

STATE OF NEW MEXICO)
CITY OF CLOVIS) ss.

The City of Clovis Finance Committee met in regular session Wednesday, January 19, 2022 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 Fidel Madrid
Mayor Pro Tem Chris Bryant, Vice Chair
Commissioner James Burns
Ms. Leighann Melancon, Finance Director

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 2:10 p.m.

Agenda Item No. 3 – Approval of minutes of October 20, 2021

Commissioner Madrid made a motion to approve the minutes of October 20, 2021 as presented; Mayor Pro Tem Bryant seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Finance Report

Ms. Melancon gave the finance report as follows:

General Fund 1 - \$8,653,949.73
Solid Waste Fund 2 - \$2,673,004.50
Environmental Tax Fund 6 - \$8,505,894.84
Wastewater Fund 10 - \$3,142,951.03
Econ Develop GRT Fund 64 - \$3,647,025.49
Capital Outlay 1/4% GRT Fund 65 - \$2,012,977.00
Water 1/4% GRT Fund 66 - \$5,219,321.46
Capital Projects Fund 87 - \$590,865.28
American Rescue Plan Fund 94 - \$4,739,160.77

Beginning cash and investments was \$53,485,755.81 and ending cash and investments was \$55,034,987.54. The breakdown is \$31,772,476.61 Cash in Bank and \$23,262,510.93 in the State Investment Pool. Interest earned for the month was \$4,002.37 and for the year to date \$23,383.77. The state pool for December was 0.0708%.

Part of the General Fund is the \$2.1 million of LEDA funds for the airport project. She would like to move the \$2.2 million out of Citizens Bank and into the state investment pool.

Commissioner Burns asked if the state investment fund was the only one that drew interest. Ms. Melancon advised they all do. Commissioner Burns asked if the banks were shopped. Ms. Melancon advised they are. The account at Citizen's Bank was established in 1987 when she got here and they are generous with their interest rates. American Bank & Trust has the city's sweep account.

Mayor Pro Tem Bryant asked how the GRT compared to last year. Ms. Melancon advised they were up 28% from a year ago for this month and 13.8% from two years ago. Overall, for the year they are 22% above budget and 11% above actual. They had almost 1,600 new businesses report this month. Mr. Howalt advised the cash balances do not consider budget. Fund 6 is the financial assurance fund for the landfill. There is an item for a closure on the commission agenda and that is an eligible expense for this fund. It may be the first time they ever use this fund because they are finally starting to close some of the landfill.

Mr. Howalt advised they have been working on their overall investment strategy. In 1979, there was an unfortunate investment made so the policy took a dramatic shift. It is very limited on what they can and cannot invest in. The state statutes allow them to invest in things they haven't taken advantage of. They drafted a new policy, but didn't have the expertise to decide what to invest in and how much. At the last NMML Conference they were given a presentation by the Local Government Investment Pool and their language in their investment policy is similar to what the city was drafting. They are going to reach out to them to give a presentation to this committee. They are not sure what the fees of the Local Government Investment Pool would look like compared to the fees from NM Bank & Trust.

Commissioner Burns asked if they were already doing what they have to offer. Ms. Melancon advised they were. Mr. Howalt advised the state of New Mexico locks down what they are allowed to invest in. Commissioner Burns advised it would be a good idea to talk to NM Bank & Trust. Ms. Melancon advised their interest rates are less right now.

Commissioner Burns asked if the state law has also changed since 1979. Ms. Melancon advised this started after that.

Ms. Melancon advised when the last CD matured, which was a year ago, and she called Bank of Clovis was told how much the city could pay to keep the money there. The day interest rates start to rise and the banks need money it will be easy to pull out and support the local banks.

Mr. Howalt advised larger communities are allowed to invest more than Clovis. Farmington is trying to change the legislation and they want to be able to invest in what the Albuquerque's of the world can invest in.

Mr. Howalt advised they may want to move more money out of cash in bank and put it into the investment pool.

Mayor Pro Tem Bryant asked how much of a hit they took with the minimum wage increase. Ms. Melancon advised \$1.4 million. Mr. Howalt advised that got the minimum wage to above \$12.

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 2:33 p.m.