

**Board of Director's Meeting
October 13, 2023
Quarterly Meeting
Minutes**

1. CALL TO ORDER:

The quarterly meeting of the Board of Directors of the Southeastern New Mexico Economic Development District/COG was called to order by Board President, Michael Gallagher.

2. MOMENT OF SILENCE IN MEMORY OF HUBERT QUINTANA

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL AND INTRODUCTION OF GUESTS

The following Member Governments were represented by Directors or Alternates:

MEMBER GOVERNMENTS-PRESENT

Chaves County—Chad Cole
Lea County—Mike Gallagher, County Manager
Lincoln County—Ryan Trosper
Otero County—Pam Heltner, County Manager
Alamogordo—Sylvia Tillbrook
Artesia—Summer Valverde, Clerk/Treasurer
Corona—Sam Seely, Mayor
Dexter—Ron Chambers, Councilor
Eunice—Billy Hobbs, Mayor
Hagerman—Tony Garcia, Mayor
Hope—Rudy Sales, Public Works Director
Lake Arthur—Debra Sallee, Clerk/Treasurer
Lovington—David Miranda, City Manager
Roswell—Julianna Halvorson, Councilor
Ruidoso—Gary Jackson, Councilor
Ruidoso Downs—Theresa Renteria, Administrative Asst.

NON-GOVERNMENT REPRESENTATIVES-

Chaves County—Jon Hitchcock
Lea County—Robbie Roberts
Lincoln County—Coda Omness

MEMBER GOVERNMENTS-NOT PRESENT

Eddy County—Ernie Carlson, Commissioner
Capitan—Al Cavazos, Clerk/Treasurer
Carlsbad—Lisa Anaya Flores, Councilor
Carrizozo—Ray Dean, Mayor
Cloudcroft—Grover Sterling, Trustee
Hobbs—Todd Randall, City Engineer
Jal—Stephen Aldridge, Mayor
Loving—Rick Fuentes, Mayor
Tatum—Ron Smith, Interim Mayor
Tularosa—Patrick Garcia, Trustee

**NON-GOVERNMENT REPRESENTATIVES
NOT PRESENT**

Eddy County—John Waters
Otero County—Sid Gordon

A quorum was present with 16 of the 26 Member Governments represented. Three non-government Representatives were also present.

GUESTS AND VISITORS PRESENT

Candy Spence-Ezzell, NM Representative
Tim Jennings, Mayor-Roswell
Dr. Shawn Powell, ENMU-R President
Barbara Gomez, Executive Director—Main Street Roswell
Mike Mathews, Deputy City Manager-Roswell
Hess Yntema, City Attorney—Roswell
Brian Luck, RISD Superintendent
Belia Reyes, Interim Superintendent-Hagerman
Curt Clugh, Superintendent-Corona
Scott Bucher, Director SBDC-Roswell
Carolyn Arias, Office Manager SBDC

SNMEDD/COG STAFF PRESENT

Dora Batista, Executive Director
Mary Ann Burr, SERPTO Program Manager
Paul Pappas, Project Coordinator
Kristina Casaus, Administrative Assistant
Pansy Moffitt, Office/Finance Administrator
Debi Lee, Consultant

5. Program: Capital Outlay Discussion—Representative Candy Spence-Ezzell

Dora Batista welcomed Representative Candy Spence-Ezzell and thanked her for her time in discussing capital outlay with the SNMEDD Board. Representative Ezzell reported what is driving the economy for the state is: 1) oil and gas industry, 2). agriculture and 3) horse racing. She stated that southeastern New Mexico is a major contributor that funds the state's budget. She also stated that she has been fighting to get funding for US 380 road improvements.

She reiterated how the loss of Hubert Quintana was definitely going to be felt as the work he done on the Capital Outlay process made our legislators envied by legislators throughout the state.

Representative Ezzell informed the group that Capital Outlay project requests need to be fully funded. She said that Santa Fe likes to refer to the Capital Outlay as "new money". She said it is not "new money" it is coming from southeastern New Mexico, and it is billions of dollars. She said that last year's budget was 8.5 billion dollars and will likely be more than that this year. Her concern is that the State does not need to be spending it all and creating expenses we can't pay for later. Money has been budgeted for programs this year that cannot be sustained if there is ever a shortfall in the oil and gas industry as has been seen in the past. Representative Ezzell believes that money should be saved for the future. She voiced concern about what was budgeted for our schools and that the teachers received a big raise that cannot be possibly sustained in the future.

Representative Ezzell stated that Capital Outlay funding is an important part of supporting the community's needs. She explained that funding is for acquisitions, improvements, alternations, reconstruction, and assets of a long-term character that are intended to be held and used, such as land and equipment. It is not for non-profits. She said capital outlay funding is for projects and is not for operating expenses, salaries, and supplies.

She also explained that reauthorizations are available for projects that need to be extended as some of the projects could not be completed because of COVID or other reasons. Reauthorizations are submitted similar to the Capital Outlay requests to Legislative Council Services.

Dora stated that in the past it was suggested that Capital Outlay request not be for more than \$500,000, but because of the increase of costs would it be more feasible to request more money.

She suggested putting a 10% contingency on the agreements to offset the impact communities are seeing with increased construction and material costs Dora said that a project minimum request is recommended at \$50,000.00. It was pointed out that a Capital Outlay request should have the words ‘to plan, design, equip, furnish’ so that all aspects are covered if funded. Representative Ezzell stated that project requests should be clear so that funding requested could complete a whole project or a fully funded phase. It is likely that if it is not clear, the Governor will veto any partial projects.

Representative Ezzell reported that the Governor of New Mexico has issued an executive order requiring that by the year 2026 or 2027 all car dealerships must carry a minimum of 45% electric vehicles in inventory. She stated electric vehicles do not pay road taxes and she has a problem with mandating what the private entities can and cannot do.

Dora Batista thanked Representative Ezzell for her service and time discussing Capital Outlay for the upcoming 2024 Legislative Session.

6. ACTION ITEMS:

a. Approve Meeting Agenda for October 13, 2023

Motion made by Pamela Heltner to approve the agenda and seconded by Tony Garcia. Motion carried.

b. Approve Minutes of July 14, 2023.

Motion made by Jon Hitchcock to approve minutes and seconded by Robbie Roberts. Motion carried.

c. Review and Accept Financial Report.

The financial report was presented by Dora Batista. Dora stated that budgeted operating income collected to date was at 27 % and expenses were 13.3 %. She said the only change was the unbudgeted revenue of \$6,037.85 which was a result of adjustments for outstanding and voided checks that the auditors requested that we add back into the budget. She pointed out that contract services in the amount of \$25,576 was for consultants funded by the EDA Disaster Recovery Grant dedicated to Lincoln County and Ruidoso.

Motion made by Tony Garcia to accept the financial report as presented and seconded by Coda Omness. Motion carried.

d. Approve Contracts on Legislative and DFA Grants.

Dora explained that with funding from the Legislative Grant for Technical Services and the Capacity Building Grant she has been able to secure two contracts for grant writing and technical support. Those contracts being Juan Fuentes and Brad Howard who will work as consultants. We have a \$200,000 Technical Capacity Grant and a \$175,000 Grant Writing Grant. She stated that she will also use these grants to fund Purdue University who is working on a housing analysis, researching labor data, work force analysis, and an industry analysis. This information is available to our communities.

Motion made by Sam Seely to approve the contracts as presented. Jon Hitchcock seconded the motion. Motion carried.

7. Appoint Nominating Committee to develop 2024 Slate of Officers:

Dora Batista explained that the executive committee includes a member from each county, who serve on a 2-year cycle. Dora suggested that the executive committee be the nominating committee, but if anyone else would like to participate on the Nominating Committee, just let

her know. It was a consensus that the Executive Committee serve as the Nominating Committee.

8. PROGRAM AND ACTIVITY REPORTS:

Dora Batista—SNMEDD District Activity and Program Updates

Dora stated that her report was included in the Board Packet. Dora expressed sadness with the passing of Hubert Quintana; he will be missed. Dora stated that we have entrusted his Capital Outlay legacy to Debi Lee, Consultant, who will be assisted by former Representative Bob Wooley. Dora will be actively involved and support the effort.

Dora stated that the Capital Outlay Hearings have been scheduled in each County with the exception of Lincoln and Otero County, which will be held together in Lincoln County.

Chaves County November 2, 2023 9:00 am Chaves County Commission Chambers
#1 St. Mary's Place, Roswell, NM

Lea County November 9, 2023 10:00 am Lea County Courthouse
1st floor, 100 N. Main, Lovington, NM

Eddy County November 13, 2023 10:00 am Artesia Council Chambers
511 W. Texas, Artesia, NM

Lincoln/Otero Counties November 15, 2023 10:00 am ENMU-Ruidoso Conference Room
709 Mechem Drive, Ruidoso, NM

Capital Outlay request forms will be available on the NM Legislative Website: www.nmlegis.gov on October 18, 2023. Dora requested that each entity identify their top five projects and submit a copy of the project summaries to SNMEDD by October 31, 2023. All Capital Outlay requests must be submitted electronically by January 11, 2024.

Reauthorizations are due January 28, 2024. They must be turned in to the Legislative Council Service and will need the legislative sponsor's signature on the form.

She also stated that if anyone has a request for any possible HB Jr. money if any is made available, we have a form available to be completed and provided to the legislators for funding consideration.

Dora was pleased to announce that the SNMEDD applications submitted for federal matching funds grant was funded. She explained that DFA had a matching funds grant for federal funded projects that required a match and SNMEDD submitted applications for our CDBG projects that were funded in 2022. We were successful in obtaining funding for over \$260,000.00 supporting our communities.

Three EDA Disaster Discovery Applications were completed and submitted for Lincoln County, and they should be evaluated in October. This funding was exclusively for Lincoln County/Ruidoso resulting from the wildfire that affected them and areas up north. The Village of Ruidoso also submitted two- to three applications.

SNMEDD continues to act as fiscal agent for the municipalities/counties that are in need of a fiscal agent. The Small Communities Capacity Building Economic Develop pilot program has begun. This program offers technical assistance, resources, and other training based on their

specific needs in an effort to increase community capacity and economic benefit. The top two communities that were chosen were The City of Artesia and the Village of Cloudcroft.

The annual audit was conducted at the end of September, and we anticipate a clean audit.

The New Mexico Infrastructure Conference will be held in Las Cruces October 18-19, 2023, and Hubert Quintana was honored for his time and service with the Joe Guillan award.

Dora announced that we were currently working with Purdue University on a Housing Analysis for our District. Several reports have been generated for our District, and we are in discussions on hosting an economic event and disseminating the information. The information reports a cluster analysis on the top industries for the region and for each County; a drill down analysis of each County; workforce analysis and soon to be the Housing Analysis.

An update on federal and state grant opportunities is provided every Tuesday morning as well as a schedule of deadlines and conferences. Please let us know if you would like to be added to this list.

Mary Ann Burr—SERTPO

Ms. Burr reported that SERTPO met on September 7, 2023, and rated Transportation Project Fund (TPF) applications. It was the first in-person meeting since COVID, and the meeting was held in Carlsbad. The next meeting will be November 30, 2023, in Portales and will focus on public transit prioritization.

Handouts listing the TPF awards were given out to Board members. Ms. Burr reported that the SERTPO region received 13 projects out of 42 applications. Awards in the SNMEDD region included the City of Jal - 2023 Roadway Improvements; Village of Capitan - Tiger Drive Improvements; City of Alamogordo - 30th Street Concrete Block Culvert Repair; City of Ruidoso Downs - 2023 Road Improvements; City of Ruidoso Downs - Reservoir Drive Improvements; Town of Tatum - Various Street Rehabilitation and Maintenance; City of Roswell - Hobbs Street-Mill and Fill/Sidewalk/ADA; Village of Loving - Various Roads Maintenance Program; Town of Hagerman - Various Street Rehabilitation and Maintenance; and Town of Lake Arthur - Various Street Rehabilitation and Maintenance.

A Call for Projects is anticipated for the Recreational Trails Program (RTP), which is federally funded and on a reimbursement basis. The federal share is 85.44%, and the local match is 14.56%. This program may be more difficult for the smaller communities because expenses must be paid up front.

Regarding the CDBG planning grants, planners are working on the Hope Comprehensive Plan and Hagerman Asset Management Plan. Ruidoso Downs is negotiating the Owner-Planner contract for their Asset Management Plan. Lake Arthur is advertising the Request for Proposals (RFP) for its Asset Management Plan. Tularosa has been awarded funding for a Comprehensive Plan and is working the Grant Agreement.

Paul Pappas—Project Coordinator

The 2023 CDBG applications were due on September 20, 2023. Three applications were submitted this year. Those being (1) City of Carlsbad—phase III renovations of their Alejandro Ruiz Senior Center. This project will be complete renovations to the library, computer lab, storage rooms, men and women's restrooms, a fire suppression system, and a new parking lot. (2) Village of Loving—there is an area within the Village limits that is not tied into their sewer system. This project will install gravity feed sewer lines along with a lift

station that will allow the residents to hook into the Village's sewer system which will encourage future residents to build in this area. (3) The Lovington project is to construct ADA sidewalks on 2nd Street between the intersections between Avenue D and Central Street. These sidewalks will benefit the handicapped/disabled residents by providing a safe walkway. Lovington's goal is to have all City sidewalks ADA compliant and intends to have additional phases for this project.

The CDC (Community Development Council) application hearing is scheduled for November 15, 2023 and is expected to be awarded by November 29, 2023.

The Town of Dexter's water line project was closed this quarter.

Eddy County's wastewater/sewer project is adding sewer lines to an area that is still using septic tanks. The construction is moving along faster than expected and at this time all lines have been installed and tested. This project should be closed by the end of the year.

Lake Arthur's water system improvement project was recently awarded.

Debi Lee—Consultant Southeast New Mexico

Mrs. Lee reported that the New Mexico economy continues to show growth in the number of physical business establishments with an 8.2% increase and has grown 10.3% since the pre-pandemic. There was a 3.7% increase for the year in establishments for accommodation and the food services industry. The construction industry establishments showed a 7.1% increase over the year. Professional, scientific, and technical services showed a 13.5% increase over the year. The largest increase came from the oil and gas industry with a 26% increase.

Lea County reported the second highest MTGR (matched tax gross receipts) due to the mining, oil and gas, with a strong earning in construction and retail.

Chaves County's MTGR decreased by 2%. The industries in Chaves County that reported an increase was from the admin/support industry with an increase of 81%.

Eddy County reported nearly a 6% increase. Oil and gas industry continues to be the largest contributor to the county's MTGR.

Lea County's MTGR decreased by nearly 5% with the largest decline from the construction industry of 4% and the largest increase from the oil and gas industry of 59%.

Lincoln County MTGR declined over 8%. The retail industry continues to drive the MTGR for Lincoln County.

Otero County's MTGR decreased to under 20%. The largest decline was from the construction industry of 31%. The second largest decline was from the real estate and rental and leasing industry that reported a 54% decline.

Purdue University updated the Regional Cluster Drill Down Analysis of the five industries that drive southeast New Mexico as being: Agribusiness, food processing and technology; transportation and logistics; energy (fossil and renewable); defense and security; and arts, entertainments, recreation, and visitors.

The main issue for economic development in the southeast region is workforce and affordable housing. Purdue Center for Regional Development has recently completed a regional workforce data report and five county infographics for Southeastern New Mexico

Economic Development District region. This includes an explanatory write up and narrative for the regional workforce data summarizing the key findings and insights of various sections that will include the regional economy and industry, occupation, job postings, hard-to-fill jobs, GAP analysis CIP (Customer in Process) analysis, compatibility, and automation.

The Workforce Analysis conducted by Purdue University will help evaluate workforce strengths in planning industry growth. The purpose is to guide economic and workforce developers in ways that will increase our region's economic competitiveness through strategies based on the region's unique talent assets and impending opportunities.

Each Tuesday an e-mail is sent out providing a list of funding opportunities, programs, and information to know. This includes upcoming dates, conferences, events and webinars, new funding opportunities and funding opportunities by category.

Debi Lee reported that she and Dora are working with Dr. Patrick and Purdue University to address the concern of affordable and lack of housing units. Purdue University will provide a detailed analysis that will include affordability, workforce housing data, housing stock, physical characteristics for housing, housing insecurity including value to income ratio for owner occupied housing, cost burden, migrant/immigration data, fire risk/climate change impacts and regional dynamics. This information along with the Job Creations and Income Growth Opportunities report and updated Cluster Drill-down Analysis will be printed into a document and available to the Economic Development professionals and we are currently discussing hosting an Economic Summit in the spring.

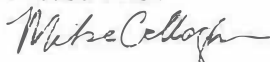
The Southeastern New Mexico Economic Development Capacity Building Pilot Program for small communities of less than 15,000 population has kicked off. This program is intended to build local capacity and improve economic conditions while identifying opportunities for growth. The two communities selected were City of Artesia and Village of Cloudcroft. This Pilot Program is designed to equip business and community leaders with ways to revitalize and invest in their communities with direct organizational and development support. A matrix has been developed for technical services and economic strategies and activities for each community. An award letter will be sent to the communities selected with a timeline and activities to be discussed and planned. More to come.

12. ANNOUNCEMENTS AND INFORMATION SHARING: There were no announcements.

13. ADJOURN:

Adjourned at 12:00 pm.

APPROVED:

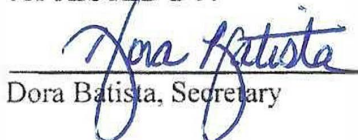


01/22/2024

Michael Gallagher, Board President

Date

ATTESTED BY:



Dora Batista, Secretary

1.22.24

Date