

Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, August 15, 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
DEPUTY CITY MANAGER	Julie Baird
CITY ATTORNEY	Jennifer Breakell
CITY CLERK	Andrea Jones
DEPUTY CITY CLERK	Anita Vigil

STRATEGIC PLANNING/COMMUNITY TRANSFORMATION AND ECONOMIC DIVERSIFICATION (CTED) FUND

Deputy City Manager Julie Baird announced that today's presentation is a continuation of the strategic planning that began at the July 18, 2023 Work Session for Community Transformation and Economic Diversification ("CTED") projects and noted that some projects are informational and others include recommendation for action.

Pinon Mesa

Economic Development Director Warren Unsicker explained that another cycle of the State's Trails+ Grant is forthcoming and he recommended utilizing the funds (\$99,999), if awarded, to design and create a master plan for Pinon Mesa, a 780-acre trail system, noting that the grant requires a 1:1 local funding match. He presented a high-level conceptual map and indicated that the trail system would connect to existing bike trails on adjacent federal land.

Civitan Golf Course

Golf Course Manager Chris Jones briefly reviewed Civitan Golf Course's recent revenue, rounds, usage types and challenges. He acknowledged that the course could benefit from some general updates and recommended the purchase of new maintenance equipment, course improvements and landscaping at an estimated cost of \$500,000. In regards to miniature golf, Mr. Jones displayed the renderings created in 2016 along with the updated proforma and he reported that the construction estimate has increased to \$2.1 million which includes extensive landscaping, an 18-hole miniature golf course with ponds, lighting, an outdoor speaker system, private party areas, food truck access and a covered outdoor seating area. He stated that other suggested improvements include addressing the deteriorating conditions of the clubhouse (\$600,000), replacing the irrigation system (\$1.5 million) and installing an indoor golf simulator (\$30,000) and answered various questions of the Council.

City Manager Rob Mayes advised increasing the estimated cost for the general updates from \$500,000 to \$600,000 to mitigate inflation.

Following brief discussion, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to approve up to \$600,000 from the CTED Fund for the purchase of new maintenance equipment, course improvements and landscaping at Civitan Golf Course, and upon voice vote the motion carried unanimously.

Brookside Park Skatepark

Parks, Recreation and Cultural Affairs Director Natalie Spruell introduced consultant Aaron Spohn of Spohn Ranch for an informational update on Brookside Park Skatepark. Utilizing a PowerPoint presentation, Mr. Spohn reviewed the impact skateparks bring to communities and he discussed the multi-step process involved in designing a park that meets multiple user group needs. Based on recent walk-throughs within the existing infrastructure and community input sessions, Mr. Spohn pointed out that several ramps, concrete and skate features are in disrepair or unsuitable for continued use and he stated that any attempts to retrofit the skatepark would be more costly and less practical than to build a new one. He presented several conceptual renderings and he provided the engineer's estimate of \$1.4 million along with optional contingency and amenity estimates for the proposed design.

Mayor Duckett recognized skatepark advocates Ryan Todacheeney, Clayton Ignacio, Ross Herrera and his children present in the audience and asked for their comments.

Mr. Todacheeney thanked the Council for hearing the need to upgrade the skatepark and he expressed his excitement for the proposed design. He discussed the various user groups and he estimated that 20 to 30 people can be found at the skatepark at any given time.

Mr. Herrera, owner of 505 Shredz, announced that he hosted the community input sessions and he spoke to the economic appeal that a new and more efficient skatepark would bring to Farmington's business and tourist base.

In response to Councilor Rodgers's question, Mr. Spohn stated that the engineer's estimate does not include an update to the existing lighting and he provided an approximate cost of \$100,000 to install appropriate lighting.

Councilor Jakino suggested that additional restroom facilities be considered as the development of Brookside Park "campus" continues.

Following further discussion, it was the consensus of the Council to direct staff to incorporate new lighting into the project's scope, research the possibility of phasing the project and to present an updated project and construction estimate to the Council in the near future.

RECESS

The Mayor called a recess at 10:13 a.m.

The meeting was reconvened by the Mayor at 10:25 a.m. with all members of the Council being present.

RESOLUTION NO. 2023-1915 ADOPTING AN INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)

Administrative Services Director Teresa Emrich explained that the purpose for this discussion is to formally select the top capital projects for inclusion in the Infrastructure Capital Improvements Plan ("ICIP"). Referring to a updated handout entitled "ICIP Potential Project Listing," she reviewed the changes to the listing since it was originally presented at the August 8, 2023 regular meeting and confirmed that Item 23 (Station #5 Remodel) has been added as previously directed by Council.

At Deputy City Manager Julie Baird's request, it was the consensus of the Council to add Orchard Park Improvements for \$750,000 to the ICIP as Item 24.

Thereupon, a motion was made by Councilor Jakino, seconded by Councilor Rodgers to adopt Resolution No. 2023-1915, as amended. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Jeanine Bingham-Kelly Janis Jakino
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the motion carried and Resolution No. 2023-1915 was duly passed and adopted.

RESOLUTION NO. 2023-1916 ADOPTING THE BONNIE DALLAS SENIOR CENTER INFRASTRUCTURE CAPITAL IMPROVEMENTS PLAN (ICIP)

Ms. Emrich reported that no changes have been made to the top capital projects for inclusion in the Bonnie Dallas Senior Center Infrastructure Capital Improvements Plan ("ICIP") since being presented at the August 8, 2023 regular City Council meeting and she recommended adoption of Resolution No. 2023-1916.

There being no discussion, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to pass and adopt Resolution No. 2023-1916, as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Jeanine Bingham-Kelly Janis Jakino
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the motion carried and Resolution No. 2023-1916 was duly passed and adopted.

FINANCIAL REPORT FOR THE 12 MONTHS ENDING JUNE 30, 2023

Providing opening remarks, Ms. Emrich recognized staff members Cory LeClaire, Richelle Deharde and Kristi Lee who were in attendance. Utilizing a PowerPoint presentation, Ms. Emrich provided the City's financial report for the 12 months ending June 30, 2023. She reported Farmington's unemployment rate has lowered to an average of 4.25 percent, slightly less than the previous FY (favorable) but still higher than New Mexico's average of 3.52 percent and the national average of 3.53 percent (unfavorable). Continuing with economic trends, Ms. Emrich explained that business indicators for the housing market show a decrease of 345 residential units sold (unfavorable) and an increase of 27.37 percent average price sold (favorable) and noted that the average days on the market have remained stable (neutral). Residential, commercial and other building permits remained stable (neutral); Lodgers' Tax collection increased 11.6 percent (favorable) and Convention Center fees decreased minimally by 1.4 percent (unfavorable); and using a comparison chart illustrating new and renewed business licenses for calendar years 2017 through current (mailed-out), she noted an overall 23.7 percent seven year downward trend (unfavorable). Ms. Emrich announced that the City collected \$75,403 million in FY2023 from the gross receipts tax ("GRT"), which exceeded both the budgeted amount by 1.2 percent (favorable) and the FY2022 actual amount by 8.8 percent (favorable), and she provided historical GRT revenue graphs by industry sectors. She reviewed the general governmental GRT funds revenue summary by activity and reported the FY2023 grand total of \$91 million is a minimal 0.9 percent decrease (\$863,568 variance) from FY2022 (unfavorable). Ms. Emrich stated that property tax collected increased by 4.3 percent for a total of \$2.15 million (favorable) and she reviewed the auto license, gasoline, liquor and cannabis excise taxes imposed by the State that contributed a total of \$1.56 million to the City for a collective increase of 7.0 percent (favorable). Using 10-year comparison chart of the franchise fees and royalties collected by the City she reported a, 8.2 percent variance above the budgeted projection (favorable) for a total of \$2.67 million in 2023. She provided a 10-year comparison chart of the permits and liquor/occupational licenses (General Fund) and paving cuts (201 Fund) revenues showing decrease of \$3,786 from FY2022, but still 8.8 percent above the budgeted amount (favorable) for a total of \$479,145 in 2023. Ms. Emrich summarized the intergovernmental grant and loan proceeds and pointed out that the actual proceeds of \$1.07 million fell short of the 2023 budget by 7.1 percent (unfavorable). She presented a chart depicting transfers between various intergovernmental revenue funds and she reported a decrease of 1 percent (unfavorable) from the budget to the actual revenue of \$9.8 million. Ms. Emrich provided a chart depicting departmental charges for services and a more in-depth chart for the Parks, Recreation and Cultural Affairs facilities and she gave statistics for fines, fees and miscellaneous income. She explained that governmental GRT fund expenditures came in under budget by 0.9 percent

(favorable) at \$97.3 million and she broke down the 101, 201, 202 and 203 Fund expenditures by personnel, operating, capital and transfer costs. She announced that the number of Farmington Electric Utility System's ("FEUS") customers increased by 0.3 percent (favorable), meters increased by 0.2 percent (favorable) and total kilowatt-hours decreased by 0.5 percent (favorable). She explained that FEUS's FY2023 ending cash balance of \$72.7 million was disproportionately increased by the receipt of the proceeds from a \$40.2 million generation loan received in June 2023 and she noted the remaining FEUS statistics presented omit the loan data. Ms. Emrich reported FEUS revenue of \$126,263 fell short of the budgeted amount by 3.4 percent (unfavorable) and expenditures came in under the budget by 1.4 percent at \$137,648 (favorable) and she supplied additional charts highlighting significant revenue changes between fiscal years along with another chart depicting the breakdown of expenditures by personnel, operating, capital and transfer costs. For water utility, Ms. Emrich stated that customers and meters both increased by 0.2 percent (favorable), total gallons decreased by 3.1 percent (favorable), FY2023 revenue decreased by 5.5 percent (unfavorable) and expenditures decreased by 8.1 percent (favorable). She reported that wastewater utility customers increased by 0.4 percent (favorable), consumption decreased by 3.2 percent (favorable), FY2023 revenue decreased by 1.7 percent (unfavorable) and expenditures decreased by 21 percent (favorable). Concluding the presentation, Ms. Emrich noted that sanitation utility customers increased by 0.5 percent (favorable), FY2023 revenue increased by 0.5 percent (favorable) and expenditures decreased by 0.3 percent (favorable).

RESOLUTION NO. 2023-1917 APPROVING THE FINAL FISCAL YEAR 2023
QUARTER FINANCIAL REPORT

Administrative Services Director Teresa Emrich presented and read by title Resolution No. 2023-1917 approving the final Fiscal Year 2023 financial report and requesting State approval.

Thereupon, a motion was made by Councilor Sharer, seconded by Councilor Rodgers to pass and adopt Resolution No. 2023-1917, as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Jeanine Bingham-Kelly Janis Jakino
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2023-1917 was duly passed and adopted.

RESOLUTION NO. 2023-1918 APPROVING THE FIRST REVISION TO THE
FY2024 BUDGET AND REQUESTING STATE APPROVAL

Administrative Services Director Teresa Emrich provided a detailed explanation of the proposed budget revisions and recommended adoption of Resolution No. 2023-1918.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Sharer to pass and adopt Resolution No. 2023-1918. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Jeanine Bingham-Kelly Janis Jakino
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2023-1918 was duly passed and adopted.

Mayor Duckett recused himself from the remainder of the meeting due to his insurance agency participating in the request for proposals for an agent of record for property and liability insurance. He requested that Mayor Pro Tem Sharer lead the meeting in his absence and he left at 11:39 a.m.

CLOSED MEETING

A motion was made by Councilor Rodgers, seconded by Councilor Jakino to close the meeting to discuss request for proposals for an agent of record for property and liability insurance, pursuant to Section 10-15-1H(6) NMSA 1978. 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.

Mayor Pro Tem Sharer convened the closed meeting at 11:40 a.m. with all Councilors being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor Jakino, seconded by Councilor Rodgers to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor Pro Tem at 11:46 a.m. with all Councilors being present.

REQUEST FOR PROPOSALS/AGENT OF RECORD FOR PROPERTY AND LIABILITY INSURANCE

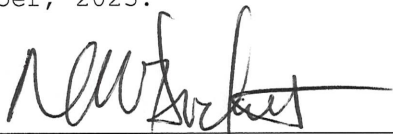
Chief Procurement Officer Jennifer Harbour introduced Contracts Administrator Jennifer Rowland and Ms. Rowland reported that proposals for an agent of record for property and liability insurance (Human Resources) opened on June 28, 2023 with five offerors participating. She recommended that the contract be awarded to Aon Risk Insurance Services West, Inc. as the top evaluated firm after application of the Resident Business preference.

Thereupon, a motion was made by Councilor Rodgers, seconded by Councilor Jakino, to award the contract for an agent of record for property and liability insurance to Aon Risk Insurance Services West, Inc., as recommended by the Contracts Administrator, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, a motion was made by Councilor Rodgers, seconded by Councilor Jakino to adjourn the meeting at 11:50 a.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 12th day of September, 2023.



Nate Duckett, Mayor

SEAL

ATTEST:



Andrea Jones, City Clerk