

Special Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, May 2, 2023 at 9:00 a.m. in the Executive Conference Room at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformity with the rules, regulations and ordinances of the municipality.

At such meeting the following were present, constituting a quorum:

MAYOR	Nate Duckett
COUNCILORS	Linda G. Rodgers Sean E. Sharer, Jeanine Bingham-Kelly Janis Jakino

constituting all the members of the Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Shaña Reeves
CITY ATTORNEY	Jennifer Breakell
CITY CLERK	Andrea Jones
DEPUTY CITY CLERK	Anita Vigil

City Attorney Jennifer Breakell presented an ordinance authorizing a loan and subsidy agreement with the New Mexico Finance Authority to upgrade and retrofit the City's water treatment plant and stated that notice of intent to consider said ordinance has been published two weeks prior to final action upon the ordinance as required by Section 3-17-3 NMSA 1978 Compilation. She recommended the ordinance, if adopted, be given the number 2023-1348. The title of the ordinance being:

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE CITY OF FARMINGTON, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY ("FINANCE AUTHORITY"), IN THE TOTAL AMOUNT OF FIFTEEN MILLION DOLLARS (\$15,000,000) ("LOAN") EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A MAXIMUM REPAYABLE PRINCIPAL AMOUNT OF NO MORE THAN SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000), TOGETHER WITH INTEREST, AND ADMINISTRATIVE FEES FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADING AND RETROFITTING THE GOVERNMENTAL UNIT'S WATER TREATMENT PLANT ("PROJECT"), AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE GOVERNMENTAL UNIT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Sharer that Ordinance No. 2023-1348 be passed and adopted. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Jeanine Bingham-Kelly Janis Jakino
-------------------	---

Those voting nay:	None
-------------------	------

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2023-1348 was duly passed and adopted.

FISCAL YEAR 2024 PRELIMINARY BUDGET AND INTRODUCTION OF THE CAPITAL IMPROVEMENT PLAN

Providing opening remarks, City Manager Rob Mayes explained that the in-depth presentation regarding the City's budgeting process would be included with the public input session at next week's regular Council meeting and today's focus is to provide the Council with an opportunity to review the proposed Fiscal Year 2024 ("FY24") preliminary budget and Capital Improvement Plan ("CIP"). Referencing the recent negative impacts to the Electric Utility, Mr. Mayes explained that staff has prepared the FY24 preliminary budget with nearly \$10 million less in operating capital and have worked under the conservative assumptions that (1) the regular monthly transfer from the Electric Utility Enterprise Fund to the General Fund will remain suspended for at least the first half of FY24; (2) the expectation of gross receipts tax ("GRT") revenue remaining at current levels; and (3) suspension of nearly \$3 million of authorized but un-started projects and returning those funds to the General Fund. Directing the Council's attention to the distributed budget books and giving a brief overview of its key components, Administrative Services Director Teresa Emrich provided the proposed General Fund revenues and expenses for FY24 that total \$73.4 million, which is an increase of 5.6 percent from FY23's adjusted budget and includes a total projected cash balance of \$11.3 million. Mr. Mayes emphasized that despite constraints all department budgets have increased in part because of inflationary factors and he proudly announced that that staff is recommending a fully funded employee pay plan, noting that all pay plans (including those governed by Unions) are contingent upon specific allocation and not in the aggregate.

Mr. Mayes explained that staff would like specific direction to add items not included in today's proposed Community Transformation and Economic Diversification ("CTED") Fund budget in order to incorporate them into the adopted preliminary and final budgets.

Animas Area and Healthcare Hub Action Plan

He requested that \$23,000 be allocated from the remaining FY23 CTED Fund budget for the previously approved Animas Area and Healthcare Hub Action Plan consultant and \$124,000 be allocated in FY24.

Following brief discussion, it was the consensus of the Council to approve the FY23 and FY24 CTED Fund allocations for the Animas Area and Healthcare Hub Action Plan consultant as requested.

Four Corners Economic Development Contribution

Additionally, Mr. Mayes sought direction on whether the City's FY24 contractual contribution from the CTED Fund to Four Corners Economic Development ("4CED") should remain at \$50,000 or increase to the requested amount of \$100,000, noting the current contract terminates in June of this year. Mayor Duckett opined that any financial support 4CED receives would directly benefit Farmington. Councilor Rodgers expressed her support of 4CED but noted that their loss of leadership and current reorganizational period deems it premature to increase the City's contributions. Councilor Sharer questioned if it would be more viable at this time to continue their funding at \$50,000 and allocate an additional \$50,000 into the City's Economic Development Department. Councilor Bingham-Kelly stated that she serves on the 4CED Board and agreed that this may not be the best time to increase the City's investment.

There being no further discussion, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to allocate \$50,000 in FY24 to the Four Corners Economic Development, and upon voice vote the motion carried unanimously.

RECESS

Mayor Duckett called a recess at 10:32 a.m.

The meeting was reconvened by the Mayor at 10:45 a.m. with all members of the Council being present.

Capital Improvement Plan

Ms. Emrich provided in-depth revenue and expenditure summaries by fund and she and Mr. Mayes explained the methodology used in determining the FY24 budget associated with the proposed CIP projects. Ms. Emrich reported that \$136,000 is budgeted for one new 16-passenger bus in the 221 Fund (Red Apple Transit) and \$160,000 for preliminary engineering services for an airport terminal within the 409 Fund (Airport Grants). She listed the recurring Parks, Recreation and Cultural Affairs ("PRCA") equipment and vehicle upgrades (\$50,000), Sports Complex field light replacements (\$250,000), the Anesi Trail Development (\$200,000), shelter replacements at Brookside Park South (\$100,000), Brookside Park North (\$100,000) and Highland View Park (\$50,000) and the playground replacement at Bartens Park (\$150,000) in the 202 Fund (GRT-Parks). She noted that \$71,338 is being proposed for Sandstone Canyon, riverine development and the Anesi Park project and \$663,504 is earmarked for the Lions Pool renovations in the 214 Fund (Parks Gifts and Grants). She announced that reoccurring park operations and one proposed landscaping project at Sycamore Park comprise the \$80,187 in the 412 Fund (Park Development Fees). Ms. Emrich noted that staff is recommending \$547,000 be budgeted for vehicle replacement, \$3.9 million for street resurfacing, \$150,000 for the triannual pavement management analysis and \$300,000 for the proposed Hood Arroyo and Sandalwood spillway project in the 201 Fund (Streets GRT). She announced that \$279,240 is proposed for Community Development Block Grant (CDBG) capital projects in the 223 Fund (CDBG). Ms. Emrich explained that \$3.5 million is being proposed for Sunset Avenue and 30th Street resurfacing projects and Main Street sidewalk and resurfacing projects, \$42 million for in-progress projects including Piñon Hills Bridge, Foothills Drive Enhancement Phase 3 and Dustin Avenue Road Rehabilitation, and \$817,476 to finalize the Villa View detention pond and Phase 3 of the 20th Street Sidewalk projects in the 401 Fund (Public Works Grant). She reminded the Council that the Water, Wastewater and Electric utilities' capital projects were presented at the joint Public Utility Commission meeting last month. Ms. Emrich stated that the 408 Fund (General Governmental) proposes a total of approximately \$1 million for equipment and vehicle upgrades for the PRCA department and vehicles for the Warehouse, Building and Maintenance and other various City departments.

Department Reports

Utilizing a PowerPoint presentation, Ms. Emrich reviewed in detail the proposed budgets for the Administration, City Clerk, Municipal Court, Marketing and Communications, Library and City Attorney departments with staff providing additional information regarding current events, accomplishments and proposed future activities.

RECESS

Mayor Duckett called a recess at 11:40 a.m.

The meeting was reconvened by the Mayor at 12:18 p.m. with all members of the Council being present.

Concluding the PowerPoint presentation, Ms. Emrich and staff resumed the review of the proposed budgets for the Economic Development, Information Technology, Administrative Services, General Services, Red Apple Transit, Airport, Parks, Recreation and Cultural Affairs, Police, Fire, Community Works and Human Resources departments.

Mr. Mayes reminded everyone that the public input session is scheduled for next week's regular Council meeting and he thanked City staff for their contributions to today's presentation.

There being no further business to come before the Council, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to adjourn the meeting at 3:07 p.m., and upon voice vote the motion carried unanimously.

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 2013-1466, et seq.

APPROVED this 23rd day of May, 2023.



Nate Duckett, Mayor

SEAL

ATTEST:



Andrea Jones, City Clerk