

**Regular Meeting of the Finance Committee
Held in the Conference Room at City Hall
Thursday, May 7, 2020**

Notice of this meeting was given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution 19-37.

ROLL CALL

The meeting convened at 11:07 a.m. with Chairman Perry presiding; Councilors Roebuck, Kennard and Oropesa being present.

Staff present: Monica Garcia, Juanita Jennings, Stephanie Mervine, Juan Fuentes, Chanel Rey, Steven Martinez, Louis Najjar, Jeff Betchel, Joe Neeb, and Sharon Coll.

Guests present: Mayor Kintigh.

APPROVAL OF AGENDA

Councilor Kennard moved to approve the May 7, 2020, regular Finance Committee meeting agenda as presented. Councilor Roebuck was the second. A voice vote was unanimous, and the motion passed 4-0.

APPROVAL OF MINUTES

Councilor Roebuck moved to approve the March 31, 2020 regular Finance Committee meeting minutes as presented. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

NON-ACTION ITEMS

Information Reports: Reports were included in the agenda packet. Ms. Garcia reviewed the reports and referred Councilors to department staff to answer questions.

Capital Projects List Report: Mr. Fuentes presented an overview of the Capital Projects as they stand year to date, gave status updates on projects, and discussed which projects will be carried over into FY2021. He presented the City's plans for the reallocation of Capital Expenses.

The Committee discussed the distribution of project expenses and funds category, projects, suspended projects, and infrastructure.

Final Budget Summary: Mr. Neeb presented a proposed budget for FY2021, which includes over \$32 million in cuts and cost reductions. The budget for FY2021 will include a 25% overall reduction from the FY2020 budget. He gave an overview of changes that have been made.

The Committee discussed challenges that the City will face as a result of these reductions and possible measures that can be taken to make up funds for the budget. There will be a special workshop with the City Council to walk Councilors through the FY2021 budget.

Tyler Update: Ms. Rey discussed updates on the utilization of Tyler. Tyler is planned to go live at the end of the calendar year.

ACTION ITEMS

Resolution 20-XX Monthly Budget Amendment: Ms. Garcia presented the request of Resolution 20-XX to amend the approved budget for FY2020 ending June 30, 2020. The amendment included the following:

- Fund 1101 (General Fund) revenues -\$60,605, expenses -\$60,605
 - Police Vehicle Appropriation recorded twice \$100,000
 - Received Damage Claim for Station 6 Garage Door \$1,414
 - Received Damage Claim for Police Unit 82738 \$2,761
 - Received Damage Claim for Fire Department Bunker Contents \$21,492
 - Received Damage Claim for Accumulated Depreciation Station 5 \$13,728
- Fund 2623 (Road Fund) cash balance \$868,845, expenses \$868,845
 - Move expense from Capital Fund to Road Fund (project); and
- Fund 5100 (Air Center Fund) revenues \$37,750, expenses \$37,750
 - Received Damage Claim for Accumulated Depreciation Airport Buildings

The total amendment to the FY2020 approved budget is of -\$22,855 in revenues and -\$22,855 in expenses to various funds and \$868,845 in cash reserves (road fund) and \$868,845 in expenses. Councilor Roebuck moved to send to full City Council on the consent agenda approval of Resolution 20-XX amending the FY2020 approved budget by increasing revenue and offsetting expenses in the listed funds. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

Request - Acceptance of the Audited Financial Statement for Fiscal Year Ending June 30, 2019: Mr. Chris Garner called in to present the Audited Financial Statement for Fiscal Year ending June 30, 2019. The auditors found no difficulties in conducting their audit, had no disagreements with management, and had no significant audit adjustments that arose from the audit process. Minor issues detected within control testing included issues with payroll disbursement, cash disbursement, and internal controls over gas cards.

Councilor Roebuck moved to send to full City Council on the consent the agenda acceptance of the Audited Financial Statement for Fiscal Year Ending June 30, 2019. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

Request - NMDOT for Nova Chip paving on SE Main St: Mr. Najar presented the request from NMDOT for a 75% / 25% split to perform Nova Chip paving on SE Main St from Poe St. to McGaffey St. The total cost is estimated at \$520,147.74, wherein the NMDOT contribution would equal \$389,510.23 and the requested City portion would equal \$130,637.61. The funds would come from existing FY2020 Streets operating budget. The NMDOT is using available funds from the current FY budget to address SE Main St.

Councilor Roebuck moved to send to full City Council on the consent agenda approval with the recommendation to approve the NMDOT Nova Chip paving on SE Main St. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

Consider Lodgers' Tax Funding Requests: Below are the requests for Lodgers' Tax funding for special events:

- Lodgers' Tax Funding Request for UFO Festival 2020: The Occupancy Tax Board recommended (5-0), on April 21, 2020, funding for the 2020 UFO Festival in the amount of \$9,000. The 2020 UFO Festival is scheduled for July 3-5, 2020.
- Lodgers' Tax Funding Request for Bottomless Triathlon: The Occupancy Tax Board has recommended (3-2), on April 21, 2020, not to fund this event for FY2021 as requested. The Bottomless Triathlon is scheduled for July 11, 2020.
- Lodgers' Tax Funding Request for 15th Annual Jazz Festival: The Occupancy Tax Board recommended (5-0), on April 21, 2020, in the amount of \$2,000. The 15th Annual Roswell Jazz festival is scheduled for October 14-18, 2020.
- Lodgers' Tax Funding Request for NM Aviation Aerospace STEM Expo.: The Occupancy Tax Board has recommended (3-2), on April 21, 2020, not to fund this event for FY2021 as requested. The 2020 NM Aviation Aerospace STEM Expo. is scheduled for October 15, 2020.
- Lodgers' Tax Funding Request for Eastern New Mexico State Fair: The Occupancy Tax Board has recommended (5-0), on April 21, 2020, to fund this event in the amount of \$9,000. The 2020 Eastern New Mexico State Fair is scheduled for October 5-10, 2020.
- Lodgers' Tax Funding Request for Roswell Symphony Orchestra Concert: The Occupancy Tax Board has recommended (5-0), on April 21, 2020, to fund these events in the amount of \$500. The Roswell Symphony Orchestra concerts are scheduled for September, October, and December.
- Lodgers' Tax Funding Request for Chili Cheese Festival: Occupancy Tax Board has recommended (5-0), on April 21, 2020, not to fund this event for FY2021 as requested. The 2020 Chili Cheese Festival is scheduled for September 25-26, 2020.
- Lodgers' Tax Funding Request for Piñata Festival: The Occupancy Tax Board has recommended (5-0), on April 21, 2020, not to fund this event for FY2021 as requested. The 2020 Piñata Festival is scheduled for September 11-12, 2020.

Ms. Jennings presented an overview of Lodgers' Tax revenue and cash balance for FY2020 and projected Lodgers' Tax revenue for FY2021, which includes a 20% reduction due to COVID-19 restrictions. Mr. Martinez discussed how the projected 20% reduction was determined.

Chairman Perry presented the current plan, submitted by Governor Lujan Grisham, to reopen businesses in state of New Mexico after the COVID-19 crisis and discussed the challenges this poses for the City in lessened GRT and Lodgers' Tax revenues. Chairman Perry recommended that all the Lodgers' Tax Funding Requests be tabled until a later time.

The Committee discussed the process for requesting awarding Lodgers' Tax funding and how the Occupancy Tax Board (OTB) makes recommendations for acceptance or refusal of these requests.

A recess was called at 12:58 p.m. and resumed at 1:04 p.m.

Mr. Perry Toles called in to speak on behalf of the Bottomless Triathlon.

The Committee discussed concerns regarding the Governor's proposed plans to re-open New Mexican businesses.

Councilor Roebuck made a motion to table Action Items 7-15, which cover all Lodgers' Tax requests, until further notice. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

Resolution 20-XX Critical Infrastructure Security: Mr. Neeb presented the request of Resolution 20-XX to create a Critical Infrastructure Security and Response Policy on Utility Plants, Collection/Distribution, and Airport Infrastructure. The resolution allows for further security measures for the utility and airport enterprises.

Mr. Neeb presented a report on the needs for such a resolution and how the Resolution would be enacted if approved.

Councilor Roebuck moved to send to full City Council approval of Resolution 20-XX creating a Critical Infrastructure Security and Response Policy. Councilor Kennard was the second. A voice vote was unanimous, and the motion passed 4-0.

PUBLIC PARTICIPATION

No public comments were presented.

ADJOURN

The meeting adjourned at 1:32 p.m.