

**CITY OF CLOVIS
FINANCE COMMITTEE
AGENDA**

**2:00 p.m.
Thursday, January 15, 2020**

**Small Conference Room
321 N. Connelly
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Finance Committee Minutes of October 17, 2019.
4. Finance Report, LeighAnn Melancon.
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, January 15, 2020 in the Conference Room of the Bert Cabiness City Government Center, 321 N. Connelly, Clovis, New Mexico 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
Commissioner Elliott
Commissioner Madrid
LeighAnn Melancon, Finance Director

ABSENT: Mayor Pro Tem Garza, Vice Chair

EX-OFFICIO PRESENT: Justin Howalt, City Manager

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 of October 17, 2019

Commissioner Madrid made a motion to approve the minutes of October 17, 2019 as presented; Commissioner Elliott seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Finance Report

Ms. Melancon gave the finance report as follows:

General Fund 1 - \$4,471,718.58
Solid Waste Fund 2 - \$3,175,0532.39
Environmental Tax Fund 6 - \$7,342,319.57
Wastewater Fund 10 - \$4,849,661.74
Water 1/4% GRT Fund 66 - \$4,848,687.12
Special Street Fund 75 - \$1,111,273.99

Mayor Lansford advised he was very proud of how healthy these funds have remained. They have had a conservative mentality on making sure they don't spread themselves too thin. Mr. Howalt advised at the last legislative session they de-earmarked funds. Previously, if the municipal gross receipts tax quarters were going towards infrastructure they eliminated that. There is only a flat amount in there now and it doesn't have to go towards infrastructure. As they continue to look at compensation and services that the city needs that may be opportunity to move things around and utilize them to their full potential and still be safe and conservative.

Mayor Lansford advised the environment tax is for closure so they can open a new cell and close an old one. \$7 million in that fund is more than they need so if they could spread that over to the Effluent Reuse Project, payroll or roads that would be a good thing.

Beginning cash and investments was \$40,896,137.91 and ending cash and investments was \$43,609,088.09. The breakdown is \$20,448,629.91 Cash in Bank, \$6,269,434.58 in CD's with Citizen's Bank and \$16,891,023.60 in the State Investment Pool. Interest earned for the month was \$30,885.44 and for the year to date \$234,518.19. The state pool for December was 1.6563%.

Mr. Howalt asked if it was worth exploring the option of expanding the amount of the CD. Ms. Melancon advised the CD matures the end of this month so they will be going back out for bids at the end of January so they can look at taking part of the \$16 million and doing one \$12 million CD or two \$6 million. Mr. Howalt asked if they need to say they want a \$6 million or do they ask for rates and then the city chooses how much they want to invest. Ms. Melancon advised the city tells them how much.

Mayor Lansford advised total cash is a little over \$20 million. The policy of this committee should be what percentage of that total cash reserve should they put in the state investment pool and what percentage should they invest locally. Ms. Melancon advised they have \$26 million local and \$16 million state investment.

Mayor Lansford asked if that action would be a future Finance Committee action. Ms. Melancon advised she needs to know because the current CD matures at the end of this month.

Commissioner Madrid made a motion to pull another \$6 million. Ms. Melancon asked if they preferred a \$12 million CD or two \$6 million CD's. Commissioner Madrid made a motion to utilize \$12 million in cash reserves for local bank investments; Commissioner Elliott seconded the motion, which passed by acclamation.

Mayor Lansford asked if the wastewater account was healthy. Mr. Howalt advised it was one they were watching.

Mayor Lansford asked about the gross receipts tax that was overlooked by a major gross receipts tax payer and the lawsuit. Mr. Howalt advised they received an email from the law firm that is handling that. They thought the range for the city was round \$1 million- \$2 million. With the legislative session upcoming they hoped to be able to start working towards settling.

Agenda Item No. 5 - For the good of the order

None.

Agenda Item No. 6 - Adjournment

There being no further business for the committee to discuss the meeting adjourned at 2:16 p.m.

**CITY OF CLOVIS
FINANCE COMMITTEE
AGENDA**

**10:00 a.m.
Wednesday, March 18, 2020**

**Small Conference Room
321 N. Connelly
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Finance Committee Minutes of March 4, 2020.
4. Discussion and recommendation regarding potential funding sources for groundwater banking, Mayor Lansford
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, March, 18, 2020 in the Conference Room of the Bert Cabiness City Government Center, 321 N. Connelly, Clovis, New Mexico 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
Commissioner Elliott
Commissioner Madrid
LeighAnn Melancon, Finance Director

ABSENT: Mayor Pro Tem Garza, Vice Chair

EX-OFFICIO PRESENT: Justin Howalt, City Manager

ALSO PRESENT: Claire Burroughes, Assistant City Manager
Vicki Reyes, Assistant City Clerk

Mayor Lansford called the meeting to order at 10:06 a.m. and established the presence of a quorum.

Agenda Item No. 3 – Approval of Finance Committee minutes of January 15, 2020

Commissioner Madrid made a motion to approve the minutes of January 15, 2020; Commissioner Elliott seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Finance Report

Ms. Melancon advised she did not have February closed yet so she did not have a report ready. Mayor Lansford advised Sammy Standefer mentioned there was a 3% CDs from US Bank in Portales and it was not a typical CD. Ms. Melancon advised Wells Fargo used to have something. Mr. Howalt advised he would reach out to Mr. Standefer to find out more information.

Agenda Item No. 5 – Discussion and recommendation regarding potential funding sources for groundwater banking

Mayor Lansford advised he would like a resolution and some level of commitment at the last meeting in March. He asked Ms. Burroughes and Mr. Howalt to put together a resolution that will be discussed at the March 5 commission meeting during a study session. CAFB will apply for REPI dollars which is due in October. The military will back completely out of the process. The conservation is a land trust and they hold the easements forever. When they did the Melrose Air Force range they applied for REPI dollars. The REPI dollars are there to secure readiness. Being ready in a military base hinges on the environment that they train in, live in and the resources they have. They pay the land owners not to do certain things with REPI dollars. They could subcontract with another trust and they will do all of the negotiations.

Mayor Lansford advised the city proved if they turn off wells the saturation level goes up. They have also seen positive results by putting skin in the game. Commissioner Spear spoke to the Water Policy

Advisory Committee about the environmental tax that they don't use. He was going to push for the county to have a \$250,000 revenue stream. If the county is willing to put a \$5 million bond in, he would hate for the city not to put in the same or more.

The theory is if they bought 35 acres of land or signed a perpetual lease with 4,000 acres of land up the center of the Paleo Channel where the deepest water is. Then they can come in with Air Force dollars and natural conservation dollars and buy conservation easements all around it. They need to secure resources for a national defense installation. When he first got elected in 2012 the whole issue was Cannon's future was hinged on water supply and that was why they did the Trinity Report. The commission has never addressed supply. If they help CAFB with the narrative and assist them on the application they could do the future generations a huge favor.

He asked Mr. Howalt to come up with some financial figures to see where there might be some revenue that is unencumbered that they could put together. The city is going to pay the water authority \$1,372,596 that they haven't paid. He advised Ladonna Clayton recommended to Mr. Ortega to have enough water for Finished Water 2 the city had enough money in its water account to pay an extra membership contribution one year. Mr. Howalt advised that had already been paid. Ms. Melancon advised she would look into it.

Mayor Lansford asked if the annual revenues for the quarter percent exceeded \$2 million a year. Mr. Howalt advised they budget \$1.7 million based off of last years budget. Mayor Lansford advised there was some margin. He is going to ask Mr. Howalt to follow this and make a recommendation of some dollar amount that he thinks the can feel comfortable with. Mr. Howalt advised he wants to visit with Erik Harrigan, RBC Capital Markets. They receive payments from Southwest Cheese that are dedicated to water and they have never spent any of that. They also get \$35,000 from the county annually for the Intergovernmental Services Agreement and that has another 8 years left on that term. They also need to look at is if the dedication is from the resolution itself. He considers supply as operation. He will work with legal counsel.

Mayor Lansford advised the quarter percent expires in 2021. Mr. Howalt advised it has a sunset clause but the commission can re-dedicate it.

Commissioner Madrid asked what type of guarantee they had from the farmers. Mr. Howalt advised there was no guarantee that they would sell their water. Commissioner Elliott advised there will have to be as study done to see who is going to benefit it.

Mr. Howalt advised all of their money that comes to the City of Clovis in regards to water has been put into Fund 66. Based off of this quarter percent and them being able to modify that there are some margins. In 2030 the membership contribution is supposed to hit \$2 million.

Commissioner Madrid agreed they need to do this, but wonders what assurance they have that the farmers are going to sell them water. Mayor Lansford advised the thing about the conservation fund and a land trust is that they do appraisals and have to scrutinize them.

Mayor Lansford asked if they should ask Mr. Morris about renewing this. Mr. Howalt advised he would like to have that conversation. Ms. Burroughes advised they need to find out if they can do this early. Mr. Howalt advised they had already started on their franchise agreement and it doesn't expire until December. Mayor Lansford advised the franchise agreement with EPCOR is 2%. If they change that

agreement and raise it to 3% there is some money there that they could possibly allocate. He advised they have been the developer in this Ute Water project. Once it becomes an operational utility the rate payer needs to pay for it through the wholesale rates. Then the city can stop paying membership contributions except for infrastructure.

Mayor Lansford advised it makes sense to shut off the irrigation wells in strategic locations.

Ms. Burroughes asked if it was correct that they want a perpetual lease with the farmers to not use the water and then the Water Authority would buy that water. Mayor Lansford advised The City of Clovis is going to sell the water higher than \$.95 per thousand. The farmer is going to make as much on per thousand dollars as the city.

Agenda Item No. 6 – For the good of the order

Mr. Andre Moquin showed a powepoint with the revised employee paygrade. Mr. Howalt advised this was for salary only and did not include any city contributions. Mayor Lansford asked what the implementation would be. Mr. Howalt advised this was to bring everyone to the minimum. The impact is higher to get them put into the ranges where they should be.

Mr. Moquin advised if they combine the general wage increase will cove some of the class and comp. total cost will be a little over \$940,000. Ms. Melancon asked if they had it broken down. Mr. Howalt advised they did not yet.

Mr. Moquin advised they can take an employee's time of service and figure out their pay band structure. If they looked at the years of service they could move an employee up to the either 10, 20 or 30 percentile. Mr. Howalt advised just because someone has been with the city for 10 years but they have not always been in that same position for the full 10 years. Mayor Lansford advised the salary is not the only thing that distinguishes time of service.

Mr. Howalt advised this could be a big number. Mayor Lansford advised he would like to see the impact on all of the accounts. Mr. Howalt advised when they start looking at the extra revenues coming that could fund their public safety increases. They may have to increase the garbage and sewer rates to cover the public works employees. They are going to get the results back and look at implementation.

Agenda Item No. 7 – Adjournment

There being no further business to come before the committee the meeting adjourned at 11:35 a.m.

**CITY OF CLOVIS
FINANCE COMMITTEE
AGENDA**

**2:00 p.m.
Wednesday, May 20, 2020**

**Small Conference Room
321 N. Connelly
Clovis, New Mexico**

**DUE TO GOVERNOR LUJAN GRISHAM'S ORDER LIMITING THE NUMBER
OF ATTENDEES AT GATHERINGS, THE FINANCE COMMITTEE MEETING
WILL BE VIA GOOGLE HANGOUTS**

1. Call to Order.
2. Roll Call.
3. Approval of Finance Committee Minutes of March 18, 2020.
4. Finance Report, LeighAnn Melancon
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, May 20, 2020 via Google Hangouts 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 Morris, Chairman
Commissioner Lovett
Commissioner Madrid
Mayor Pro Tem Bryant, Vice Chair
LeighAnn Melancon, Finance Director

EX-OFFICIO PRESENT:

Justin Howalt, City Manager

ALSO PRESENT:

Claire Burroughes, Assistant City Manager

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

Agenda Item No. 3 – Approval of Finance Committee minutes of March 18, 2020

Mayor Pro Tem Bryant made a motion to approve the minutes of March 18, 2020; Commissioner Madrid seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Finance Report

Ms. Melancon advised regarding the revenue and expenditure for the month of April. She gave the finance report as follows:

General Fund 1 - \$5,835,919.16
Solid Waste Fund 2 - \$2,403,724.28
Wastewater Fund 10 - \$3,638,056.29
Workman's Comp Fund 48 - \$1,258,765.65
Water 1/4% GRT Fund 66 - \$4,700,034.50
Capital Projects Fund 87 - \$936,888.31
Drainage Improv Fund 88 - \$981,680.31

Beginning cash and investments was \$42,918,231.18 and ending cash and investments was \$43,984,731.32. The breakdown is \$20,779,493.15 Cash in Bank, \$12,039,987.74 in CD's with Citizen's Bank and \$11,165,250.43 in the State Investment Pool. Interest earned for the month was \$30,036.48 and for the year to date \$361,355.67. The state pool for April was 0.6711%.

Commissioner Lovett asked how much the CD's are currently. They are getting less than half on the local CD's. He asked if they need to have \$11 million that much liquid. Ms. Melancon advised at the time when they did the second one, they pulled the other \$6 million out of the state investment pool. They could always add more into the CD. Commissioner Lovett advised between 3-6 month CD's if they could get better than the state pool then he is all for investing.

Mr. Howalt asked if it was correct that they had three banks respond when they put out for the last CD. Ms. Melancon advised they had four. Mr. Howalt asked how quickly they could get money out of the state pool if it was needed. Ms. Melancon advised 24 hours. Mr. Howalt advised depending on if they have large grants, projects, etc. they are fronting the money and then getting reimbursed on the back end which affects how much money cash in bank they have. They could look at pulling more money out of the state pool and investing it in another short-term CD that pays more of a higher interest.

Mayor Morris asked Commissioner Lovett how CD rates have responded what has been going on in the last couple of months. Commissioner Lovett advised they have decreased so he doesn't expect to see a 1.62%, but the city is already so conservative in how they invest that he would like to maximize the conservativeness. Ms. Melancon advised when they renewed the CD's 6 months prior they were renewed at 2.62%.

Mayor Morris asked if they have a percentage that they have to keep liquid as a municipality. Ms. Melancon advised there isn't. Mr. Howalt advised they would forward the city's investment policy. There are certain restrictions on what they can and cannot invest in and that is something that they were working on with RBC. They want to try to give themselves additional options and put together a revised investment policy. Ms. Melancon advised she sent those to the committee members.

Mayor Morris asked if they were seeing the GRT reported in a different way. Mr. Howalt advised they are. For no particular reason they used to provide the GRT reports to the commissioners based off a calendar year. He asked Ms. Melancon why they tracked the GRT by a calendar year and not a fiscal year since that is what the budget is based off of. He asked her to change the spreadsheet to a fiscal year. That changed some things as far as how much gross receipts tax is up or down. On the calendar year last month they were only up 4% and when they expand that and start looking at the fiscal year they are up 16.76%. There was the large back payment that was owed to the City of Clovis due to the grocery store/retailer chain that had to make a back payment.

Ms. Melancon advised regarding the report they provided last month from TRD that showed the number of filers last year. She stated this year they 768 filers, last year at this time they had 1,782 filers. Mayor Morris advised this is indicative of them hearing that small business is hurting as a result of the economy being shut down. However, as a city, it appears that people have still been shopping and gross receipts tax is still coming in.

Agenda Item No. 6 – For the good of the order

Mayor Morris asked what they could do help the local businesses. He asked looking at the money they have sitting in the economic development fund and at the rate which that is being replenished what do they think of using those dollars to create some sort of package for retail in the community. Mayor Pro Tem Bryant advised it was a good approach. He didn't know how they would apply for that. Mr. Howalt advised probably similar to what they do on the industrial development side. It could go towards business retention for those retailers that are currently in place. It would have to go through the Economic Incentive Board and then on to the commission

for final approval. They would have to put together project participation agreements and would have to maintain a certain number of jobs for a certain number of years. The key would be to get the State Legislature to pass some sort of legislation allowing a population of Clovis' size to be able to do this. Mayor Pro Tem Bryant asked if this would have to wait until the next legislative session. Ms. Burroughes advised it would be part of a COVID relieve package so if the Governor decided to put it on the call she could. She advised Texas has a similar program in place that they could look to for examples.

Mr. Howalt advised they would have to go back and change all of the local ordinances if the state granted them the authority to be able to do that. Then they would have to decide if this would be defined to one sector of retail and would they want to put certain restrictions on it. If they open it up 100%, he could see someone with a start up business trying to come to the city as a local retail store looking for money. He asked if they were trying to entice national retailers into the area with local retail capabilities. Mayor Pro Tem Bryant advised they would want this to help the surviving businesses that are struggling.

Mayor Morris asked if he should bring this up to the Mayor's Council or the Governor's chief of staff. Ms. Burroughes advised after speaking with John Ryan he suggested speaking with the Mayor's Council and then the NMML. Mr. Howalt advised they would have to move quickly. Ms. Burroughes advised they could contact the NMML to organize a conference call. She advised she could draft a resolution as well.

Agenda Item No. 7 – Adjournment

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

**CITY OF CLOVIS
FINANCE COMMITTEE
AGENDA**

**2:00 p.m.
Wednesday, July 15, 2020**

**Assembly Room
Bert Cabiness City Government Center
321 N. Connelly**

1. Call to Order.
2. Roll Call.
3. Approval of Finance Committee Minutes of May 20, 2020.
4. Finance Report, LeighAnn Melancon
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, July 15, 2020 in the Assembly Room, Bert Cabiness City Government Center 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 Morris, Chairman
Commissioner Lovett
Commissioner Madrid
Mayor Pro Tem Bryant, Vice Chair
LeighAnn Melancon, Finance Director

EX-OFFICIO PRESENT:

Justin Howalt, City Manager

ALSO PRESENT:

Vicki Reyes, Assistant City Clerk

Mayor Morris called the meeting to order at 2:01 p.m. and established the presence of a quorum.

Agenda Item No. 3 – Approval of Finance Committee minutes of May 20, 2020

Mayor Pro Tem Bryant made a motion to approve the minutes of May 20, 2020; Commissioner Madrid seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Finance Report

Ms. Melancon advised regarding the revenue and expenditure for the month of June. She gave the finance report as follows:

General Fund 1 - \$6,132,989.56
Solid Waste Fund 2 - \$2,001,359.55
Wastewater Fund 10 - \$4,083,308.85
Airport Fund 12 - \$259,034.06
Econ Develop GRT Fund 64 - \$2,729,907.20
Water ¼% GRT Fund 66 - \$3,636,635.31
Special Street Fund 75 - \$1,298,357.78
Lodger's Tax Promo Fund 78 - \$1,049,644.05

Beginning cash and investments was \$43,960,768.19 and ending cash and investments was \$43,394,150.82. The breakdown is \$20,164,592.96 Cash in Bank, \$12,064,307.43 in CD's with Citizen's Bank and \$11,165,250.43 in the State Investment Pool. Interest earned for the month was \$30,274.89 and for the year to date \$415,945.97. The state pool for June was 0.3402%.

Ms. Melancon advised both of the CDs will mature at the end of the month and the first of August. Mr. Howalt asked what the CD market looked like now. Commissioner Lovett advised it was extremely low. Historically, Citizens and Bank of Clovis have been higher. They are very

limited under the current policy. He asked if there was any opportunity to look at making changes. Mr. Howalt advised they brought that to this committee a year ago. He worked with Erik Harrigan, RBC Capital Markets, who put together a draft investment policy for them. If that is something this group is interested in, he can have Mr. Harrigan meet with them. Mayor Morris asked if they were talking about looking at something that didn't have a fixed rate of return. Commissioner Lovett advised state law limits what they can invest in anyway. Mr. Howalt advised the investment strategy has been very conservative since the City lost money.

Commissioner Lovett advised every entity he has ever spoken with has an investment advisor. He would be interested to hear what can be offered. Mayor Morris advised they need to find out what all of their options are.

Ms. Melancon advised they used the state pool one time for the airport and still had to request the reimbursement from the Federal government. The full \$23 million is in areas that they don't have to have quick liquidity. Mayor Morris advised the accessibility is important.

Commissioner Lovett advised if a local bank can offer something similar, he would like to keep it local. Ms. Melancon advised she would check to see what local banks are willing to do. Commissioner Lovett asked for 3, 6, 9, and 12 month rates. Ms. Melancon stated they did yearly for a while but then rates started to drop.

Commissioner Lovett asked if they had to keep a certain amount of funds in daily liquidity. Ms. Melancon advised Citizens was the general fund and NM Bank & Trust is the designated cash, but a good chunk of that doesn't have to be there.

Mr. Howalt advised refunding the bonds was completed and they ended up with an interest rate of 1.16%. They will have a net savings of \$1.1 million. This upcoming fiscal year for the 2010 series they will save \$453,000, \$199,000 on 2011 series and \$229,000 on 2011B series in debt service payments. The plan is to leave those savings there and once they get further in the year.

Agenda Item No. 6 – For the good of the order

Commissioner Madrid asked if they ever found any money to buy water rights that former Mayor Lansford asked for. Mr. Howalt advised Mr. Lansford had some ideas on using the environmental tax but they never firmed anything up.

Agenda Item No. 7 – Adjournment

There being no further business to come before the committee the meeting adjourned at 2:21 p.m.

**CITY OF CLOVIS
FINANCE COMMITTEE
AGENDA**

**2:00 p.m.
Wednesday, October 21, 2020**

**Assembly Room
Bert Cabiness City Government Center
321 N. Connelly**

1. Call to Order.
2. Roll Call.
3. Approval of Finance Committee Minutes of July 15, 2020.
4. Finance Report, LeighAnn Melancon
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Finance Committee met in regular session Wednesday, October 21, 2020 in the Assembly Room, Bert Cabiness City Government Center, 321 N. 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:

Commissioner Leo Lovett
Commissioner Fidel Madrid
Mayor Pro Tem Chris Bryant, Vice Chair
Leighann Melancon, Finance Director
(virtual)

ABSENT: Mayor Mike Morris, Chairman

EX-OFFICIO PRESENT: Justin Howalt, City Manager

ALSO PRESENT: Vicki Reyes, Assistant City Clerk

Mayor Pro Tem Bryant called the meeting to order at 2:06 p.m. and established the presence of a quorum.

Agenda Item No. 3 – Approval of Finance Committee minutes of July 15, 2020

Commissioner Madrid made a motion to approve the minutes of July 15, 2020 as presented; Commissioner Lovett seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Finance Report

Ms. Melancon gave the finance report as follows:

General Fund 1 - \$1,762,479.11
Solid Waste Fund 2 - \$2,897,772.99
Wastewater Fund 10 - \$7,758,462.20
Econ Develop GRT Fund 64 - \$2,551,379.05
Water ¼% GRT Fund 66 - \$2,848,753.24
Special Street Fund 75 - \$1,006,158.45

Beginning cash and investments was \$45,336,336.50 and ending cash and investments was \$45,336,980.60 The breakdown is \$22,074,469.67 Cash in Bank, \$6,032,287.40 in CD's with Citizen's Bank and \$23,262,510.93 in the State Investment Pool. Interest earned for the month was \$6,086.40 and for the year to date \$44,261.96. The state pool for August was 0.1742%.

Mr. Howalt advised the FY 21 budget for revenues coming in to the city was anticipated at \$8.7 million and the actual is \$9.9 million. That includes the HB6 internet sales allocation. Looking at the GRT from last year they are down. Leighann is tracking where they are with the lodger's tax, fuel tax and ambulance transfers. Currently the city is down 77% in lodging tax and that impacts the civic center, golf course and chamber contracts. The city was down 100% in gas tax in July from \$46,000 down to \$23,000. For July, August and September so far they are up over \$100,000 in transfer dollars from FY 20 – FY21.

Commissioner Lovett asked if the transfers was what had been collected. Mr. Howalt advised it had been collected. Mayor Pro Tem Bryant asked what impact the hospitals almost at capacity in Texas would have on the ability to transfer. Mr. Howalt advised they haven't said they weren't accepting transfers.

Mr. Howalt advised the investment policy is something they had been working on previously. They met with Erik Harrigan, RBC Capital Markets, and discussed the strategy. He researched other communities and provided the city with starting points and percentages. Once they have had a chance to review everything they will invite Mr. Harrigan back to give his thoughts. Mr. Harrigan cannot advise the city on where to invest because he works for them in a different capacity, but this is a starting point.

Mayor Pro Tem Bryant asked if there were other possibilities of investing. Mr. Howalt advised that was what the policy was based off of. State statute limits what the city can fully invest in. Commissioner Lovett advised every 10th of a point they can get is roughly a salary position. They need to figure out how to be safe and are clear about what they can and can't invest in. They should look at more than local CD's. Mayor Pro Tem Bryant advised a meeting with Mr. Harrigan is beneficial.

Mr. Howalt advised if they didn't mind, he would work with Commissioner Lovett on this and have him review the plan. In the policy, they also talk about the makeup of this committee and whether or not the makeup of this board should remain the same. It mentions the five voting members and one member who lives in the City of Clovis that is a current or retired financial advisory or retired banker with approval of the city commission. The reason that is there is because Ms. Melancon and himself don't have the expertise to advise on what the city should or should not invest in. The risk with having someone from the community on the committee is having a conflict of interest. Commissioner Lovett advised he would not purposely pursue using US Bank as long as he is on the commission. Mr. Howalt advised they have looked at how quickly they could get the money to get liquid with it.

Commissioner Lovett asked why some of the numbers are the same on the GRT sheet. Ms. Melancon advised when they were introduced by ordinance they all got the same 1/16.

Agenda Item No. 5 – For the good of the order

None.

Agenda Item No. 6 – Adjournment

There being no further business to come before the committee the meeting adjourned at 2:21 p.m.