

**CITY OF FARMINGTON
CITY COUNCIL WORK SESSION AGENDA
May 16, 2023 – 9:00 a.m.**

DEPARTMENT HEAD REPORTS

- 1. Roll Call and Convening the Meeting (Mayor)
- 2. Open meetings resolution setting and establishing a regular meeting day, time and place for City Council Work Sessions pursuant to City Council Resolution No. 2013-1466 (Jennifer Breakell) ----- 1
- 3. Consideration of Resolution No. 2023-1899 adopting an official preliminary budget for the City of Farmington, New Mexico for Fiscal Year 2024 and requesting State approval (Rob Mayes) ----- 2

Action Requested of Council:

Adopt Resolution No. 2023-1899.

Background/Rationale:

The attached resolution and DFA (Department of Finance and Administration) recap sheet summarize the City of Farmington’s preliminary budget for Fiscal Year 2024.

Staff Recommendation:

Adopt Resolution No. 2023-1899.

Instructions Upon Approval:

The FY2024 preliminary budget will be submitted to DFA for review and approval.

COUNCIL BUSINESS

CITY MANAGER BUSINESS

AGENDA ITEM SUPPORT MATERIALS ARE AVAILABLE FOR INSPECTION AND/OR PURCHASE AT THE OFFICE OF THE CITY CLERK, 800 MUNICIPAL DRIVE, FARMINGTON, NEW MEXICO.

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 599-1106 or 599-1101 prior to the meeting so that arrangements can be made.

RESOLUTION

A RESOLUTION SETTING AND ESTABLISHING A REGULAR MEETING DAY, TIME AND PLACE FOR THE CITY COUNCIL WORK SESSION PURSUANT TO CITY COUNCIL RESOLUTION NO. 2013-1466 AS RATIFIED

WHEREAS, pursuant to the provisions of Resolution No. 2013-1466 as ratified, each board, commission, committee or other policy making body of the City of Farmington which holds regular meetings shall annually establish a regular meeting day, time and place; and

WHEREAS, the City Council of the City of Farmington has determined and does recommend that the regular meeting day, time and place of the City Council Work Session of the City of Farmington and the location where a copy of the agenda of such meetings may be obtained shall be as set forth in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMINGTON:

That the regular meeting day, time and place of the City Council Work Session of the City of Farmington shall be held on the third Tuesday of each month at 9:00 a.m., in the Council Chambers, Municipal Building, 800 Municipal Drive, Farmington, New Mexico and the location where a copy of the agenda of the regular meeting may be inspected seventy-two (72) hours in advance of such meeting shall be at the City Clerk's Office, Municipal Building, 800 Municipal Drive, Farmington, New Mexico.

PASSED, SIGNED, APPROVED and ADOPTED this _____ day of May, 2023.

By _____
Nate Duckett, Mayor

INTEROFFICE MEMORANDUM

TO: MAYOR DUCKETT AND CITY COUNCIL

FROM: TERESA EMRICH, ADMINISTRATIVE SERVICES DIRECTOR

SUBJECT: RESOLUTION REQUESTING APPROVAL OF THE FY2024 PRELIMINARY (INTERIM) BUDGET

DATE: MAY 16, 2023

CC: ROB MAYES, CITY MANAGER; JULIE BAIRD, ASSISTANT CITY MANAGER; SHAÑA REEVES, ASSISTANT CITY MANAGER

The following resolution is requesting approval of the FY2024 Preliminary (Interim) Budget. Pursuant to Section 6-6-2 NMSA 1978, the Department of Finance and Administration (DFA), Local Government Division (LGD) requires each local public body to furnish and file with a proposed (interim) budget for the next fiscal year. The DFA/LGD has directed the interim budget must be submitted no later than June 1, 2023.

The final FY2024 budget is required to be submitted to the DFA/LGD no later than July 31, 2023.

Also included in the following resolution is a request to establish the 245 Police Gifts and Grants fund to improve our ability to track grants and increase the transparency of Police gifts and grants received.

The attached budget recap includes one change from the initial Preliminary budget presented on May 2nd, 2023. As requested by Council. The Animas Area Healthcare Hub has been budgeted in the 204 Community Transformation and Economic Diversification (CTED) Fund. A schedule depicting the change has been included for your reference.

RESOLUTION NO. 2023-1899

A RESOLUTION AUTHORIZING THE ESTABLISHMENT OF ONE SPECIAL REVENUE FUND IN ACCORDANCE WITH THE STATE AUDITOR RULE AND ADOPTING AN OFFICIAL PRELIMINARY BUDGET FOR THE CITY OF FARMINGTON, NEW MEXICO FOR THE FISCAL YEAR 2024 AND REQUESTING STATE APPROVAL.

WHEREAS, the Governing Body of the City of Farmington, a municipal corporation and political subdivision formed and existing under the laws of the State of New Mexico, has developed a preliminary budget for Fiscal Year 2024; and

WHEREAS, said budget was developed on the basis of need, with cooperation from all user departments and elected officials, and with public input accepted at one separate open forum meeting; and

WHEREAS, the official meetings for the review of said documents were duly published and held in compliance with the State Open Meetings Act; and

WHEREAS, it is the majority opinion of the City Council of the City of Farmington that the proposed preliminary budget, containing an estimated beginning cash balance of \$91,323,114 with a total revenue projection of \$367,124,531, a total expenditure projection of \$354,776,386 and an estimated ending cash balance of \$103,671,259 meets the City's budgetary requirements as preliminarily determined for Fiscal Year 2024; and

WHEREAS, it is necessary to submit this budget to the New Mexico Department of Finance and Administration by June 1, 2023 for review and approval; and

WHEREAS, the Police Gifts and Grants Fund is hereby created and established in order to account for the revenues and related expenditures in a transparent manner; and

WHEREAS, the City Council of the City of Farmington hereby finds that it is necessary and proper to authorize the establishment of the special revenue funds; and

WHEREAS, the City wishes to comply with the State Auditor rule 2.2.2.10 O. requiring the authorization of all special revenue funds.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the City of Farmington, State of New Mexico, hereby adopts the FY2024 Preliminary Budget herein above described and requests approval from the Local Government Division of the Department of Finance and Administration.

PASSED, APPROVED, AND ADOPTED THIS 16th day of May, 2023.

Nate Duckett, Mayor

SEAL

ATTEST:

Andrea Jones, City Clerk

**City of Farmington
Budget Summary - All COF
FY2024 Preliminary Budget**

5/10/2023

REVENUE	FY2024 Preliminary		Variance	% Variance
	FY2023 Adjusted Budget	Budget		
1-Convention Center Fee	830,000	715,000	(115,000)	(13.86%)
1-Gross Receipt Tax	70,382,712	78,252,959	7,870,247	11.18%
1-Gross Receipt Tax Compensating Tax	809,330	1,684,201	874,871	108.10%
1-Gross Receipt Tax-GRT Surplus	2,175,877	-	(2,175,877)	(100.00%)
1-Gross Receipt Tax-Hold Harmless Deduction	(4,322,467)	(5,235,967)	(913,500)	21.13%
1-Lodgers' Tax	1,500,000	1,500,000	-	0.00%
2-Property Taxes	2,028,932	2,130,011	101,079	4.98%
3-Electric Franchise Fee	1,891,500	1,885,980	(5,520)	(0.29%)
3-Other Taxes and Franchise Fees	2,097,287	2,264,861	167,574	7.99%
4-License/Permits	440,250	410,250	(30,000)	(6.81%)
5-Intergov't Revenue(grants)	23,734,843	60,066,216	36,331,373	153.07%
5-Intergov't Revenue(grants)-ARU State Funding	305,000	560,000	255,000	83.61%
6-Intragovernmental	16,539,840	8,752,251	(7,787,589)	(47.08%)
6-Intragovernmental-ARPA Funds	1,820,359	251,230	(1,569,129)	(86.20%)
6-Intragovernmental-ARU Transfer from 204 CTED	6,391	-	(6,391)	(100.00%)
6-Intragovernmental-Electric Transfer	2,391,738	2,556,474	164,736	6.89%
6-Intragovernmental-Opioid Settlement	-	1,475,347	1,475,347	0.00%
6-Intragovernmental-Park Ranger Transfer from 204 CT	567,342	640,059	72,717	12.82%
6-Intragovernmental-Transfer from 408	2,000,000	3,069,807	1,069,807	53.49%
6-Intragovernmental-W & WW Franchise Fee	1,849,733	1,740,271	(109,462)	(5.92%)
7-Charges for Services	181,780,873	192,611,838	10,830,965	5.96%
8-Fines/Fees	723,200	830,200	107,000	14.80%
9-Bond Proceeds	8,250,000	26,250,000	18,000,000	218.18%
9-Misc Revenue	3,038,113	3,198,982	160,869	5.30%
Grand Total	320,840,853	385,609,970	64,769,117	20.19%

EXPENDITURE	FY2023 Adjusted Budget	FY2024 Proposed Budget	Variance	% Variance
a) Salaries and Benefits	79,268,087	82,438,769	3,170,682	4.00%
b) Operating	176,140,798	159,090,306	(17,050,492)	(9.68%)
c) Capital	86,486,126	113,253,719	26,767,593	30.95%
d) Transfers	19,024,418	13,916,918	(5,107,500)	(26.85%)
d) Transfers-201	-	-	-	0.00%
d) Transfers-202	-	-	-	0.00%
d) Transfers-203	(2,247,238)	(2,766,919)	(519,681)	23.13%
d) Transfers-203 FD	918,175	1,313,015	394,840	43.00%
d) Transfers-203 PD	1,329,063	1,453,904	124,841	9.39%
d) Transfers-204 ARU	6,391	-	(6,391)	(100.00%)
d) Transfers-204 Park Rangers	567,342	640,059	72,717	12.82%
d) Transfers-408 Cash Reserve Transfer	1,626,204	-	(1,626,204)	(100.00%)
e) Debt Service	3,966,644	3,922,054	(44,590)	(1.12%)
Grand Total	367,086,010	373,261,825	6,175,815	1.68%
Total Revenue-Total Expenditures	\$ (46,245,157)	\$ 12,348,145	\$ 58,593,302	(126.70%)

Changes to Final Budget from Initial Proposed Budget

Prior Budget

Revenue

Budget presented on May 2, 2023	\$ 320,840,853	\$ 385,609,970
Preliminary Budget Adjust		
	320,840,853	385,609,970

Expenditure

Budget presented on May 2, 2023	\$ 367,086,010	\$ 373,138,294
Preliminary Budget Adjust		123,531
	367,086,010	373,261,825

Adjustment Description	Revenue	Expenditure	Fund	Fund Description
Animas Area Healthcare Hub		123,531	204	CTED

Department of Finance and Administration

Local Government Division

Budget Recapitulation

(CENTS ROUNDED TO NEAREST DOLLAR)

FY2024 Preliminary Budget

County/ Municipality:

CITY OF FARMINGTON

Entity Code 16121

Fiscal Year 2024

FUND TITLE	FUND NUMBER	(UNAUDITED) ESTIMATED BEGINNING FUND CASH BALANCE	BUDGETED REVENUES	BUDGETED TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING FUND CASH BALANCE	LOCAL RESERVES UNAVAILABLE FOR BUDGETING	ADJUSTED ENDING CASH RESERVES
General Fund	101	\$ 11,274,924	\$ 63,399,688	\$ 7,438,725	\$ 70,838,413	\$ 11,274,924	\$ 5,903,201	\$ 5,371,723
GRT-Streets	201	3,643,768	12,162,199	(432,339)	13,591,906	1,781,722		1,781,722
GRT-Parks	202	1,255,115	2,934,996	(88,326)	3,647,969	453,816		453,816
GRT-Public Safety	203	421,922	2,693,587	(259,782)	2,847,577	8,150		8,150
GRT-Community Transformation & Economic Diversification	204	2,133,594	5,419,174	(1,622,502)	1,182,065	4,748,201		4,748,201
Library Gifts and Grants	213	131,062	139,370	-	133,770	136,662		136,662
PRCA Gifts and Grants	214	372,017	909,578	245,790	1,527,385	-		-
Senior Center Title III Grant	216	-	766,812	(245,790)	521,022	-		-
Museum Gifts and Grants	217	233,089	251,300	-	77,300	407,089		407,089
County-Wide Senior Center Fund	218	251,230	-	(251,230)	-	-		-
Red Apple Transit Grant	221	262,937	958,896	576,156	1,535,052	262,937		262,937
General Governmental Grants	222	17,621	714,960	5,219	612,060	125,740		125,740
CDBG Grant	223	(860)	429,599	-	428,739	-		-
Lodgers Tax	230	633,204	1,643,700	-	1,430,534	846,370		846,370
Convention Center Fee	231	280,494	717,750	(712,738)	-	285,506		285,506
Law Enforcement Protection Fund	240	-	283,500	-	283,500	-		-
Law Enforcement Recruit/Retention Fund	241	-	112,550	-	112,550	-		-
Police Gifts and Grants	245	-	312,194	46,864	359,058	-		-
Region II Narcotics	246	101,596	514,488	30,000	544,488	101,596		101,596
COPS Grant	248	87,500	142,853	-	230,353	-		-
Law Enforcement Block Grant	249	156,315	71,852	-	71,852	156,315		156,315
State Fire	250	1,724,297	832,669	(104,250)	431,500	2,021,216		2,021,216
Penalty Assessment	251	7,231	155,100	-	155,050	7,281		7,281
Fire Gifts and Grants	255	-	100	-	-	100		100
Wildland Fire	256	-	356,853	130,000	486,853	-		-
LG Abatement Opioid	270	1,812,645	100	(1,475,347)	-	337,398		337,398
Cannibus Excise Tax	280	-	258,825	-	7,765	-		-
Community Dev. Grant Projects	401	(86,915)	45,699,934	798,183	46,411,202	-		-
General Govn't Fund 408	408	3,967,027	75,000	(3,069,807)	953,673	18,547		18,547
Airport Grants	409	81,163	1,182,084	4,700	1,267,947	-		-
MRA	411	16,491	1,260	-	58	17,693		17,693
Parks Development Fees	412	81,912	5,200	-	80,187	6,925		6,925
Convention Center Capital Project	415	11,830	500	-	-	12,330		12,330
Sales Tax Bond Retirement	501	3,091	-	5,164,279	5,164,279	3,091		3,091
Electric Enterprise	601	34,629,733	155,743,241	(2,556,474)	133,636,476	54,180,024	34,048,238	20,131,787
Water Enterprise	602	10,692,465	35,570,523	(1,278,221)	34,246,513	10,738,254		10,738,254
Wastewater Enterprise	603	14,430,705	13,326,832	(592,050)	14,841,848	12,323,639		12,323,639
Sanitation Enterprise	604	2,294,098	7,998,536	(1,500,000)	6,595,620	2,197,014		2,197,014
Health Insurance	701	401,813	11,338,728	-	10,521,822	1,218,719		1,218,719
GRAND TOTAL		\$ 91,323,114	\$ 367,124,531	\$ -	\$ 354,776,386	\$ 103,671,259	\$ 39,951,439	\$ 63,719,821