

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, April 19, 2017 in the Conference Room, Bert Cabiness City Government Center, 321 Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Mayor Lansford, Chairman
Mayor Pro Tem Garza, Vice Chair
Commissioner Madrid (via telephone)
Commissioner Elliott
Mr. Larry Fry

ABSENT: Ms. Leighann Melancon

ALSO PRESET: Ms. Claire Burroughes

Mayor Lansford called the meeting to order at 2:00 p.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes

Mayor Pro Tem Garza made a motion to approve the minutes of January 18, 2017 as presented; Commissioner Elliott seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Finance Report

General Fund 1 - \$7,716,471.27
Environmental Tax Fund 6 - \$5,823,806.02
Airport Fund 12 - \$92,349.52
Colonial Golf Course Fund 19 - \$132,036.00
Streets 2015 GRT Improvements Fund 24 - \$1,354,931.97
Worker's Comp P&L Fund 48 - \$1,843,043.00
Infrastructure Imp Fund 60 - \$477,880.59
Civic Center Fund 62 - \$544,633.23
Designated Cash Fund 63 - \$1,437,138.91
Economic Development Fund 64 - \$2,810,589.14
Capital Outlay 1/4% Fund 65 - \$888,283.81
Water 1/4% GRT Fund 66 - \$3,101,394.21
Special Streets Fund 75 - \$1,261,189.01
Drainage Improv Fund 88 - \$475,751.51

Beginning cash and investments was \$42,895,781.58 and ending cash and investments was \$43,806,338.82. The breakdown is \$20,944,703.35 Cash in Bank, \$5,970,611.87 in CD's with

Citizen's Bank and \$16,891,023.60 in the State Investment Pool. Interest earned for the month was \$8,710.98 and for the year to date \$70,769.73. The state pool was paying .59%.

Mayor Lansford explained the page with available cash reserve and limitations on use of funds to Mr. Phelps. He stated they asked of this so that they could know in each line item what dollars were not encumbered. They identified two accounts that they felt had too much money in them, worker's comp and the ICMA forfeiture. The ICMA forfeiture has about 30 years of employees that worked less than the vested period so all of city's contributions for the employee are lost and goes back into the ICMA funds and the city gets a credit. They have identified close to \$4 million over a period of two years to spend on things they are neglecting and one of those is the shooting range. Mr. Fry stated they are required to maintain 1/12th of their annual operating expenditures in the general fund.

Mr. Phelps asked if they are limited to what they can invest in. Mr. Fry stated they are somewhat limited but they are not necessarily maximizing the type of investments they should be doing. Mayor Lansford asked if Plateau had a lot of cash reserves invested in highly producing instruments. Mr. Phelps stated they were not too aggressive, but they tried to average about 4%.

Ms. Burroughes stated they had nonrecurring funds from the current fiscal year that have been expended now and part of that money is being spent at City Hall. There is \$700,000 that hasn't been spent that will be spent on updating the financial systems.

Agenda Item No. 5 - Request for discussion and recommendation regarding funding for lighting and bleachers at Ned Houk Motorsports

Ms. Burroughes stated they had two parks boards meetings that the Ned Houk Motorsports group attended and asked for funding for lighting and bleachers. This was tabled at the March 6th Parks meeting and Mayor Pro Tem Garza suggested this be brought to the Finance Committee meeting. The agreement with the motor speedway does not include the City of Clovis from spending any money on them. That has not stopped the commission in the past from giving money to the group. Mayor Pro Tem Garza stated Mr. Richards informed them that there was a contract so therefore, there was not any commitment from the city to help them in any way shape or form. The city does help other groups that they are in agreement with. Commissioner Martin stated at one of the meetings that the city needs to come up with some kind of help for them. They claim they need the help and that they are bringing people into the community.

Commissioner Madrid stated parks has bleachers that they can give to them so all the city would have to come up with is \$47,000 for the lights. Commissioner Elliott stated the bleachers at the softball field are going to be replaced so they could have those, but it was his understanding that they didn't want to use those. Ms. Burroughes stated she was not aware of that. Commissioner Elliott asked if they had lighting that could be refurbished. Ms. Burroughes said Mr. Adams stated that the power they were going to bring from the shooting area would help them. Commissioner Elliott stated Parks has several bleachers that could be usable. Ms. Burroughes stated Mr. Harris was interested in those bleachers. Commissioner Madrid stated they wanted LED lighting because it gives off more light.

Mayor Lansford stated the parks fund shows \$200,000. He asked if that money was obligated for anything. Mr. Fry stated it is designated for parks purposes. Ms. Burroughes stated they will have to spend some money at Colonial for the swimming pool. Mayor Lansford asked how much money they are adding a month to that parks fund. Mr. Fry stated year to date revenues are \$369,000.

Mayor Pro Tem Garza stated he has tried to explain that just because the Model Airplane Club is relocating and the city is paying for it that doesn't mean that they have the money. That came from the fund that had the easements. Ms. Burroughes stated they were physically displaced. Mayor Pro Tem Garza stated the shooting range is coming from Game & Fish and not the city pushing for it.

Mayor Lansford stated when they are talking about bleachers they are talking safety issues and the city owns that facility. Mayor Pro Tem Garza stated they are trying to accommodate everyone, but this is not really a government responsibility to fund everyone that wants money. Commissioner Elliott stated if the city sees that they are doing well then maybe next year they can help with lighting, but if the bleachers are a safety issue then they might need to do that. Mayor Pro Tem Garza stated every sport on city property are self sufficient. When they have a group that is coming to the city that is not really making money, but they need the help because of safety issues the city needs to provide what they can afford.

Mayor Lansford asked if they have looked into refurbishing the bleachers they have now. Commissioner Elliott stated they may want to look at the bleachers.

Commissioner Elliott made a motion to either refurbish the bleachers or replace them at a cost of up to \$50,000 and refer back to the Parks Board for a recommendation to the commission. Mayor Lansford stated if they purchase new bleachers they will belong to the city. He asked what would happen if they refurbish them. Mr. Fry stated they need to find out for sure if Ned Houk Motorsports owns the current bleachers. Mayor Lansford asked if they could take ownership of the bleachers of the city chooses to refurbish them. Mr. Fry stated that is probably what they would want to do. Commissioner Elliott amended his motion to include the bleachers becoming property of the city if they choose to refurbish them. Mayor Pro Tem Garza stated he would feel more comfortable with money coming out of parks. Mr. Fry stated it would be more helpful to have Ms. Melancon present during that conversation. Mayor Lansford suggested having staff present the commission with options on where the money will come from for the bleachers. The motion carried by acclamation.

Agenda Item No. 6 - Request for discussion and recommendation regarding funding for air wall at the Civic Center

Mr. Fry stated the Civic Center has made a request that the air wall be replaced. The Civic Center Committee has voted to recommend to this committee and the Commission that \$50,000 be allocated to buy a new air wall to replace the current one. Mayor Lansford asked which fund this would come out of. Mr. Fry stated this would come out of fund 62, the civic center fund has \$544,000 in it. Mayor Lansford asked if the current air wall was functional at all. Mr. Fry stated it is practically not functional. Mayor Pro Tem Garza made a motion to approve a \$50,000

expenditure from the civic center fund 62; Commissioner Elliott seconded the motion, which passed by acclamation.

Agenda Item No. 7 - Request for discussion and recommendation for allocation of up to \$400,000 of non-recurring funds for Clovis Archery and Wing Shooting Training Center

Mr. Fry stated there is \$1.1 million identified in the nonrecurring funds that has not been allocated. If it is desired this could come out of that fund. Commissioner Elliott stated if they get the 3-1 match it will be around \$250,000. The biggest problem is the environmental study, which is \$41,000 and that has to be done before they can submit the application. Mayor Lansford asked if the commission decides the building by themselves will there be enough between the \$250,000 and the \$400,000 for them to buy it. Commissioner Elliott stated it was less than \$300,000. Ms. Burroughes stated they would have to pay another \$70,000 for the first year operation costs. The building cost is \$289,134. Mayor Lansford stated Game & Fish wanted a 50 year agreement because they are paying for a big piece of the city's infrastructure, particularly the building. If the city owns the building instead of Game & Fish participating in it then the city does not have to have a 50 year agreement. Ms. Burroughes stated it would be either a 20 year or 50 year. It would depend on the life span of whatever they are paying for.

Ms. Burroughes stated they also can use the environmental study money as match money against the application. Mr. Phelps asked if Game & Fish have committed to the 3-1 match. Ms. Burroughes stated they told the city that's what it would be, but they haven't committed to giving the money. Mr. Phelps asked if this was just to approve moving forward and putting in the application. Mr. Fry stated it also having enough money set aside to the do the project should it be approved.

Commissioner Elliott stated in Texas the schools are very involved with 4H. Mayor Lansford stated they need an endorsement from Clovis Schools. Commissioner Elliott thought they could get letters. Ms. Burroughes stated they should get letters of support from everyone that will be part of the management group.

Ms. Burroughes stated her concern is if the city pays the \$289,000 for the building then that is the largest part of the archery. They had to find a hook because they are not doing the rifle shooting, but the archery is something that could be fundable. If they take the building out of the equation, that is where the archery is happening, then how will get a grant. Commissioner Elliott stated archery has to be in it.

Commissioner Elliott made a motion to allocate up to \$400,000 of nonrecurring funds for Clovis Archery and Winged Shooting Training Center; Commissioner Madrid seconded the motion. Ms. Burroughes asked if the motion was for the whole thing. Commissioner Elliott stated it was. The motion carried by acclamation.

Mayor Lansford asked if would be appropriate to make a motion that it is the desire of the finance committee for these activities at Ned Houk Park to be revenue and expenditure neutral so that they need to charge the fees to the user groups that cover the operational services. He stated he does not want to subsidize people's recreational activities. The user groups have to pay something to be able to use it. Commissioner Elliott stated Mr. Adams has put something

together. Ms. Burroughes stated Mr. Adams and her are working on this. Mayor Pro Tem Garza stated the Archery and Winged Shooting Training Center will have to have an agreement with the city so the city can put in there that they will have to be self sufficient. Ms. Burroughes stated she is working on the economic impact on this as well.

Ms. Burroughes asked if the \$400,000 included the first year's operation. Commissioner Elliott amended his motion to include operational expenses in the \$400,000; Commissioner Madrid seconded the motion, which passed by acclamation.

Agenda Item No. 8 - Request for discussion and recommendation regarding Position Classification Review, Employee Benefits and Compensation Plan Study

Mr. Fry stated this was more of an update than a recommendation. The process is continuing forward with the wage and compensation study. Each of the different positions, 127 within the city, has an identified range of compensation. Mr. Yermall's first step in the process is to try and move those who are below the minimum up to the minimum of the particular range. Based on the comparators that he has there would be 134 employees that are below the minimum and the cost to move those up to the minimum would be in excess of \$400,000. If they were going to do a similar thing at 95% it would move the number to \$260,000.

The second recommendation is to identify those employees that are beyond the maximum and using the 95% of the market there would be 14 employees that are above maximum. He would recommend that those be frozen and not be eligible for any increases until the range caught up with them.

The third recommendation would be an adjustment for employees in the salary range to try to move their pay closer to the midpoint.

The fourth recommendation would be a certification pay for different departments. Mayor Pro Tem Garza asked if that was in place now. Mr. Fry stated it was, but many years ago it was rolled together within the fire department as one compensation level. Mr. Yermall is recommending that they break that out as a separate component of compensation.

The fifth recommendation is an equalization of the city's contribution for ICMA and PERA. If an employee participates in the ICMA plan, the city portion is 14% and if an employee participates in a PERA plan the city contributes 9.55%. If they were to move the PERA employees to the 14% there would be a cost of \$46,000 a year. Another alternative would be to move the ICMA down to 9.55% and would have to grandfather those currently in the system at 14%. It does not seem fair that they are contributing a greater percentage for one category than the other. Ms. Burroughes stated another option would be to do away with ICMA and just have one system. Mr. Fry stated the City of Clovis is the only one in the state with two systems. Mayor Lansford stated the city's contribution should be more for ICMA than it should be for PERA because PERA is a guaranteed payment. Mr. Fry stated he did not think employees were counseled wisely about the benefits or the implications of what their choices were. Mayor Pro Tem Garza stated the reason they have extra money though is because of the ICMA contributions. Mr. Fry stated that is correct. Ms. Burroughes stated they did not know that until

recently. Mayor Lansford asked what happened with PERA forfeitures. Mr. Fry stated they stay within the PERA plan so the city still makes those contributions but never sees them.

The next recommendation is the need to evaluate staffing levels to fund the implementation of the study. The last recommendation is to hire and recruit under the new pay plan or to adopt as of a certain date. The plan is to try and implement this as part of the overall budget process. The typical time frame for that is to evaluate that in July for an implementation in the second payroll in August.

Mr. Fry stated the key part is going to find what resources they have available, what they can afford and how best to utilize everything to make the biggest impact on the employee base.

Agenda Item No. 9 - For the good of the order

None.

Agenda Item No. 10 - Adjournment

There being no further business to come before the committee the meeting adjourned.

Chairman

SEAL
(ATTEST)

City Clerk