



CITY OF CLOVIS

Frequently Asked Questions (FAQs) General Obligation Questions and Answers **March 6th Municipal Election**

1. Question: What are the three general obligation questions on the March 6th ballot?

Answer:

Shall the City of Clovis issue up to \$10,000,000 of general obligation bonds, to be repaid from property taxes, for the purpose of designing, constructing, repairing, preserving, rehabilitating, enhancing and otherwise improving roads?

Shall the City of Clovis issue up to \$5,000,000 of general obligation bonds, to be repaid from property taxes, for the purpose of designing, constructing, repairing, preserving, enhancing, and otherwise improving Senior Centers?

Shall the City of Clovis issue up to \$5,000,000 of general obligation bonds, to be repaid from property taxes for the purpose of designing, constructing, repairing, preserving, rehabilitating, enhancing and otherwise improving Wellness Centers?

2. Question: What are general obligation bonds?

Answer: General obligation bonds are a debt instrument that uses property taxes to pay the debt services on bonds. They are the highest rated form of debt a municipality can issue which results in the lowest interest cost debt a municipality can use. General obligation bonds require voter approval of a not to exceed amount.

3. Question: What can general obligations be used for?

Answer: General obligation bonds can only be used to pay for infrastructure improvements, i.e. public safety improvements, streets improvements, parks, libraries, aquatic centers.

4. Question: Why is the City of Clovis looking at general obligation bonds and not gross receipts taxes to pay for infrastructure?

Answer: The City is capped by the state on how much gross receipts tax it can issue. Currently the city has two 1/8th gross receipts tax available, which is equivalent to \$800,000 per year per year 1/8th. These 1/8ths were provided by the state to municipalities to make themselves “whole” following the state’s clawback on food and medical. As a result of the state clawing back this money, over the next 13 years, the City of Clovis will lose \$15 million dollars and \$2.4 million each year thereafter unless it implements the remaining two 1/8ths to make itself ‘whole’ again.

5. Question: If I live in the County, but own property in Clovis, can I vote regarding the General Obligation Bond Questions on the March 6th Municipal ballot?

Answer: Yes. The necessary non-resident municipal election certificate you need to complete is on the City’s website at www.cityofclovis.org. Please print this, go to the Curry County Clerk’s office to verify you are a voter in Curry County, then to the Curry County Treasurer’s office (they are located in the same building at 417 Gidding) to verify you own property and

have paid property tax in the last year. This certificate must be delivered to the City Clerk at City Hall (321 N. Connelly) by 5:00 p.m., Friday, February 16th, 2018. On the day of the election you come to city hall at 321 N. Connelly and vote on the GO bond question between 7:00 a.m. and 7:00 p.m. Please contact Clovis City Clerk LeighAnn Melancon at 763-9632 or e-mail lamelancon@cityofclovis.org for information.

6. Question: If the general obligation bond(s) pass, can the City of Clovis spend the funds on anything other than what is stated on the ballot?

Answer: No. General obligation bonds can only be spent on what the question states.

7. Question: What other entities use general obligation bonds?

Answer: Larger municipalities in the State of New Mexico utilize general obligations to fund infrastructure projects. The City of Clovis has never used general obligation bonds to fund infrastructure projects, although it has received State of New Mexico general obligation bonds to help the Clovis Library. Clovis Community College and Clovis Municipal Schools use general obligation bonds to fund infrastructure projects.

8. Question: How are the gross receipts and property taxes Clovis citizens pay divided between governmental entities?

Answer:

Gross Receipts Tax (GRT)

5.125%	State of New Mexico
2.1875%	City of Clovis
.875%	Curry County

TOTAL 8.1875% GRT rate

Property Tax Mills

9.278	Curry County
7.418	Clovis Municipal Schools
3.349	City of Clovis
1.36	State of New Mexico
1.996	Clovis Community College

TOTAL 23.401 Property Tax mills

9. Question: Can general obligation bonds be used for municipal operations?

Answer: No. General obligation bonds can only be used for capital infrastructure improvements.

10. Question: If approved, when will the 7th street project be completed? (asked at the Leadership Clovis presentation)

Answer: Once design is completed (it is currently at 60% design), the remainder of the 7th street project process would take 1 ½ to 2 years to complete.

11. Question: What about affordable housing? How will this be affected by increased property tax? (asked at the Leadership Clovis presentation)

Answer: It is the choice of landlords whether to pass on any increases in property tax to those in affordable housing. If the general obligation bonds fail, the City will continue to go out for capital outlay and federal and state funding.

Town Hall, February 8th, 2018 – Youth Recreation Building

12. Question: Do only property owners vote?

Answer: All Clovis residents who are registered voters can vote. County registered voters, who own property in the City, can vote on the general obligation bond questions only (please see answer #2 above).

13. Question: The east and north side roads are being repaired. Why aren't other streets being repaired?

Answer: The City of Clovis has an arterial roadway prioritization list (below) which includes road projects throughout the community. This list was created by the City of Clovis' Public Works Committee, which consists of the mayor, three city commissioners, four members of the public, the city manager and city public works director.

Clovis Roadway Prioritization

Project	Long Range Planning Cost	Status
Wilhite (Prince to Norris) – 1 mile – Reconstruct, Widen (4 lane urban), Sidewalks, Drainage	\$5,400,000.00	Completed
7th (Main to Norris) – 1.5 miles – Reconstruct, Widen, Sidewalks, Drainage	\$10,000,000.00	Pending
MLK (Grand to 21 st) – 1.3 miles – Reconstruct (2 lane Urban), Sidewalks, Safety	\$3,500,000.00	Pending
21 st (Wheaton to MLK) – 1 mile – Reconstruct (2 lane rural), Drainage	\$2,500,000.00	Pending
Llano (Norris to Humphrey) - 1 mile - Reconstruct, Widen (4 lane urban), Sidewalks, Drainage	\$5,000,000.00	Pending
Wheaton (60/84 to 21 st) – 1 mile – Reconstruct (2 lane rural), Drainage	\$2,500,000.00	Pending
Prince (Mabry to 10 th) – 0.6 miles – Reconstruct, Widen, Sidewalks, Drainage	\$6,000,000.00	Pending
Norris (21 st to Llano) – 1 mile – Mill and Resurface, Sidewalks	\$1,000,000.00	Pending
Humphrey and 21 st Intersection – Align Intersection, Drainage	\$2,500,000.00	Pending
Humphrey - Llano to 21st.	\$4,000,000.00	Pending
Humphrey - 21st to Mabry	\$4,000,000.00	Pending
	\$46,400,000.00	

The City of Clovis currently has a Community Development Block Grant (CDBG) project on Martin Luther King and Sandoval Streets between Hwy 60/84 and 7th Street which will be completed later this summer.

14. Question: Why can't the City of Clovis go to the state and federal government for funding?

Answer: The City of Clovis seeks funding for projects from federal and state funding programs where available. Increasingly, federal and state grant funding programs require large funding matches from municipalities. Often, federal and state funding are no longer awarded as grants, but as low interest loans. Levels of state and federal funding have diminished in recent years, and it is no longer cost efficient to construct large \$5-\$10 million dollar street projects \$200,000 to \$300,000 at a time.

Town Hall - February 9th, 2018 - Friendship/CRSMA

15. Question: Why is the City putting the general obligation bond question out for a vote?

Answer: General Obligation bond questions are required by law to be voted on by eligible voters. General obligation bonds CANNOT be implemented by the City Commission without voter approval.

16. Question: Why does the City want to take more money from poor people?

Answer: This is a vote by the public, and it is up to the citizens of Clovis to decide how they would like to pay for outstanding infrastructure projects.

17. Question: How will the New Mexico lottery help pay for these projects?

Answer: The New Mexico State Lottery is controlled by the State of New Mexico.

18. Question: Why can't the City remodel the Friendship Senior Center and use that?

Answer: The building has ongoing renovations, however the Friendship Senior Center needs to be expanded, as the Curry Residents Senior Meals Association (CRSMA) advises they need more space. There is no available property surrounding the current site for expansion.

19. Question: How do we know the City won't spend the money on something else?

Answer: By law, the City can only spend the bonds on what is listed on the bond question. General obligation bonds can only be spent on infrastructure projects.

20. Question: Will there be a mealsite at the new senior center?

Answer: Yes.

21. Question: How long before the senior center will be ready to move in if the general obligation bonds pass?

Answer: 2020-2021.

22. Question: Have you gone to the state and federal level for assistance to pay for the senior center?

Answer: Yes.

23. Question: Why didn't I receive the Parks Master plan survey which asked about the senior center?

Answer: The survey for the 2015 Parks Master plan was mailed out randomly to 2,000 plus Clovis area residents. It was also placed online for the public to respond. Press releases were sent out to the news media and placed on the city's website and Facebook advising the public that a survey could be mailed to people interested in completing the survey.

Town Hall, February 12th, 2018 - Living Stones Church

24. Question: What happens if the 7th street project goes over budget?

Answer: Another funding source would be identified, (state capital outlay funding, or general fund dollars).

25. Question: Will the City keep the other senior centers open once the new center at Hillcrest is built?

Answer: The City of Clovis owns the Friendship Center. The Friendship senior programs and the Curry Residents Senior Meals Association (CRSMA) mealsite program will move to the new facility at Hillcrest. The City of Clovis' Senior Services Department will relocate from Baxter-Curren to the new senior center at Hillcrest. (The City does not own or operate the La Casa Senior Center. Baxter-Curren Senior Center does not belong to the City of Clovis but City staff currently assists with operations).

26. Question: Will the swim team use the new pool?

Answer: Yes for warm up during competitions.

27. Question: What time is voting on March 6th?

Answer: Polls open at 7:00 a.m. and close at 7:00 p.m.

28. Question: If the \$10 million GO bond does not pass will you not complete 7th Street from Norris to Main Street?

Answer: If the \$10 million general obligation bond does not pass, the 7th Street project will be completed through cyclical bond funding through gross receipts tax which generates between \$4 and \$4.5 million every 3 years which will extend the length of the project.

29. Question: Is there a less expensive way to build roads without increasing taxes?

Answer: Drainage improvements are a cost of building new roads. In the past, roads were constructed without drainage improvements, and this is why water runs on city streets when it rains and causes flooding. The 7th Street improvement project will address drainage in the area to the south of 7th Street, particularly Grand which floods during rain events.

30. Question: What is ISO rating?

Answer: Insurance Service Office. It impacts the amount of insurance a homeowner has to pay.

31. Question: How do I find out how much my parking lot will be affected by the 7th Street project?

Answer: Town halls were held during the design phase of the 7th Street project. Information is available regarding the project by contacting the City Manager's Office at 769-7828.

32. Question: Why didn't the City opt to use Parkview for the senior center?

Answer: The City of Clovis Commission on Older Adults worked with the director of operations for Clovis Schools when looking at Parkview Elementary, and examined the Parkview plans. The cost of remediating and redeveloping the building, was much more expensive than building a new center, due to the lead based paint and asbestos remediation, and demolition that would need to occur in order to change the building into a senior center. At 36,000 sq. feet, the facility was larger than the needs of a new senior center, and there was no area available to construct the new mealsite without building a new facility adjacent to the building.

Town Hall - February 13, 2018 - La Casa Senior Center

33. Question: Senior population is on a limited income and cannot afford increase in property tax. Should increase sales tax not a bond issue.

Answer: The City is capped by the state on how much gross receipts tax it can issue. Currently the city has two 1/8th gross receipts tax available which is equivalent to \$800,000 per year per year 1/8th. These 1/8ths were provided by the state to municipalities to implement to make themselves “whole” following the state’s clawback on food and medical. As a result of the state clawing back this money, over 13 years, the City will lose \$15 million dollars and \$2.4 million each year thereafter unless it implements the remaining two 1/8ths to make itself ‘whole’ again.

34. Question: What is cap on gross receipts tax?

Answer: The New Mexico State legislature sets how much is available to municipality. Currently the City of Clovis has two 1/8ths in gross receipts tax available, to make itself whole following the state’s clawback on food and medical.

35. Question: What is out there now that Clovis is using?

Answer: Please see attached bonds the City currently has that pay for the Civic Center, roads and parks.

36. Question: How long will I be paying for the proposed general obligation bonds?

Answer: Between 12-13 years. General obligations bonds can be refinanced every 4 years for new projects.

37. Question: Why did the road improvement project not fix the intersection at 7th and Thornton?

Answer: The City is looking at other ways to fix this intersection.

38. Question: All the funding for projects goes to the north and east of town. Nothing goes to the west.

Answer: The City has installed an 18” sanitary sewer line on Martin Luther King between Mindenhall and Llano Estacado to address the growth needs on the west side of town, allowing for future development. Following the 7th Street project, the next road project will be the redevelopment of Martin Luther King Boulevard between 7th and 21st streets.

39. Question: How does Clovis rank with other communities in the State of New Mexico based on gross receipts tax and property tax rates?

Answer: 4th in gross receipts tax, and 8th in Property Tax.

40. Question: Is the Curry Resident Senior Meals Association (CRSMA) mealsite at Friendship connected to the general obligation bond for the new senior center?

Answer: Yes the meal site will be at the proposed new site at Hillcrest. Funds have been approved for design but there are no construction funds yet.

Comment: Very important to get out and vote and get to know you’re State Legislatures.

41. Question: Is the current 7th Street project funded?

Answer: It is funded up to current ongoing drainage work ongoing on Seventh street east of Norris. The general obligation bond funding would complete the construction of the project.

42. Question: What type of heating system will the City use for the proposed new pool?
Answer: This will be determined during the design phase of the project.

43. Question: Has the City approached the schools about funding for the swimming pool?
Answer: The City works with the Clovis Municipal Schools and utilizes each other's facilities. For example, the Schools have approved a \$2 million upgrade to its tennis courts at Clovis High School, and allows the Clovis public to use these facilities.

Town Hall, February 13th, 2018 – Kingswood Methodist

44. Question: Will the Wellness Center only be open for seniors?
Answer: The Wellness Center will be open for all members of the public.

45. Question: What is the annual City budget for this year?
Answer: \$50,535,684.

46. Question: Why hasn't the city used general obligation bonds before to fund infrastructure projects?
Answer: While general obligation bonds are used by several large municipalities in the state of New Mexico, the City of Clovis has just started looking at these as a potential source of funding for infrastructure projects.

47. Question: Will the City do any drainage as part of the US 60/84 project between Prince and Wheaton?
Answer: This is a state project and the state will include drainage in the project. The City will relocate some sewer lines as part of this project.

48. Question: If the three bonds go through would there be any reduction of property tax for seniors with a fixed income?
Answer: No there will not be any new reductions in property tax for seniors.

49. Question: Is EPCOR doing something to help with drainage improvements?
Answer: No. EPCOR provides water to Clovis area residents and is not responsible for drainage. Drainage improvements are the responsibility of the City of Clovis.

50. Question: How many miles of roads are in the City of Clovis?
Answer: 240 miles.

51. Question: Is the floodplain going to be impacted by the drainage improvements on 7th Street between Norris and Main streets?
Answer: The City is currently working on its master drainage plan, which includes these improvements, and studying how it will impact FEMA modeling to potentially reduce flood insurance costs for some area residents currently in the floodplain.

52. Question: What is the proposed debt service on the various bond options?
Answer: Please see below.

Bond Election Size	Debt Service Payment (Year 1)		Avg. DS Payment (12 Years)		Total Debt Service	
	Cycling	Single Issuance	Cycling	Single Issuance	Cycling	Single Issuance
\$ 5,000,000	\$ 912,500	\$ 532,761	\$ 408,213	\$ 532,761	\$ 5,759,323	\$ 6,393,130
\$ 10,000,000	1,825,000	1,065,522	816,426	1,065,522	11,518,646	12,786,261
\$ 15,000,000	2,737,500	1,598,283	1,224,639	1,598,283	17,277,969	19,179,391
\$ 20,000,000	3,650,000	2,131,043	1,632,852	2,131,043	23,037,292	25,572,521

53. Question: What bonds are currently being paid for by the City of Clovis?

Answer: Please see attached for bond schedules, amounts and duration.

54. Question: When is the New Mexico Department of Transportation Highway 209 road project in front of WalMart going to be completed?

Answer: This portion of the NMDOT project on Highway 209 should be completed in April 209.

Please contact administration@cityofclovis.org or call 575-769-7828 for more questions. Please visit www.cityofclovis.org for more information.