

**Regular Meeting of the Finance Committee
City Hall – Large Conference Room
425 N. Richardson
Thursday May 5, 2022**

Notice of this meeting was given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution 22-14.

ROLL CALL

The meeting convened at 4:00 p.m. with Chairman Corn presiding; Councilors Heldenbrand, Perry, and Foster present.

Staff present: Joe Neeb, Juan Fuentes, Janie Davies, Juanita Jennings, Robert Glenn, Parker Patterson, Enid Costley, Kevin Maevers, Judge Joseph Seskey, Louis Najar (via GoToMeeting)

Guests present: Councilor Jeanine Best, Larry Connolly, June Ogle (Roswell Daily Record), Mike Espiritu (RCCEDC)

Guests via GoToMeeting: Councilor Juliana Halverson, Rita Kane-Doerhoefer, Robert Leyva (Admiral Beverage Corporation), Keith Hartnett (Admiral Beverage Corporation), Peter Kelton (Rodey Law Firm)

APPROVAL OF AGENDA

Councilor Perry moved to approve the May 5, 2022 regular Finance Committee meeting agenda. Councilor Foster was the second. A voice vote was 4-0 and the motion passed unanimously.

APPROVAL OF MINUTES

Councilor Perry moved to approve the April 11, 2022 Regular Finance Committee meeting minutes as presented. Councilor Heldenbrand was the second. A voice vote was 4-0 and the motion passed unanimously.

NON-ACTION ITEMS

Information Reports:

Gross Receipts Report: Mr. Fuentes presented information on the GRT report for April 2022.

FY2023 Operating Budget Timeline: Mr. Fuentes provided an update on the current progress and upcoming timeline in finalizing the FY23 operating budget.

Lodgers' Tax & Convention Center Bed Fee: Ms. Jennings discussed the Lodgers' Tax and Convention Center Bed Fee Reports for March 2022.

Presentation of the Municipal Court Budget for Fiscal Year 2023: Judge Seskey discussed the preliminary budget being proposed for Municipal Court for the upcoming fiscal year.

ACTION ITEMS

Consideration of Resolution 22-XX authorizing the Disposal of Certain Surplus Personal Property: Mr. Glenn presented the request for authorization to dispose of various old/obsolete equipment and vehicles currently owned by the City as scrap or through auction and answered questions from the committee. Councilor Perry moved to send to full City Council on the consent agenda Resolution 22-XX authorizing the Disposal of Certain Surplus Personal Property included in Exhibits A and B. Councilor Foster was the second. A voice vote was 4-0 and the motion passed unanimously.

Consideration of Resolution 22-XX approving changes to fees and fines for library materials: Ms. Costley presented the request for approval to discontinue fees charged for various lost or damaged items and add in fees to allow for charging replacement costs for the new Hotspots. Councilor Heldenbrand moved to send to full City Council on the consent agenda for approval Resolution 22-XX approving changes to fees and fines for library materials. Councilor Perry was the second. A voice vote was 4-0 and the motion passed unanimously.

Consider recommending approval of a proposed lease agreement in connection with the proposed Admiral Beverage Industrial Revenue Bonds: Mr. Patterson presented the request to recommend that City Council adopt proposed Ordinance 22-05 at its May 12, 2022 regular meeting, to issue an Industrial Revenue Bond in an amount of \$9 million for the construction of a facility by Admiral Beverage Company at its facility located on Brasher Rd. The proposed Lease has been submitted by Admiral's bond counsel for approval by the City Council in connection with the issuance of the IRB, as contemplated by proposed Ord. 22-05. Mr. Hartnett and Mr. Leyva of Admiral Beverage Corporation with Mr. Kelton of Rodey Law Firm spoke on behalf of the request and answered questions from the committee.

Councilor Heldenbrand moved to amend the document under item number 6 to reflect a 15-year amortization. Councilor Foster was the second. A voice vote was 4-0 and the motion passed unanimously.

Councilor Foster moved to send to full City Council without recommendation, the approval of a proposed lease agreement in connection with the proposed Admiral Beverage Industrial Revenue Bonds with the 15-year amortization amendment. Councilor Heldenbrand was the second. A voice vote was 4-0 and the motion passed unanimously.

Consider recommending approval of a proposed Indenture in connection with the proposed Admiral Beverage Industrial Revenue Bond: This item was presented along with the previous consideration. The proposed Indenture has been submitted by Admiral's bond counsel for approval by the City Council in connection with the issuance of the IRB, as contemplated by proposed Ord. 22-05.

Councilor Foster moved to amend the proposed Indenture with Admiral Beverage to a 15-year term. Councilor Perry was the second. A voice vote was 4-0 and the motion passed unanimously.

Councilor Foster moved to send to full City Council without recommendation, the approval of a proposed Indenture in connection with the proposed Admiral Beverage

Industrial Revenue Bond with the amended 15-year term. Councilor Heldenbrand was the second. A voice vote was 4-0 and the motion passed unanimously.

Consider recommending approval of a proposed Bond Purchase Agreement in connection with the proposed Admiral Beverage Industrial Revenue Bond: This item was presented along with the previous two considerations. The proposed BPA has been submitted by Admiral's bond counsel for approval by the City Council in connection with the issuance of the IRB, as contemplated by proposed Ord. 22-05.

Councilor Foster moved to amend the Bond Purchase Agreement to a 15-year term. Councilor Perry was the second. A voice vote was 4-0 and the motion passed unanimously.

Councilor Foster moved to send to full City Council without recommendation, the approval of a proposed Bond Purchase Agreement in connection with the proposed Admiral Beverage Industrial Revenue Bond with the amended 15-year term. Councilor Heldenbrand was the second. A voice vote was 4-0 and the motion passed unanimously.

FOR THE RECORD: Recess at 6:18 p.m. Session resumed at 6:24 p.m.

Consideration of Resolution 22-XX approving the use of American Rescue Funds for customer utility assistance: Ms. Davies presented the request for approval for use of the funds. The US Treasury Final Rule allows for community economic relief by providing aid to households with past due utility bills. The calculation is based on outstanding delinquent bills from 3/13/2020 to 12/31/2021. The Final Rule limits funding coverage to 12 months of arrearages. The City has 13,919 delinquent bills for the timeframe totaling \$1,233,373.44. Limiting each customer to 12 months of arrearages reduces the total by \$118,120.53 leaving a requested funding amount of \$1,105,252.91.

Councilor Foster moved to amend the resolution with the following changes:

- Replace "funding amount of \$1,105,252.91." with "funding amount of up to \$1,105,252.91."

Councilor Perry was the second. A voice vote was 4-0 and the motion passed unanimously.

Councilor Perry moved to send to full City Council the recommendation to approve Resolution 22-XX approving the use of American Rescue Funds for customer utility assistance as amended. Councilor Foster was the second. A voice vote was 4-0 and the motion passed unanimously.

Consideration of Resolution 22-XX authorizing the Pre-COVID Utility Assistance Program using the revenue loss recovery funds: Ms. Davies presented the request for authorization of the funds. The City of Roswell received American Rescue Plan Act Funds for COVID relief. The US Treasury Final Rule allows the City to elect a "standard allowance" of up to \$10M in lost revenue. Once converted to lost revenue, the City has discretionary oversight on how the funds are used. The City is requesting:

- \$206,581.02 of the lost revenue funds to pay all pre-COVID delinquent utility bills dated 1/1/2018 through 3/12/2020.
- \$118,120.53 of the lost revenue funds to pay the COVID delinquent utility bills over the 12- month arrearage allowance.
- \$91,706.72 of the lost revenue funds to pay the COVID delinquent utility bills for businesses.

The City has \$416,408.27 in delinquent bills for COVID and Pre-COVID customers that are not covered under any other program and the likelihood of payment is slim.

Councilor Foster moved to amend the resolution with the following changes:

- Replace “The City is requesting:” with “The City is requesting up to:”

Councilor Perry was the second. A voice vote was 4-0 and the motion passed unanimously.

Councilor Perry moved to send to full City Council the recommendation to approve Resolution 22-XX authorizing the Pre-COVID Utility Assistance Program using the revenue loss recovery funds as amended. Councilor Foster was the second. A voice vote was 4-0 and the motion passed unanimously.

PUBLIC PARTICIPATION

Mr. Connolly discussed the length of committee meetings.

Chairman Corn addressed the upcoming schedule of Special Finance Committee meetings and City Council Workshops to discuss the preliminary budget for the city.

ADJOURN

The meeting adjourned at 6:55 p.m.