here to my notes if you'll just give me a moment.

O'Neill: No problem. I would also like to know how many were closed if we can get that information.

Nichols: Yes sir. Mr. Chairman. I am going to have difficulty on getting you the number that have closed.

O'Neill: Our next meeting.

Nichols: The business registrations, new commercial last year for business, there were five new commercial. I am sorry, this is for March. There were five new

commercial. There were eight commercial alterations, and two commercial additions. Well, that is a total of 15 on the business.

O'Neill: Okay.

Nichols: Let us see, let me get down to the question you asked regarding the business registrations. We had in the year to date for 2021, business registration license 187. The total for 2020 was 826. Realize Mr. Chairman and Commissioner O'Neill, that number is renewals for both home occupancy and on site as well as new.

O'Neill: Okay. I was just looking at for the new ones. Then I was interested in as far as businesses, how many have closed down? You say you do not have that now, maybe at the next meeting.

Nichols: Mr. Chairman, Commissioner O'Neill. I do not have how many have closed. I will make an inquiry with the Economic Development Department. They may have some type of tracking on that. I do have here on my data sheet the total for 2020 on the business registrations, that's both home occupancy, on site, or brick and mortar as we call them, renewals and new was 2,625. We are pretty active there. We did not see much change through the pandemic. People just saying I am out of business, and I am going to be permanently out of business. We solved temporary closures, but they are renewing. Our business renewals, license renewals are on an annual basis. It is not all one date each month. Their license comes up for renewal and we get 200 to 300 a month as an average, about 250 to 300 a month.

O'Neill: I understand. Thank you.

Nichols: There is one interesting metric there that Commissioners, Committee Members. The business renewal license fee is \$35.00 for the year. The Economic Develop Department asked the City Council if they would reduce that to \$5.00 to encourage more people to you know renew their license or to continue with their business. We thought that that would increase the count quite a lot. Guess what? It went the other direction.

O'Neill: What that just a temporary measure you are putting in.

Nichols: Mr. Chairman and Commissioner O'Neill. It is, yes. They so it is permanent. It was reduced from \$35.00 to \$5.00. Maybe it will increase but for the first two months that has not.

O'Neill: Thank you. That is all I have. Thank you for the great report.

Nichols: Yes sir.

Chair Lorenz: Thank you Mr. O'Neill. Mr. Newby, I see your hand up.

Newby: Nice old farts and new technology like Zoom. Hey, Larry.

Nichols: Afternoon sir.

Newby: Last year you explained to us the pressures that were on your end of the program and talking about new technology and video inspections, new hires. It looks like from your numbers everything is working wonderfully. My guess is you guys are working your butts off. How is the technology and video things and new hires going for you?

Nichols: Mr. Chairman, and Commissioner Newby. I am pleased to report that we have, we were able to recruit and hire a combination inspector, which is the program that I am trying to develop here. I am trying to have a combination inspector for the general building category, the mechanical plumbing category, and the electrical category, so that that inspector can go to a site and not only inspect just one discipline, but they can inspect maybe the framing as well as the electrical, or the framing as well as the plumbing and mechanical, or maybe the framing, mechanical, and electrical with one visit. This is a tremendous help to the builders as well as it is for us. We have that and we are recruiting another entry level building inspector. Those are positions. We have recruited another planner. From the technology standpoint, we have enhanced our IVI technology. We have a request for our budget this year to improve our online plan submittal with a software called ProjectDox. It is much easier for the design professionals and the builders to use. It allows them to track their projects and get the point of time information. It helps our inspectors, the entries are better, the plan reviewers are able to get their comments in, and the agencies that review plans are going to be able to have enhanced access. We have that technology online. We basically passed first budget cut so to speak and we are hoping that it is going to be able to make it through the entire budget process. I feel pretty good about what we've been able to achieve in terms of getting us resources to address the high level activity.

Commissioner Newby, I had this formula that I present to the budget office and to the City Manager. You are a bit of an engineer, so I will see if you enjoy this. It kind of goes like this,  $R \text{ sub } A, W \text{ sub } L, \text{ equal } C L C S \text{ sub } I$ . So the  $W \text{ sub } L$  is workload. Plus, the  $R \text{ sub } A$  is resources available. That is going to equal your customer service level. Let us do a little what if. If our resources are up, we have more inspectors for example and our workload remains the same, we are going to have world class customer service. If our resources are level or less and our workload is up, we all know what happens to customer service. We begin to see delayed inspections, we begin to see delayed plan review times, we begin to see a delay in permit issuance. I am asking for resources so I can address this level of activity so I can provide the community and the construction industry community with a high level, world class customer service. Those are my objectives.

Newby: Such small objectives Larry. I will forgive you for claiming I was sort of an engineer when I am an architect. I will overlook that. Go ahead.

Nichols: No, sir. You and I are kindred spirits. My background is in architecture and that I know how architects regard engineers, but I have a high respect for both disciplines.

Newby: So, do I. Second question. Now that your resources are expanding, how has your average time on building permits gone? Is it come back under control or do you still have some things outside of your control that affects the return time?

Nichols: Mr. Chairman and Commissioner Newby. Thank you for the question. Prior to getting some of this new technology, the IVI as an example, and some of the improvements on the plan review technology, our inspectors were able to do about 12 to 15 inspections per day. It is a very common practice now for my inspectors to be able to do 35 inspections with IVI. The main reasons is we have not lost windshield time, in other words driving from site to site which you know we are not able to. Now we are able to do inspections during that time. I have to give credit again to the contracting community because they are helping us achieve those 35 inspections a day. Yes, you know we did 17,000 inspections last year. 17,000. That was a crew of about eight folks, well plus myself sometimes. Our technology has enabled us to do that.

Newby: Larry, thank you so much for all that. I am going to hug you next time because you said that, as we all loved Excella that the ProjectDox is going to improve our life immensely. Thank you from the bottom of all of our peaking hearts on that.

Nichols: Yes sir.

Chair Lorenz: Does that wrap it up for you, Steve?

Newby: Good.

Chair Lorenz: Mr. Roberts. Any comments or questions?

Roberts: Yes, I do have a couple questions. On the IVI. How does that work? Is there basically, you know on like a Zoom meeting with the contractor as they walk you through the inspection or how exactly does that IVI work?

Nichols: Mr. Chairman and Commissioner Roberts. Thank you for the question. The way, we actually had a jump on this interactive video inspection. I brought that program in December of 2019 because I saw it had great potential. We really had it active and kind of moving on when the pandemic came about. The way it works Commissioner Roberts is we have software; it is Google Duo and it is held by either an iPad or a cell phone. We have a contractor or a subcontractor on the site. We have the inspector with a large screen here

in the office. Basically, we identify the project, make sure it is the correct location for the inspection requested. Through the technology of the cell phones or the iPads, let us say that it is a foundation inspection. We will use that as an example. We will identify the site. The contractor will say yes, here it is, it is 123 Smith Street. Okay, good. Let us go. Let us look at the setback. We will get the setback for the project. Then we will start doing the inspection on the foundation and they will take their camera, they will show us the rebars in the foundation, they will even be able to show us that it is the correct rebar size. We have got the overlaps on the rebar. We got the corners tied correctly. Yes, yes, yes. We look at the grading. We look at offsets in it. We make sure that it is the correct plan for the foundation that is being put in. Then after we go through that series with the contractor, we look at it and we say, well we see everything is correctly installed and correctly constructed. You have a pass inspection. Everybody leaves the IVI. We record-ize that into our records and it comes up for the contractor to see that his foundation was approved through IVI on a date by this inspector. We do that same procedure for the other types of inspections such as the framing inspection, the electrical inspection, the plumbing inspections, and mechanical. It is working very well, at least that is our feedback. It is working very well for the construction community and is working well for my department.

Roberts: Thank you

Nichols: Yes sir.

Chair Lorenz: I just want to add I guess a little bit of historical context to some of Larry's comments, namely about residential building permits. That is the world I live in. Back in 2006 at the peak, we saw roughly 1,200 building permits a year. In what I call the doldrums of 2013 and 2014, where it was as bad as it got for our industry, we saw just a shade under 300 building permits a year. To see that we are doing 700, almost 800, I think we might hit 800 this year. We are not at the boom level that we saw in 2006 but we are more than double what we did in the doldrums in 2013 and 2014.

Larry, I appreciate the accolades for the construction industry, because there has never been a more difficult time to build homes than the last year. Not in my career anyway. It is difficult to build homes. The one I guess bright light in it, crews separate having to deal with interactive video inspections. It has done one thing, and it has allowed us to schedule much more accurately. When we can schedule when we are going to have an inspection, instead of it just goes off into the ether and we do not know about it until we see a sticker pop up in the window. That is the beauty of IVI for us. We can schedule it, it is going to happen at 9:30 on Tuesday morning, and the inspector pops up on the screen. Obviously, it allows us a lot more freedom to schedule things in a much tighter timeframe because we know when that inspection is going to happen. It is a huge benefit to us.

As the as the pandemic hit last March and things were getting locked down, and nobody really knew what was going to happen or if we were going to be able to keep working. We really appreciated Community Development and their permit techs; they had a tough time. I mean a lot of these people have kids, and the kids were doing school from home and they had to be parents as well. It is not just the pandemic and the separation and the working from home, being able to parent over this last year now, I just thank God for my parents because they have been doing the homeschool with my kids so that we could keep going. It has been an enormous burden on office staff all over the country. Certainly, it impacted the permit techs and the plan reviewers and their ability to keep on schedule. To answer your question Steve about turnaround times on permits, it is fantastic right now. I mean we do not get the walk in to the office, apply for the permit, walk out with a permit. I mean that has been gone since Excella, but it is consistent. You know it is two to five days every time and we know what to expect, we know when we are going to get it and they hit that schedule every time without fail. They have been doing a fantastic job. Inspection turnaround times are as good as I can ever remember since I think maybe 2007 or 2008 when staff was still swelled from the boom and building permits were rare. That was the last time I really remember inspections going as smoothly as they do today. We in the building industry sure appreciate Larry and his staff. They have done a great job. Lumber is at a 300%, almost 300, it is like 287% of what it was in April of last year for context. One of my homes we built I would say maybe a little bit larger than the average Las Cruces home. Most of what we do is 2,000 to 2,700 square feet. We used to budget somewhere between \$12,000.00 to \$17,000.00 for a house full of lumber and trusses. That's at almost \$50,000.00 now.

Nichols: Mr. Chairman. I will give you a quick metric Mr. Chairman. As of to date 241 new homes have been built since January so for the first three months, we are at 241. I think we are going to eclipse the 100 mark this year maybe depends on how those five Ls come into play. I am thinking that we're going to do that. Then you mentioned about the hardship on families and staffing. That is also for Mr. Newby's question about what resources I have developed. I bought my, 40% of my staff is on site, 60% is working remote. To purchase new equipment and technology to enable them to be able to tie into our services so that they could work remote to process permits, online permits, inspection record updates, team meetings, zoom meetings, all of that. Yes, it has been a challenging year. What we are seeing you know the way that folks have been able to cope with that just impresses me with the resiliency that we have been in this industry.

Chair Lorenz: Thank you, Larry. I think that is the end of the questions. I appreciate your report and I appreciate your work. Thank you.

Nichols: Thank you, Mr. Chairman and Committee. It is always a pleasure to bring this information to you.

O'Neill: Thank you.

**6. Action:**

**6.1 Vote to Send CIAC Letter to Mayor and Council Members Regarding Utilities Development Impact Fees for Water and Wastewater by CIAC Members**

Chair Lorenz: Now I think Alma's is going to let us take a vote. Do I hear a motion?

Ruiz: Yes, we are now at that agenda item Chair for action.

Chair Lorenz: Alma I kid you a little bit, but I appreciate you keeping me on track. Thank you very much. Do I hear a motion for acceptance of this letter?

Newby: I make a motion to accept the letter as written by our Chair.

O'Neill: I will second.

**The Letter was Approved Unanimously 4-0.**

**7. Public Participation:**

Chair Lorenz: Next item on our agenda is Public Participation. Do we have any Alma?

Ruiz: Chair. None came into the general comments box. Do we have participants let me look into the participant list. There are four attendees. It looks like one is from the public. I do not know if you want to open it up to anyone in the attendee list.

Chair Lorenz: Well, it is so rare we have public comment. I am just excited to hear some.

O'Neill: We had some last meeting.

Chair Lorenz: I do not know who would call.

Ruiz: It does not appear to anyone is raising their hand. I just thought we should offer it up to anybody who may want to comment.

Chair Lorenz: Well, at least we tried.

**8. Board Comments:**

Chair Lorenz: Next is our meeting for April 15th. We have a few items on the agenda. One of them is going to kind of answer your questions Mr. O'Neill about Parks and Recreation current projects update. How does the committee feel about holding this meeting and just a couple of weeks or would you like to put it off for May?

O'Neill: As far as I am concerned, we can wait till May unless any of these things, there are no action items, and my information can come then. That is fine.

Newby: I would agree with that.

Roberts: I am fine either way.

Chair Lorenz: I agree. You guys are so much better at remembering to do that. Yes, let us cancel the April meeting and let us push this off to May. Okay Alma.

Ruiz: That will push it to May 20th, so we will make that modification. Thank you.

O'Neill: Do we need action on that?

Ruiz: No sir.

Chair Lorenz: That is the end. I guess we will adjourn. Thank you guys. It was a little longer meeting than usual, but I sure enjoyed the reports that we got today and keeping an eye on the financial side of all of those Impact Fees is paramount for our duty. I appreciate you guys.

Newby: If I might say one thing before we adjourn, I will be brief.

Chair Lorenz: Please.

Newby: I was privileged to take the facility tour last week of three facilities with Utilities. I must say I can be a harsh critic sometimes of the City and government in general but I can tell you what I saw on that tour was quite amazing. I saw dedicated people that love their job, that took their job seriously, that were proud of the work they did. You saw it in everything from just the cleanliness of the facilities, the safety work that goes into keeping everybody able to go home at the end of the day. In all seriousness just the dedication that I saw from every single employee that we were fortunate enough to meet with. We went to the wellsite site out by burn Lake, we went to the sewer facility, the reclamation facility up on the East Mesa. I climb long ladders on big water tanks. Our Assistant City Manager, Ikani, was along for the ride. The good news is it was just the two of us, so we got treated like royalty. By the way Alma at the bling during lunch, I was very impressed. It was a nice grab bag. Also during lunch, I have to call out Jose individually because he just started talking about just you know off the cuff about what he expects the Utility Department to do. He made comments such as if we tell somebody it is going to be done tomorrow, it is going to be done tomorrow. No excuses. You know you see a lot of that in the private sector, because we all have to make money. To hear that coming from people who work in the Utilities Department that can show up for work, get the work done and leave, but to hear Jose and others talk about how they understand their position in our community. How proud they are to give us clean drinking water. Little did I know they can take raw sewage and turn it into 98% drinkable water in six hours. I learned a new term, toilet to tap. It is going to have you know some selling on that concept but they are that close on that facility. I encourage them to come to our community and ask for lots more money to achieve that. They already have it in the plan. I just

want to thank the Utility Department; it was a great tour. I was greatly encouraged because we see the same fervor from Larry Nichols and his group as we do at the Utilities Department. Cannot wait for the next one. Thank you.

Chair Lorenz: Well, Mr. Newby thank you very much for that. I cannot think of a better way to end our meeting. Great job Utilities, guys. I wish I could have made it. Unfortunately, I was on a beach in Jamaica.

O'Neill: I found the same thing on my tour a couple years ago Mr. Newby. I wish I would have known another grab bag, I should have went with you guys again.

Newby: I mean I got an umbrella the size of my house out of the deal. The best thing yet is little recharger for your cell phone that you can carry around. I have used this five times. Thank you very much.

Chair Lorenz: Great. Alma, did you have something else?

Ruiz: I just wanted to say normally you do not take a poll for an adjournment but let us proceed with the poll just to have it on the record.

**9. Next Meeting Date - April 15, 2021:**

**10. Adjournment:**

Chair Lorenz: You've got anything for you Alma. With a movement to adjourn, Mr. Steve Newby.

**The Adjournment was Approved Unanimously 4-0.**

---

Chairperson