



# Clovis City Commission

321 North Connelly St  
Clovis, NM 88101  
[www.cityofclovis.org](http://www.cityofclovis.org)

## Special Meeting

~ Minutes ~

Vicki Reyes

Wednesday, March 22, 2017

5:15 PM

North Annex, Clovis-Carver Library

### **I – PLEDGE OF ALLEGIANCE**

Mayor Pro Tem Garza called the meeting to order at 5:16 p.m. Commissioner Elliott offered the prayer, which was followed by the Pledge of Allegiance and the Salute to the New Mexico flag.

### **II – OFFICIAL SALUTE TO THE NEW MEXICO FLAG: "I salute the flag of the State of New Mexico the Zia symbol of perfect friendship among united cultures."**

### **III – ROLL CALL**

Attendee Name	Title	Status	Arrived
Chris Bryant	Commissioner - District 4	Present	5:00 PM
Juan Garza	Mayor Pro Tempore	Present	4:55 PM
Fidel Madrid	Commissioner - District 3	Present	5:00 PM
David Lansford	Mayor	Absent	
Sandra Taylor-Sawyer	Commissioner - District 2	Remote	5:13 PM
Gary Elliott	Commissioner - District 2	Present	5:05 PM
Tom Martin	Commissioner - District 4	Present	5:11 PM
Ladona Clayton	City Commissioner	Present	5:05 PM
Helen Casaus	Commissioner, District 3	Present	4:54 PM

### **IV – INTRODUCTION AND ADOPTION OF RESOLUTIONS AND ORDINANCES**

#### 1. Request for Approval of Adoption of Ordinance Number 2087-2017 Municipal Hold Harmless Gross Receipts Tax, Larry Fry

This item was introduced at the March 2nd, 2017 Commission meeting, has been advertised with the local news media, and is before the Commission for final action.

The 2013 state legislative session removed the provision that allowed cities to be held harmless from the loss of gross receipts tax from the sale of food and prescription drugs which was implemented in 2005. Fiscal year 2016 was the first year the City was impacted by the loss. The loss will continue for the next 14 years with an anticipated cumulative loss of \$24 million dollars.

The State will allow municipalities to implement three 1/8<sup>th</sup> % GRT increments to offset the loss. This ordinance will implement the first of those 1/8% increments. Clovis is one of 10 municipalities that will not be made whole with the implementation of all three increments.

The anticipated loss through the end of fiscal year 2017 is \$554,000.00 with an anticipated loss for fiscal year 2018 of \$553,000 if the 1/8% increment is not implemented. The 1/8% increment will generate approximately \$960,000.00 per year.

Mr. Fry stated this ordinance was previously introduced to enact the first 1/8<sup>th</sup> increment. The phase out began in FY 2016 and the city lost \$184,000 in revenue and anticipates losing \$368,000 this fiscal year. This implementation will amount to \$860,000 in a full year and will amount to \$716,000 in FY 2018. Even with this process the city will still not be back to whole until at least a second 1/8<sup>th</sup> is implemented.

Commissioner Taylor-Sawyer (via phone) stated they are looking for all of this to go to the general fund but the decrease will affect all funds. She asked what the thought process was on the funds going into just the general fund. Mr. Fry stated the thought behind that was putting this back into the general fund allows the commission the maximum

flexibility on the needs and uses of those funds. Any general fund money can be used for whatever the commission chooses to do. Commissioner Taylor-Sawyer asked if when the funds are lacking in revenue and they have to do any type of transfer will those go to the commission for approval. Mr. Fry stated they would. The commission has to approve the budget and any amendments to that budget.

Commissioner Bryant stated they are allowed to take three 1/8<sup>th</sup> increments and they have not done that. They have looked at numerous ways to not have to go up on taxes. This is not going to come close to what they are going to lose with hold harmless. Mr. Fry stated when the phase out has completely taken place and if all three 1/8<sup>th</sup> is imposed they will still be in the negative. Mayor Pro Tem Garza stated the City of Clovis is one of ten municipalities that will not be made whole with the implementation of the 3/8<sup>th</sup> and it will be difficult for a lot of municipalities to sustain these losses.

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** Chris Bryant, Commissioner - District 4

**SECONDER:** Gary Elliott, Commissioner - District 2

**AYES:** Bryant, Garza, Madrid, Taylor-Sawyer, Elliott, Martin, Clayton, Casaus

**V – ADJOURNMENT**

There being no further business to come before the commission the meeting adjourned at 5:24 p.m.