

Board of Director's Meeting

July 12, 2024
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 virtually by Board President, Sam Seely at 10:00 a.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL AND INTRODUCTION OF GUESTS

The following Member Governments were represented by Directors or Alternates:

MEMBER GOVERNMENTS-PRESENT

Chaves County—Dara Dana, Commissioner
Eddy County—Rudy Sales
Lincoln County—Kevin Kennedy
Artesia—Hayley Klein
Capitan—Minerva Devalos, Mayor
Carrizozo—Bob Hemphill, Mayor
Corona—Sam Seely, Mayor
Hope—Melissa Sales
Lovington—Liz White, Commissioner
Mescalero Apache Tribe—Gabe Aguilar, Tribal Council
Roswell—Tim Jennings, Mayor
Ruidoso—Gary Jackson, Councilor
Ruidoso Downs—Joey Jarvis Public Works Director
Tatum—Marilyn Burns, Mayor
Tularosa—Manuel Brusuelas, Trustee

NON-GOVERNMENT REPRESENTATIVES-PRESENT

Chaves County—Jon Hitchcock
Lincoln County—Coda Omness

MEMBER GOVERNMENTS-NOT PRESENT

Eddy County—Ernie Carlson, Commissioner
Lea County—Mike Gallagher, County Manager
Otero County—Pamela Heltner
Alamogordo—Susan Payne, Mayor
Carlsbad—Lisa Anaya Flores, Councilor
Cloudcroft—Timothy King, Trustee
Dexter—Ron Chambers, Councilor
Eunice—Billy Hobbs, Mayor
Hagerman—Tony Garcia, Mayor
Hobbs—Todd Randall, City Engineer
Jal—Stephen Aldridge, Mayor
Lake Arthur—Ysidro Salazar, Mayor
Loving—Rick Fuentes, Mayor

NON-GOVERNMENT REPRESENTATIVES-NOT PRESENT

Eddy County—Vacant
Lea County—Robbie Roberts
Otero County—Vacant

A quorum was present with 15 of the 27 Member Governments represented and two Non-Government Representatives were also present.

GUESTS AND VISITORS PRESENT

Jacob Dankei, Mescalero Tribal Council

Robert Rice, Mescalero Tribal Council

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

Juan Fuentes, Consultant

Debi Lee, Consultant

4. **Program: Adrian Avila, Chief of Staff Senate Finance Committee. NMGRO (HB2) and State Budget**
Mr. Avila spoke on the NMGRO (HB2) and State Funding Opportunities for local government bodies. The GRO (Government Results and Opportunity) program developed from the House Bill 2 Junior Bill as a way for the legislature to provide more funding for local governments and communities.

NM GRO was created through HB196 (2024) and serves an opportunity to better address the recurring needs of the state in the mid-term. HB196 created 2 funds, (1) GRO Expendable Trust and (2) GRO Program Fund. The initial idea is to take today's surplus and put it towards the future. This enables the state to give money out in the next 5 to 6 years without dipping into the reserve funds. The Expendable Trust is a trust fund that can be spent if necessary. The Program Fund can be allocated to eligible entities to fund legislative programs or projects.

The money will flow automatically between the funds every year; however, the legislators will need to appropriate funds during the legislative session. The legislation is mandating LFC (Legislative Finance Committee) and DFA (Department of Finance Administration) to collaborate during this interim period on reforming the Accountability in Government Act. In the process, they are to create the framework and expectations of what this fund is going to accomplish. The expectations of the program depend on how the COG's and local governments can spend the money and meet the intended purpose of the legislators.

This year's appropriations were \$100,040,000. The Governor appropriated \$33,000,000, the Senate \$33,600,000, and the House \$33,440,000. The funding is meant to be spent in 2 years. Local communities and entities will have to work through the COG's.

The intent is to narrow the number of entities that DFA has to manage, so instead of 100 entities/grant agreements to deal with it, they would narrow it down to 7 working through the COG's.

Out of 162 appropriations that were allocated, 29 were assigned to the SNMEDD district.

5. ACTION ITEMS:

- a. **Approve Meeting Agenda for July 12, 2024.**

Motion made by Robert Hemphill to approve the agenda and seconded by Jon Hitchcock. Motion carried.

- b. **Approve Minutes of July 12, 2024.**

Motion made by Gary Jackson to approve minutes and seconded by Joey Jarvis. Motion carried.

c. Review and Accept Financial Report.

Dora presented the Financial Report. She stated that we ended the year successfully. She explained in detail each line item. We are expecting funds for two 2023 legislative DFA grants that will be received in the next fiscal year. She stated that expenses were approximately 80% of budget ending the Fiscal Year in good standing.

Gary Jackson moved that the financial report be accepted as presented, and Jon Hitchcock seconded the motion. Motion carried.

d. Review and Approve the 2024-2025 Operating Budget.

Dora Batista explained the upcoming budget as presented in the Board packet. She stated that SNMEDD received a Legislative Technical Capacity Grant of \$325,000 and that we are expecting administration fees from NM GRO of \$800,000.00 over the next two years. Dora said that the Board agreed to manage the PED consultants, and their expense and revenue are included in the proposed budget. We will receive an 8% admin for managing the PED Grant. Grant administration fee will remain at \$130,000.00. Contracts and Fiscal Agent Fee was increased to \$30,000.00. There will not be any CDBG Grants next year so the admin line item will not be increased with no new CDBG grants to administer. The current grants will complete in this upcoming fiscal year.

Dora explained that the contract line item was increased to \$200,000.00 which includes Debi Lee and Vickie Thomas' contracts. She also stated that SNMEDD will contract for professional services to assist Ruidoso, Mescalero, and Lincoln County with the recent fire and flood disasters that have occurred but would be using the remaining funds from the EDA to support those costs.

Dora explained that NM GRO program which will be managed in a separate bank account and will have expenses that will include the non-profit invoices as well as the government entities expenses authorized by the Legislature through the NM GRO funding. At each board meeting, we will present a report on the progress of this program.

Dora also provided a 5% cost of living increase of all employees with a slightly higher increase for the employees affected by NMGRO workload in the budget and asked the board for approval.

Overall SNMEDD the proposed budget is supported by adequate revenues of \$2,361,081.35 and includes an unbudgeted balance or reserve of \$519,084.06 over expenses.

Motion to approve the SNMEDD operating budget was approved by Kevin Kennedy and seconded by Gary Jackson. Motion carried.

e. Review and Adopt SNMEDD/SERTPO Annual Capital Asset Inventory.

Dora Batista explained that the Asset Inventory is required by the State Auditor annually and needs to have board approval. There were no new assets added this past year.

A motion was made by Gary Jackson to approve the Asset Inventory and seconded by Joey Jarvis. Motion carried.

f. Review and approve for submittal the FY 2024-25 New Mexico State-Grant-in-Aid Application.

Dora Batista stated that SNMEDD receives this grant in the amount of \$99,000 from DFA annually. It is included in the 2024-25 Budget and listed under income as a State Government Appropriation. It is required that we submit this form along with the minutes showing that the SNMEDD Board has approved the application for this State grant in the amount of \$99,000.

A motion was made by Gary Jackson to approve and seconded by Dara Dana. Motion carried.

g. Approve Consultant Contracts

Dora reported that there are three consultant contracts working for SNMEDD and we also had to retain a lawyer to review our contracts for NMGRO and other related documents that come up.

Juan Fuentes is assisting with the NMGRO Program and is being paid out of the GRO operations line item.

Debi Lee is working on upgrading our CEDS due to EDA this year, grant writing and Capital Outlay and is under regular Contract Services. She has a 2-year contract, expiring June 30, 2025.

Vickie Thomas assists with the fiscal agent contracts we administer. We have 125-150 fiscal agents and are still receiving new ones. She is under regular contract services but will fall under DFA's grant management grant should they release those funds again this year.

Zach Cook is an attorney out of Ruidoso and is familiar with the Open Meetings Act, RFP's, governmental contracts etc. We need to retain Zach Cook on retainer to review our legal contracts we are issuing with the NMGRO program and other related documents that come up.

All contracts are in line with the procurement code of "Professional Services" under \$60,000.

Motion was made by Gary Jackson to approve the contracts and Joey Jarvis seconded the motion. Motion carried.

6. PROGRAM AND ACTIVITY REPORTS;

Dora Batista—SNMEDD District Activity and Program Updates

Dora's report was included in the Board Packet and made the following comments:

Capital Outlay - As soon as we hear when the portal is open for the Capital Outlay projects, we will let you know. We will then arrange the Capital Outlay workshops and hearings.

EDA Disaster Recovery Grant - we have \$250,000 remaining and are working with EDA to help Ruidoso, Mescalero and Lincoln County recover from the fires and floods.

Summit - The Housing and Economic Summit held in May was very successful. There is a link on our website for all of the information from Purdue University and on affordable housing. It is our intent to develop a Regional Housing plan that can be used for applications to attract economic development.

ICIP - The ICIP deadline is July 12, 2024. Dora stated that she has requested that the communities in Lincoln County be extended due to the disaster of fires and flooding because they had not been able to get to their offices.

Eastern Area Workforce Development Board - There will be a WIA Board Meeting on July 18, 2024. These meetings are available with a zoom link.

Mary Ann Burr—SERTPO

Mrs. Burr informed the Board that SERTPO met in May at the Ruidoso Convention Center

for its TPF rating meeting. Forty applications were rated, and recommendations were submitted to NMDOT District 2. The District 2 Engineer will make his recommendations, and the State Transportation Commission will approve the final list in August. During the May meeting, the District 2 Engineer commented that \$10 million is the anticipated funding for this year. For comparison, Ms. Burr provided the amount of funding in the previous year (\$12.4 mil) for 13 applicants awarded.

Regarding CDBG planning grants, there will be no new planning grant applications due to DFA not accepting CDBG applications this year. The Hope Comp Plan close-out is in progress, with all pay requests submitted. The Village of Tularosa has selected their Planner, and preparations are underway for submitting documentation for DFA approval. Close-out documents will be submitted soon for the Ruidoso Downs Asset Management Plan. The Lake Arthur Asset Management Plan is underway with approximately 25% completion. The Hagerman Asset Management Plan has been closed out.

The next SERTPO meeting will be held in Eunice on August 22, 2024. Presentations include the Statewide Functional Classification Review and ROW 101.

A call-for-projects is anticipated in the Fall for the Transportation Alternatives Program (TAP) and Recreational Trails Program (RTP). Ms. Burr reminded all that these programs are federal reimbursement programs with 85.44% federal funding and 14.56% local match. She provided the estimated statewide amounts (TAP - \$9 mil statewide; RTP - \$1.3 mil statewide).

Paul Pappas—Program Coordinator

Mr. Pappas' report was included in the board packet.

DFA has decided that they are not going to accept CDBG applications for 2024. They are understaffed with 11 project managers to handle 66 active CDBG grants. They are planning on using the 2024 funding (approximately \$11 million dollars) to supplement the potential needs of the existing CDBG projects. The applications for the 2024 CDBG Supplemental funding are due July 18, 2024. The purpose of the Supplemental Funding according to DFA is to ensure that open projects have the necessary funds to complete in a timely manner. We are anticipating that in late August or September the existing CDBG projects that we are applying for this funding would qualify. They would greatly benefit from this additional funding.

We still have active 2023 projects: (1) the City of Carlsbad, phase 11 renovations of the Alejandro Ruiz Senior Center. An architect has been selected and is in the process of design; (2) the Village of Loving has 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. This will allow the current resident to hook into the Village's sewer system while encouraging future residents to build within this area. The Village is in the process of securing their engineer for design. In the meantime, we are completing their environmental on the project area. (3) The City of Lovington's project is to construct ADA sidewalks on 2nd street between the intersections of Avenue D and Central Street. This will benefit the handicapped/disabled residents by providing a safe walkway. The city would like to have all sidewalks ADA compliant and intends to have additional phases. They just recently received their grant agreement. We are completing their environmental and will be assisting them in securing an engineer.

Eddy County and Lake Arthur's CDBG projects were closed out this quarter. In Otero County, the CHINs building renovation is near completion. This grant is expected to end in the next 45 days. Carrizozo's streets and drainage/waterline project are under construction. A previous supplemental funding grant was applied for and awarded the full scope of the project and included improvements

to 17th and 18th Streets. In Chaves County, the Health Center Building has been awarded the construction project. The preconstruction meeting is to take place in July and hopefully construction will begin in late July. The street and water line project in the City of Ruidoso Downs design is complete. Construction has gone out to bid with the bid opening set for August. We will apply for supplemental funding for this project to include the pavement of the roadway. The City of Artesia's ADA sidewalk project went out to bid in late May. Only one bid was received, this bid was substantially over budget. The City is going to apply for the 2024 supplemental funds so they can go out for rebid. The Town of Hagerman lift station project has secured an engineer, and the project is currently in the design phase. It is anticipated to go out for bid by the end of this quarter. The Village of Hope's Water System Improvements Project has secured an engineer and is currently in the design stage. It is anticipated that by the end of this quarter we will go to bid for construction. The Town of Tatum's Water System Improvements Project involves looping water lines has secured an engineer and is currently in design. The Village of Tularosa's Water System Improvements Project has an engineer completing the design and we are hoping to have this project go out for bid later this summer.

Since there will not be any 2024 CDBG application this year, we feel that 2025 will be a more competitive year. The applications are scored based on several factors that can be completed before the applications are due. One example is that having environmental already completed adds points to the application. Anyone interested in applying for the 2025 CDBG grants let us know. This will enable us to state some of the preliminary things, this will increase the odds of your project getting awarded.

Debi Lee—Consultant

Mrs. Lee's Economic Analysis report in detail was included in the board packet.

Southeastern New Mexico is notably progressing from the COVID-19 pandemic as seen in the information and graphs in her report. She stated that it is important to continue to track and understand the dynamics of our region as it relates to each of our entities so to plan for economic growth and resiliency. The graphs provided in the report show the progress of industries in each county and include growth. It also provides graphs on gross receipts tax distributions by entity to demonstrate the industries that are driving the economy and those that are under performing.

Debi stated the ICIP process is coming to an end and therefore, it is time to start planning for the capital outlay projects. She will be in Santa Fe for the 60-day session to coordinate with Legislators the selection of the projects they want to fund. She and Dora will be sending out notices as to when the capital outlay hearings will be scheduled and the locations. She stated that she will also provide a Capital Outlay Fact Sheet to provide all the details related to requesting funding. She reminded everyone that capital outlay would fund assets but must be owned by the state or a political subdivision of the state. She stated that we won't know if NM Gro will receive funding again in 2025 until the Session is in progress.

Debi stated that she continues to send out a newsletter titled Funding Opportunities and Information to Know. This includes a list of funding opportunities, programs, and important dates for conferences, events, webinars, technical support and training. Coming soon, will be the details on the 2025 Legislative Session and how to apply for capital outlay funding. It will include the links, due dates and dates for public hearings.

Debi explained that there is an ongoing effort with the Small Communities Economic Development Capacity Building Program for the City of Artesia and the Village of Cloudcroft.

