

**Regular Meeting of the Finance Committee
City Hall – Mike Mathews Conference Room
425 N. Richardson Ave.
Thursday, June 4, 2026, at 2:00 PM**

Notice of this meeting was given to the public in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and Resolution 26-12.

ROLL CALL

This meeting convened at 2:01 PM with Councilor Gass presiding. Councilor Heldenbrand, Councilor Johnson, and Councilor Cavin present, Councilor Halvorson present.

An invocation was given by Councilor Gass.

STAFF PRESENT

Mac Rogers, Toni Gomez, Tammi Smith, Caroline Brooks, Jim Burress, Bobbi Thompson, Justin Jones, Ron Garcia, Sarah Mark, Jessica Vickers, Omarr Mendoza, Josh Nairn-Mahan, and Steve Chavez,

GUESTS PRESENT

Del Journey and Julius Smith

GUESTS ONLINE

Eric Harrigan, Ian Bearden, Rita Kane-Doerhoefer, Debbie, ZS, TV, Roswell Infrastructure, A. Chaparro, HY, VS, (6) Guests, Unknown, Lucia, and Vicki

APPROVAL OF AGENDA

Councilor Heldenbrand made a motion to approve the agenda. Councilor Halvorson seconded the motion. The motion passed 5-0.

NON-ACTION ITEMS

1. Golf – The committee reviewed the April Report. No questions or discussion were raised by committee members, and the report was accepted as presented.
2. Visitor Center - The Visitor Center report was presented for review. Committee members had no questions regarding visitor statistics, marketing efforts, or visitor center operations.
3. Public Affairs - Staff presented the Public Affairs report and highlighted ongoing communications, marketing, and community engagement efforts. The report was accepted as presented without additional discussion

4. Museum - The Museum report was presented for review. Committee members had no questions regarding museum operations, attendance, programming, or ongoing recovery activities.
5. Roswell Public Library – Staff presented the library report and briefly discussed the upcoming Children's Garden groundbreaking ceremony. No additional questions were raised by the committee.
6. Lodgers Tax - Staff provided an update on hotel occupancy, average daily rates, and short-term rental reporting. Discussion focused on the difference between occupancy figures reported through the STAR report and occupancy data from participating branded hotels, with committee members requesting that future reports emphasize the occupancy rates of reporting hotels to provide a more accurate picture of local lodging activity. Concerns were also discussed regarding hotel pricing and reservation practices during major events such as the UFO Festival.
7. Cannabis Excise Tax / Gross Receipts Tax – Staff reported cannabis excise tax revenues of approximately \$27,007 compared to a budgeted amount of \$27,689, resulting in a minimal variance. Discussion included the impact of medical marijuana cardholders on tax collections and the allocation of cannabis tax revenues among governmental entities. Gross Receipts Tax revenues exceeded budget expectations, with staff reporting a positive variance of approximately \$291,788.
8. Discussion of Town Plaza Apartments – Staff provided an update regarding the Town Plaza Apartments property and ongoing condemnation proceedings. Committee members discussed recent activity observed at the site, including contractor evaluations and potential rehabilitation efforts by the property owner. Concerns were expressed regarding public safety, security, fencing, and unauthorized access to the property, while staff confirmed that condemnation proceedings would continue until meaningful progress is demonstrated.

FLOOD DISASTER UPDATES

9. Staff reported that 61 of 76 FEMA projects have now been approved, representing more than \$26 million in documented damages. Several additional projects, including landfill, wastewater, airport, and infrastructure-related projects, received approval during the reporting period. Discussion focused on FEMA reimbursements, project accounting, flood recovery funding, relocation of facilities from flood-prone areas, and the status of major projects such as the Convention Center, river channel repairs, and museum-related facilities. Staff also discussed future project tracking capabilities through the City's upcoming NetSuite implementation.

ACTION ITEMS

10. Consider recommending approval of Resolution 26-XX; To authorize and approve submission of a completed application to NMFA for financial assistance. Presented by Mac Rogers.

Requesting approval of Resolution 26-XX authorizing and approving submission of a completed application to NMFA for financial assistance. Where the City has more than \$37 million in approved or obligated FEMA projects this funding would help address much needed repairs. The flood projects submitted with the application have been considered by Council as part of the FY 27 Budget process.

Committee members discussed proposed amendments to the City's purchasing procedures ordinance. Several formatting and language issues were identified within the draft ordinance, and staff was directed to return with a redlined version showing all proposed changes and corrections for further review.

Staff presented a resolution authorizing submission of an application to the New Mexico Finance Authority for flood recovery financing. Discussion included the proposed issuance of approximately \$25 million in bonds supported by the Flood Gross Receipts Tax, projected debt service requirements, repayment schedules, and future borrowing capacity. Representatives from RBC Capital Markets answered questions regarding bond structure, reserve requirements, prepayment options, and anticipated interest rates.

Councilor Cavin made a motion recommending approval of Resolution 26-XX; To authorize and approve submission of a completed application to NMFA for financial assistance to the consent agenda. Councilor Halvorson seconded the motion, and the motion passed 5-0.

11. Consider recommending approval to advertise for a public hearing for Ordinance 26-XX authorizing the execution and delivery of a loan agreement with NMFA for improvement projects related to flood damage. Presented by Mac Rogers.

Requesting approval to advertise for a public hearing Ordinance 26-XX authorizing the execution and delivery of a loan agreement with NMFA for improvement projects related to flood damage. As part of the 2025 legislative session SB 383 allowed for the issuance of an increase in GRT to fund flood recovery Bonds. On March 28, 2025 Council passed Ordinance 25-02 increasing GRT. This agreement would allow the City to Sell bonds in September.

Staff presented an ordinance authorizing a loan agreement with the New Mexico Finance Authority related to flood recovery projects. Discussion focused on the financing structure, project funding priorities, and the City's ability to utilize flood-related gross receipts tax revenues to support debt service obligations associated with flood recovery efforts.

Councilor Halvorson made a motion recommending approval to advertise for a public hearing for Ordinance 26-XX authorizing the execution and delivery of a loan agreement with NMFA for improvement projects related to flood damage to the consent agenda. Councilor Cavin seconded the motion, and the motion passed 5-0.

12. Consider recommending approval of Resolution 26-XX: The redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds. Presented by Mac Rogers.

Requesting the approval and authorization of the redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds. This action would allow the City to proceed with the redemption of Bonds issued on February 21, 2017 pursuant to Ordinance No. 16-22 adopted on January 12, 2017 in an amount not to exceed \$11,7500,000.

Representatives from RBC Capital Markets presented an opportunity to refinance the City's 2017 Joint Water and Sewer Improvement Revenue Bonds. Staff reported that refinancing could generate approximately \$800,000 in net present value savings and reduce annual debt service costs without extending the final maturity date of the bonds. Committee members discussed projected savings, refinancing costs, and repayment schedules.

Councilor Heldenbrand made a motion recommending approval of Resolution 26-XX: The redemption of Outstanding Joint Water and Sewer Improvement Revenue Bonds to the consent agenda. Councilor Johnson seconded the motion, and the motion passed 5-0.

13. Consider recommending approval to advertise for a public hearing for Ordinance 26-XX; An Ordinance to refund the Series 2017 Joint Water & Sewer Improvement Bonds. Presented by Mac Rogers.

This proposed ordinance would authorize the City of Roswell to refinance, pay, and discharge the outstanding Joint Water and Sewer Improvement Bond issued in 2017. It would also provide a mechanism to fund a loan agreement reserve account and provide for the payment of the principal and interest solely from the net revenues of the Joint Water and Sewer Utility System.

Staff presented an ordinance authorizing the refinancing of the City's 2017 Joint Water and Sewer Improvement Bonds. Discussion centered on achieving debt service savings through favorable market conditions while maintaining compliance with NMFA requirements and ensuring financial benefit to the City.

Councilor Heldenbrand made a motion recommending approval to advertise for a public hearing for Ordinance 26-XX: An Ordinance to refund the Series 2017 Joint Water & Sewer Improvement Bonds to the consent agenda. Councilor Cavin seconded the motion, and the motion passed 5-0.

14. Consider a budget adjustment and recommending approval to enter into a purchase and sale agreement for 77.8 acres of irrigated farmland for the expansion of the wastewater department. Presented by Omarr Mendoza

The property is located adjacent to the existing wastewater department, 2603 E. College Blvd.

Staff presented a proposed purchase and sale agreement for approximately 77.8 acres of irrigated farmland adjacent to the wastewater treatment facilities. The property is intended to support future expansion needs of the wastewater department. Discussion included the appraised value of the property, negotiated purchase price, and the need for a budget adjustment to complete the acquisition.

Councilor Cavin made a motion for the approval of a budget adjustment and recommending approval to enter into a purchase and sale agreement for 77.8 acres of irrigated farmland for the expansion of the wastewater department to the consent agenda. Councilor Heldenbrand seconded the motion, and the motion passed 5-0.

15. Consider recommending the adoption of Resolution 26-XX approving a budget adjustment for the fiscal year ending June 30, 2026. Presented by Toni Gomez.

The New Mexico Department of Finance Administration (DFA) requires governing body approval for any budget adjustment that increases or decreases revenue or expenditures in the approved budget. The finance department is requesting approval of budget adjustments, as summarized in Exhibit "A", to align the City's FY2025-2026 budget with current funding allocations. These adjustments include updates to various grants, transfers, and departmental budgets.

Staff presented a budget adjustment totaling \$62,607.62 in revenues and \$1,177,815.31 in expenses, including the wastewater land acquisition, professional services associated with flood recovery projects, and various donated revenues received by City departments. Discussion included donations received by the library and zoo, as well as the anticipated year-end budget adjustment process.

Councilor Johnson made a motion recommending the adoption of Resolution 26-XX approving a budget adjustment for the fiscal year ending June 30, 2026 to the consent agenda. Councilor Halvorson seconded the motion, and the motion passed 5-0.

TABLED ITEMS

16. Ordinance 26-04: Authorize to advertise for a public hearing on proposed Ordinance 26-04, An Ordinance Amending the City of Roswell's Purchasing Procedures. Presented by Josh C. Nairn-Mahan

The original proposed ordinance by Councilor Heldenbrand sought to clarify what procurements and contracts need to be presented to the council, when, and how

the City manager may promulgate policies and procedures. Since the initial drafting of the proposed ordinance, the City hired an Internal Auditor. As part of her services, the auditor shall "[c]ommunicate with City Leadership, including the City Manager, the Mayor, the Finance and Audit Committee, any identified deficiencies and weaknesses, and make recommendations for improvements on a regular basis." At the February Governing Body meeting, at the request of the City Manager, this proposed ordinance was referred by the Governing Body to the Legal Committee for consideration in light of the Internal Auditor's suggestions. The Internal Auditor's initial report to the Audit Committee is in draft, but due to the timing and subject matter of the proposed ordinance, the City Manager placed the suggestions before the legal committee.

Committee members discussed the status of the proposed purchasing ordinance and related procurement policies. Discussion focused on recommendations from the internal auditor, the need for additional review by both the Legal Committee and Finance Committee, and ensuring that council members have an opportunity to fully review procurement policies and procedures before final action is considered. The item remained tabled pending further discussion.

17. Consider recommendation of approval of the MainStreet Roswell funding request of \$75,000 for Fiscal Year 2027. Presented by Del Journey

The requested funding will support downtown revitalization efforts and initiatives aimed at enhancing economic development, historic preservation, and community engagement within the MainStreet district.

MainStreet Roswell focuses on strengthening the downtown corridor through business recruitment and retention, support for local entrepreneurs, and the promotion of existing businesses. Key initiatives include beautification and placemaking projects, organization of community events and festivals, marketing and promotion of downtown Roswell, and preservation of historic assets that contribute to the area's unique character.

Approval of this funding request will allow MainStreet Roswell to continue implementing strategic programs that drive foot traffic, support small business growth, and enhance the overall vitality and attractiveness of downtown Roswell as a destination for residents and visitors alike.

Councilor Halvorson made a motion to remove this item from the tabled items and bring the item to an action item before the committee. Councilor Johnson seconded the motion.

Representatives from MainStreet Roswell provided an update on organizational restructuring, board membership, financial reporting improvements, and efforts to hire key personnel. Discussion focused on the organization's financial statements, accounting practices, future fundraising efforts, long-term sustainability goals, and the request for \$75,000 in City funding for Fiscal Year 2027. Committee members discussed

accountability, return on investment, organizational stability, and expectations for future financial reporting.

The Committee revisited MainStreet Roswell's funding request after removing the item from the table. Extensive discussion focused on organizational governance, compliance with bylaws, board membership, financial accountability, and the use of prior City funding. Committee members expressed concerns regarding the organization's current structure, available cash balances, the lack of a detailed spending plan, and a previous commitment to hire additional staff that was not fulfilled. MainStreet representatives acknowledged organizational challenges, recent leadership changes, and ongoing efforts to rebuild the organization while preparing for the UFO Festival. Following discussion, the Committee determined that additional information was needed regarding governance, financial planning, and future operations before further consideration of the funding request. MainStreet Roswell was asked to return to the Committee once its financial statements have been corrected and updated. No motion was made, and no action was taken on the request.

PUBLIC PARTICIPATION

None

ADJOURN

The meeting adjourned at 4:19 PM.