

THE ROLES THAT THE COGS PLAY IN SETTING LOCAL PROJECTS UP FOR SUCCESS

PRESENTED TO THE
LEGISLATIVE FINANCE COMMITTEE
NEW MEXICO STATE LEGISLATURE

PRESENTED BY THE SOUTHEASTERN NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT

Hubert H. Quintana, Q and A, Inc., Consultant

For

Southeastern New Mexico Development District

Dora Batista, Executive Director

The Southeastern New Mexico Economic Development District (SNMEDD-COG) is one of seven planning districts established under Governor David Cargo by Executive Order in 1965. The SNMEDD-COG) was created in 1971 to serve Chaves, Eddy, Lea, Lincoln and Otero counties. In addition, one of our original members the Mescalero Apache Tribe has recently rejoined the District after a long absence.

We provide planning and technical assistance to our twenty-seven member governments as well as many of the regions' schools, acequias, mutual domestic water associations, area colleges and water and sanitation districts, and many non-for-profit public entities.

We are a recognized and designated as a US Department of Commerce Economic Development District. The District is a 501(c)3 corporation. In land mass we are the largest of the planning districts covering 26,000 square miles.

OUR MISSION

LEADERSHIP TO ENHANCE THE REGIONS QUALITY OF LIFE, AND JOBS

- All twenty-seven local government members are dues paying and active participants t Board Meeting and other activities sponsored by the District. The Board consists of elected officials or appointed representatives from each of the region's county, municipal, Native American Tribe government. The Executive Committee, which is the policy making body and oversees the fiscal and

operations of the District in comprised of a representative from each county.

- Membership dues are intentionally low. Each county is assessed a membership fee of \$8,000. Our communities of less than 10,000 in population pay a membership fee of \$1,000. A sliding fee schedule approved by the Board assesses larger communities between \$3,450 for a city like Artesia to a high of \$13,588 to the City of Roswell. In return the District provides business development, grant administration, business retention, community facilities planning, grant writing and assistance, human resource development, land and water management planning, legislative initiatives, transportation planning, regional planning as needed or requested.
- The District also collects grant administration and fiscal agent service fees from our member governments that choose to contract with the District for those types of services under CDBG, Colonias, EDA, USDA, special appropriations and legislative grants. The fees are also kept low (4% or less) and are not taken from the funding source the monies are awarded from the fees are local contributions.

SERVICES WE PROVIDE

- Infrastructure Capital Improvements Planning development, writing, technical assistance, submittal and maintenance
- Comprehensive Plan Development assistance with conducting public hearings, RFP development, writing and technical assistance and making sure the plans become a living document.
- Asset Management Planning conducting funding search, technical assistance to identify assets and assessment of age and condition, assist in priority setting process.

- Grant writing assistance for CDBG, Capital Outlay Requests, Colonias funding, USDA Rural Development programs, EDA CARES, and ARPA and Economic Adjustment Assistance funding
- State grants and funding sources for roads, highways tourism, Water Trust Board, etc.
- Capacity Building

THE SNMEDD CAPITAL OUTLAY REQUEST PROCESS

The SNMEDD works year-round on the Capital Outlay process. The process leads a community or public entity from conception of the idea for a potential project through the writing and submittal of the request, the vetting process, to and through the Bond Certification, Notice of Obligation, implementation and close-out of the project to ensure success of the project.

- Beginning in April and May we notify communities and other eligible public entities in the region of required training from DFA-LGD on the preparation of and submittal of an Infrastructure Capital Improvements Plan (ICIP). We provide assistance to entities with the public hearing, development/writing, maintenance, updating, and submittal of their ICIP.
- The ICIP begins the process of entities to look at their capital needs (buildings, infrastructure, vehicles, equipment, property needs, roads, streets and drainage, etc.). It provides direction on priorities and avoids requests that may be “like to have and not need to have.”
- The ICIP also provides the local entity the opportunity to look for other funding sources and to see if the capital outlay funding can be used as funding leverage toward other funding—federal resource.

- When requesting funding for property, water rights and other similar request we ask the entities to obtain a non-binding letter of commitment from the seller to ensure the price and availability of the purchased item. It avoids last minute changes to the price or availability of the requested item once the local entity knows it will receive the funding to make the purchase.
- We encourage the local entity to keep their capital outlay request to not less than \$25,000 nor more than \$1,000,000 per project and ask that they not submit more than five projects. Projects in this range can reasonably be funded and ensure that the projects can be successfully completed in the allotted time.
- Entities are required to participate in the Legislative Council Service virtual training on how to properly apply, complete and submit a Legislative Capital Request Form.
- Upon submittal of the LFC Capital Outlay Request to the State, the entity must submit two copies of the requests in priority order to the SNMEDD. One copy will be placed in the Legislator's Capital Outlay Request Notebook and the other will be placed in a Master Capital Outlay Request Notebook kept the SNMEDD. The request form must be submitted to the SNMEDD In late September to allow time for the Legislator's Notebooks to be compiled and distributed to the Legislators by mail in early October for review by the Legislators. The SNMEDD has a very similar timeline and process for the submittal of Capital Outlay Reauthorizations requests. Most entities should know in October if their projects are sufficiently progressing to be completed on time and budget.
- A Notebook is prepared for each Legislator containing all of the projects submitted in each of the counties they represent. The projects are placed in the Notebook by submitting entity and in priority order as submitted by the requesting entity.
- In November and early December, project vetting meeting are held in each county. Legislators and requesting entities are invited to a

meeting for project presentations. Every entity is given time to present each of their project and Legislators are allowed time to ask questions and make suggestions on each project. Legislators make notes in their Notebooks about each project for later reference.

- The SNMEDD develops Project Grids for each county listing all the projects that have been submitted within each county and a listing of all the Legislators that represent that county and may have an interest in supporting a project in the county. The grids are distributed to the Legislators about 2 weeks prior to when the funding allocation are due to be submitted the prospective chamber of the Legislature.
- Once the funding allocation for each legislative member has been determined by each Chamber of the Legislature, the SNMEDD sponsors a meeting of all the regions Legislators to discuss the project and potential funding for projects and make a preliminary list with proposed funding allocations. Legislators than visit with one another and try to settle on their final appropriations for each project.
- A day or two prior the date when the final allocation recommendations are due, the SNMEDD again holds a meeting with the Legislators, and they discuss their final number for each project and what their individual share of the project funding will be. The numbers are tabulated to ensure no projects are over funded; that priority projects in most cases are fully funded; and that if a project is phased that the funding allocated is enough for the phased project will be a viable project. Enough to complete engineering, design; meeting match requirement for leveraging other funds, etc.
- We provide each Legislator with a county-by-county draft list of all Capital Outlay Projects that have been approved for funding by the Legislature. Then after the Governor signs the Capital Outlay Bill and the project allocations become final, we provide each

Legislator with another list by county of the funded Capital Outlay Projects.

- We assist the entities that get funded with the completion and submission of the Bond Certification Questionnaires if they ask for assistance.
- We provide grant administration, fiscal agent services, and other services to entities requesting assistance to ensure their project is successful and completed on time.

The Capital Outlay Process detailed above works for our member organizations, other public entities eligible for Capital Outlay funding, and our Legislators. They really like the process we have developed. It has evolved over a ten year period and is open to further improvement.