

STATE OF NEW MEXICO)
CITY OF CLOVIS) ss.

The City of Clovis Finance Committee met in regular session Wednesday, October 19, 2022 in the Small Conference 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:

Mayor Mike Morris, Chairman
Commissioner George Jones
Mayor Pro Tem Chris Bryant, Vice Chair
Ms. Leighann Melancon, Finance Director
Commissioner David Bryant

EX-OFFICIO PRESENT:

Justin Howalt, City Manager

ALSO PRESENT:

Vicki Reyes, Assistant City Clerk

Mayor Morris called the meeting to order at 1:58 p.m. and established the presence of a quorum.

Agenda Item No. 3 – Approval of minutes of July 20, 2022

Commissioner Jones made a motion to approve the minutes of July 20, 2022 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 - \$5,901,684.54
Solid Waste Fund 2 - \$2,925,857.71
Wastewater Fund 10 - \$4,879,078.09
Econ Develop GRT Fund 64 - \$4,390,508.87
Water ¼% GRT Fund 66 - \$5,113,533.78
Capital Projects Fund 87 - \$2,669,807.17
American Rescue Plan Fund 94 - \$9,484,014.14

Beginning cash and investments was \$62,682,056.53 and ending cash and investments was \$63,763,066.11. The breakdown is \$38,365,234.18 Cash in Bank and \$25,397,831.93 in the State Investment Pool. Interest earned for the month was \$48,905.49 and for the year to date \$106,522.07. The state pool for September was 2.3015%.

Commissioner Jones advised they need to get into other investments. Mayor Morris asked how that funds react with rates change. Mr. Howalt advised the website has monthly reports that show the different investments that the fund is made up of. The city makes more money when the stocks aren't doing as well. They started working on a revised investment policy.

Commissioner Jones advised they just need to keep working on this. Mr. Howalt agreed. Commissioner Jones advised they could look into taking some out to invest in CD's. Ms. Melancon advised they need to look into the wording for CD's. Commissioner Jones advised they may also want to look into revising the ordinance so that they can invest in national banks instead of local only.

Mayor Morris asked if they were limited on the term. Mr. Howalt advised the existing policy only allows them to get CD's from local banks. Mayor Pro Tem Bryant advised it would be a good idea to look outside of Clovis and see if the need to change the ordinance was necessary. Commissioner Jones advised they want to be sure they diversify their CD's too. Ms. Melancon advised all money has to be secured and guaranteed at 102% which is per state statute.

Mr. Howalt advised he would look at the ordinance and start to circulate that to gain some feedback. It is a matter of how they choose to build the portfolio. Ms. Melancon advised that would be after the election.

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

Mr. Howalt advised they have been working on the salary and compensation plan. Vincent Yermal has come back with the results of his survey and they have sent questions back to him. Those won't change the current spreadsheet in a significant matter. They will need to establish how to move employees from existing salary grades to new salary grades. The proposed midpoint compared to what the employee is currently being paid is what they are looking into.

If an employee is currently at 75% or below, they were moved to the new

If the employee is currently between the 75%-80% range they will be moved to the minimum and that gives them a 3% increase. Anyone that is 80%-90% they received a 4% increase on top of their existing pay. Anyone between 90%-100% received a 3% increase. They are also going from the proposed minimum to the annual. It kept employees within the ranges and this brought them back into the ranges as well as kept compression to as minimum as he could but still make it affordable.

Mayor Morris asked if they were only looking at compensation. Mr. Howalt advised this was simply pay. Ms. Melancon advised this was base pay only.

Based on current total payroll is around \$14.3 million and it would increase to \$15.3 million. He advised the next question is how they were going to make this happen. He advised one of those funds is fund 6, environmental tax, which has a cash balance of \$8.8 million. That is the money in reserve for landfill closure and post closure costs. There are multiple ways to satisfy that with ??? one is cash reserves which they have plenty of. He has spoken with their consultants and he is proposing to take \$8 million and rededicate the tax into the general fund.

They are also tracking what their GRT does. They are at about 30% over in the general fund. They have also been tracking cannabis and they estimate it will generate an extra \$600,000 to \$400,000. He plans to bring this to the commission at the second meeting in November and back to the commission meeting at the second meeting in December.

They have been looking at communities with much larger payroll. They take an average of those salaries and used that to develop their midterms.

Ms. Melancon advised \$6,012, for current landfill closure,

Mayor Morris advised the city has given raises for five consecutive years. Ms. Melancon advised there hasn't been a time they didn't give raises.

Agenda Item No. 6 – Adjournment

There being no further business to come before the committee the meeting adjourned at 2:30 p.m.