Good evening. My name is Joe Neeb and I serve as the Roswell City Manager. I want to thank you all for attending this important event and learning more about this bond issue. The Mayor sends his regrets and due to a conflict with his schedule has asked me to speak in his place. My job is to serve the City Council and to manage staff and services.
The City Council voted unanimously on Resolution 19-90 to place a ballot question on the March 3, 2020 ballot asking voters to authorize up $35,000,000 general obligation bond to fund the construction of a public safety complex.

As contemplated, the complex would serve as an administrative hub for several public safety functions along with municipal court.

The City would be permitted to issue the bonds if a majority of those voting in favor of the creation of the debt.

In my role as City Manager, I am unable to support either side of the bond question but I can share with you what information was provided to City Council that resulted in a unanimous decision to place the question on the ballot for the March election. This decision was even though our individual City Councilors have different opinions on how to move forward.
My statements are prepared as it will keep me on track for the short time to cover the specifics of this project. For now, there are no plans by a state licensed architect or engineer. Instead of spending $100,000 to $500,000 in plans and design for a project that may not get approved by the public, the City elected to wait until after the bond election. In 2008, Albuquerque Public Schools spent $1.6M on plans for a building that never actually got built due to lack of funds.

In 2016, the City discovered the need to analyze the condition of its buildings in greater detail. The City hired a professional firm to inspect and prepare an inventory of what every city building needed to bring it up to code. That study serves as a primary tool in determining which buildings can be saved and which ones should be looked at for replacement.
BENEFITS OF A NEW SAFETY COMPLEX

Long term value for our investment
Safe and efficient facility
Longevity of the building
Reduce repair costs, reduce fuel costs, update infrastructure and enhance public relations with the community

Provide better services to the community
Centralized location to improve response times
Equips Fire and Police forces for ordinary and disaster circumstances and creates Synergy
Accessible to the public and enhances public outreach

Creates a better future for Roswell
Attracts and retains the best first responders long term and allows Roswell to remain competitive
Opportunity to meet future population needs for Police and Fire growth

Just last year, the City completed both the Convention Center renovations and the Recreation and Aquatics Center under budget. We are committed to the idea that Roswell does not intend to waste taxpayer funding on expensive studies. We are ready to take this project on and we want to place it in a neighborhood area that will see a benefit and to help revitalize the commercial and residential sectors due to the City’s investment.
PUBLIC SAFETY COMPLEX

Objective: To build a new complex and consolidate primary Public Safety operations into one facility. A secondary objective for this facility is to better serve the community through the centralization.

Facility Consolidation to include:

- Fire Station 2
- Fire Department Administration
- Police Department
- Combined Dispatch
- Emergency Operations Center
- Municipal Court

High Performing public safety is a system of redundancies and layers of responsibilities. The City has Fire Sub-Stations west of the railroad tracks that can respond to emergencies. Police officers are mobile units dispersed throughout the City and are readily available to respond in the event a train is blocking access to either side. As both our public safety Chiefs have said, by having the police and fire administrative leadership in one building it allows the City a faster and more centralized way of dealing with disasters. Until a few years ago, there were a primary and secondary dispatch centers in Roswell then the State closed the one at the State Police post. Our goal is to recreate that redundancy for dispatch, to continue in a partnership with Chaves County for overall public safety and to work with the County to assure the most appropriate and economical placement of joint services such as dispatch.

There has been no City Council discussion on what to do with the existing buildings that will be vacated with the new complex. However, individual City Councilors have stated that some buildings will be sold or demolished and the proceeds will be used to lower the bond payments. I agree with that plan. Annual growth within the city will also have an impact in lowering the bond payment quicker than the 18 years. There has been tentative discussions that the current Police station due to its proximity to downtown will be used to attract a new economic development opportunity for downtown. When we can take a non-taxed property in the downtown and put it back into economic service, it helps keep the downtown remaining vibrant and alive.
I rely heavily on the number of professionals and experts we have on staff and I want to share with you the Top 5 reasons on what our Police and Fire Chiefs have stated to the City Council on the importance of this project. For the Police Department, it will be customized to police service and will meet all national and department of justice standards and accreditations, it increases retention and recruitment efforts, it alleviates current issues, addresses future needs and expands their ability to serve.
<table>
<thead>
<tr>
<th>Top Five Benefits and Reasons</th>
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<tbody>
<tr>
<td>Location - currently no fire station east of the rail line.</td>
</tr>
<tr>
<td>Replacement of a 1940's era fire station that has exceeded its useful life span.</td>
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<tr>
<td>Cohesion of Public Safety leadership, command staff, and personnel.</td>
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<tr>
<td>Fresh, modern facility projects image of investment in public safety to the community and assist with marketing and recruiting.</td>
</tr>
<tr>
<td>Room for organizational and operational growth as the community grows and need for emergency services expands.</td>
</tr>
</tbody>
</table>

For the Fire Department, it will improve response for the area, it replaces a fire station that has exceeded its useful life, it creates a cohesion for public safety leadership and command staff, shows the community investment for marketing and recruitment and provides room for organizational and operational growth.
Roswell is a very conservative community. Of the comparable cities, Roswell has the lowest General Obligation tax rate. It has the 2nd lowest Gross Receipts Tax rate. Throughout its history, the City has not taken the taxpayers money unless there was a need. Every Fire Station built within the City has been built using General Obligation bonds. The Police Department has found its home in different reconditioned buildings. In my position as City Manager, I am not content to kick the can down the road. We need solutions and I intend to leave the City in a better place at the end of my tenure. The median residential value of owner occupied housing in Roswell is $103,000. This $118.00 per year is the average impact to our homeowners for this bond but this bond is covered by the property owners of homes and commercial businesses together. It is a sacrifice for all of us and in the long run is the most financially prudent. I believe in Roswell and this project will help us move the City forward.
We have had tentative conversations with property owners in the area of choice along with looking at property owned by the City. We are not planning on using eminent domain to acquire property. There are several suitable sites in the area that we plan on studying and looking at.
The consolidated approach corrects many different issues at the same time. It saves money in the long run. There is over $43 million dollars of deferred maintenance expenses to be done on city buildings funded by General Obligation or in other terms property tax support. By approving the bond, the City will receive new money to put to this project and existing funding can then be allocated to those other buildings in need. The question was asked if the City asked for state assistance. The City Council did include the Public Safety Complex on the State legislators Capital Improvement list, however it did not receive funding this year.

If the bond is not approved, other options will come to the table but without the new revenue, it does not make good financial sense and correcting problems with the buildings may be more expensive. It also doesn’t put these departments in a more cohesive environment to be in constant contact with each other.
## Public Safety Complex Estimated Cost

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Construction Cost $315 a sq. ft. x 89,955</td>
<td>$28,335,825.00</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$1,400,000.00</td>
</tr>
<tr>
<td>Parking</td>
<td>$2,064,000.00</td>
</tr>
<tr>
<td>A&amp;E</td>
<td>$1,833,380.00</td>
</tr>
<tr>
<td>Bond</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Property and Site work</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$34,933,205.00</strong></td>
</tr>
</tbody>
</table>

The $35 million proposal was arrived at using the Artesia Public Safety Complex as a comparable case in the region. The Artesia Complex is a 73,489 square feet complex on 16 acres. Construction cost was around $23 million in 2013. Factoring in departmental needs and anticipated growth of the departments, escalation cost for construction, architect and engineering, bond costs and property acquisition the proposed Roswell Public Safety Complex will be 90,000 sq. ft. on 8-10 acres at an estimate of $35 million. This is a not to exceed estimate with the actual interest rate to be determined on the market conditions at the time of the bond sale. It is estimated that the interest rate may range from 3.5% to 4.5%.
Contrary to the armchair quarterbacks, the City is fiscally stable and its audits are without any significant findings. The city financial rating is great and this is important to note as it assures a lower interest rating for these bonds.

The City of Roswell has one outstanding property tax General Obligation Bond that was issued in 2008. The current debt owed as of March 1st is $770,000. The bond is paid from a mil levy of $0.53 and will be paid in full on Aug. 1, 2022.
The proposed $35 Million GO Bond election for the public safety complex will have the following tax impact:

- A 3.53 mil levy increase over the current City's debt service tax rate of .55
- Tax rate will decline after maturity of current Series 2008 Bonds debt service

The bond impact is a $3.53 mil levy increase over the current debt service rate of $.53. For years 2021 and 2022, the old and new bond rate will be in effect at the same time. After August 1, 2022, the old rate of $0.53 will retire leaving the new rate in effect of $3.53. The new bond rate will decline over the years as the principal and interest is paid. The bonds will retire in 18 years.
This bond meets all requirements set by the New Mexico State Constitution and the State of New Mexico. If the bond passes, the City will have limited bond capacity for the following first two years. Borrowing is never the first option but in this case, it does make sense. Interest rates are low. The bond is built to pay off quickly and while the use of General Obligation bond proceeds can vary, any future General Obligation Bonds will require another approval from the voters.

The City of Roswell’s current revenue to loan ratio is about 6.29%. This includes all Gross Receipts Tax, Occupancy, and enterprise revenue bonds. With the anticipated General Obligation Bond, the revenue to income ratio is estimated to be at 9.32%. The industry standard for a debt to income ratio should be no higher than 36%.
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The City cannot do this without the support of its people. Services are provided through the taxpayers support. There are not sides. There is one City and we have to do this together. It is my job to assure that our citizens receive quality services for an affordable price. This project makes good financial sense in the long run. No matter which direction this bond issue goes, I believe in Roswell and I hope you do too. Thank you for listening.