

Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at Gallup City Hall, 110 West Aztec Avenue, at 8:30 a.m. on Wednesday, April 25, 2018.

The meeting was called to order by Mayor Jackie McKinney.

Upon roll call, the following were present:

Mayor:	Jackie McKinney
Councilors:	Linda Garcia Allan Landavazo Yogash Kumar Fran Palochak
Also present:	Maryann Ustick, City Manager George Kozeliski, City Attorney

The Mayor and Councilors conducted a Work Session to review and discuss the following Topic:

1. Proposed Fiscal Year 2019 Budget – Maryann Ustick, City Manager and Patty Holland, Chief Financial Officer

Ms. Ustick and Ms. Holland presented a power point presentation on the proposed budget for FY 2019. A copy of the power point presentation is attached hereto, marked as Exhibit A and made a part of these official Minutes.


The Department and Division Directors presented their proposed budgets for Fiscal Year 2019. The schedule of the department presentations is attached hereto, marked as Exhibit B and made a part of these official Minutes. Ms. Ustick and the Department/Division Directors answered questions posed by the Mayor and Councilors. There was no official action taken by the Mayor and Councilors during the Work Session.

There being no further business, Councilor Palochak made the motion to adjourn. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.



ATTEST:

  
Alfred Abeita II, City Clerk

  
Jackie McKinney, Mayor

Approved 5/8/2018

**EXHIBIT A**

# **CITY OF GALLUP**

**PROPOSED FY2019 BUDGET WORKSHOP PRESENTATION**



# Total FY19 City Budget \$99,065,737

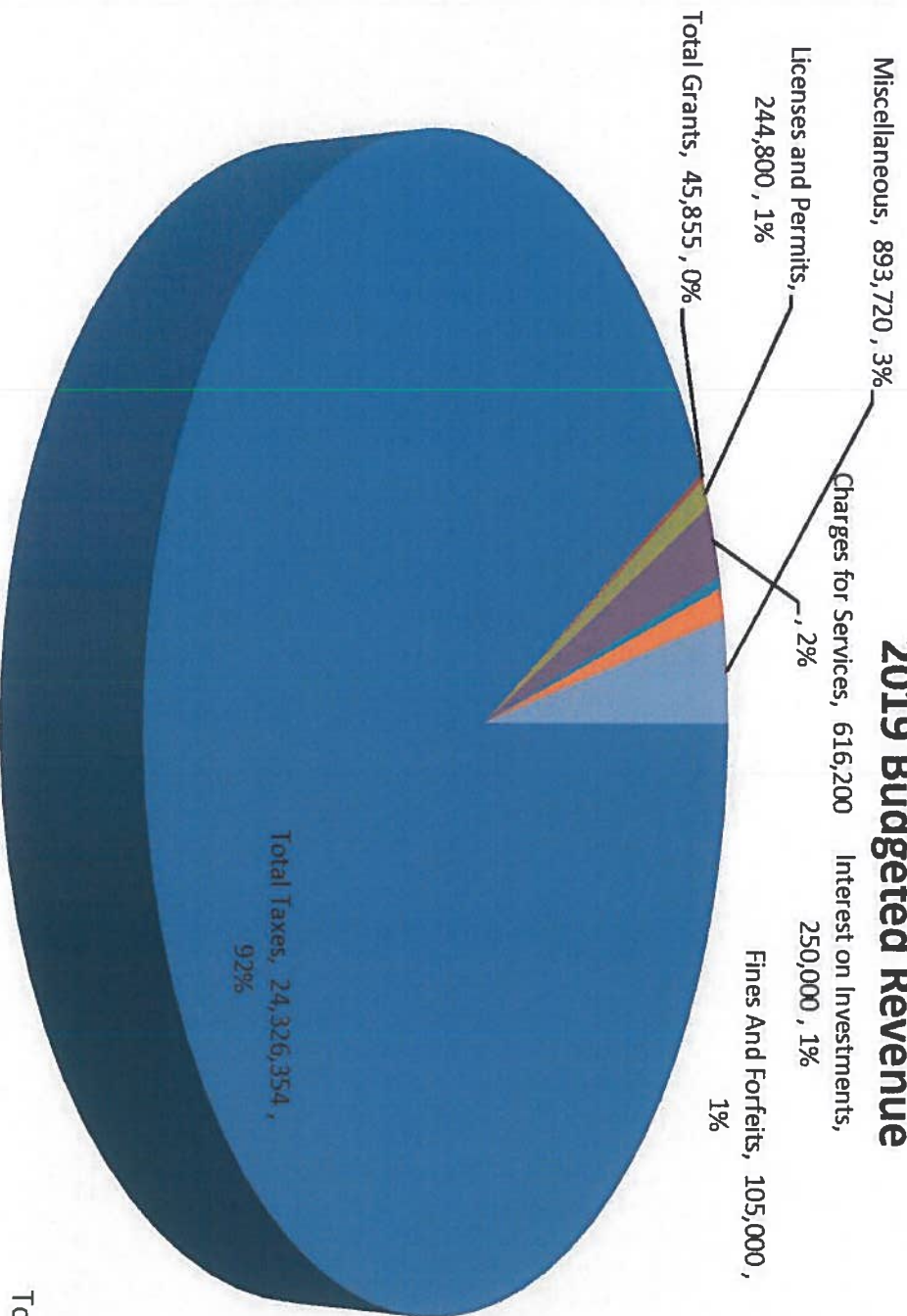
## FOCUS: GENERAL FUND

- » General Fund Expenditures:  
\$27,704,112 (does not include Debt Service and Operating Grants from department 1025 - \$2,491,660)
- General Fund Cash Reserves:  
\$8,866,819 (Est. Year End)

\* General Fund Cash Reserves in the amount of \$513,169 for capital equipment/projects needed to balance General Fund Budget



## 2019 Budgeted Revenue

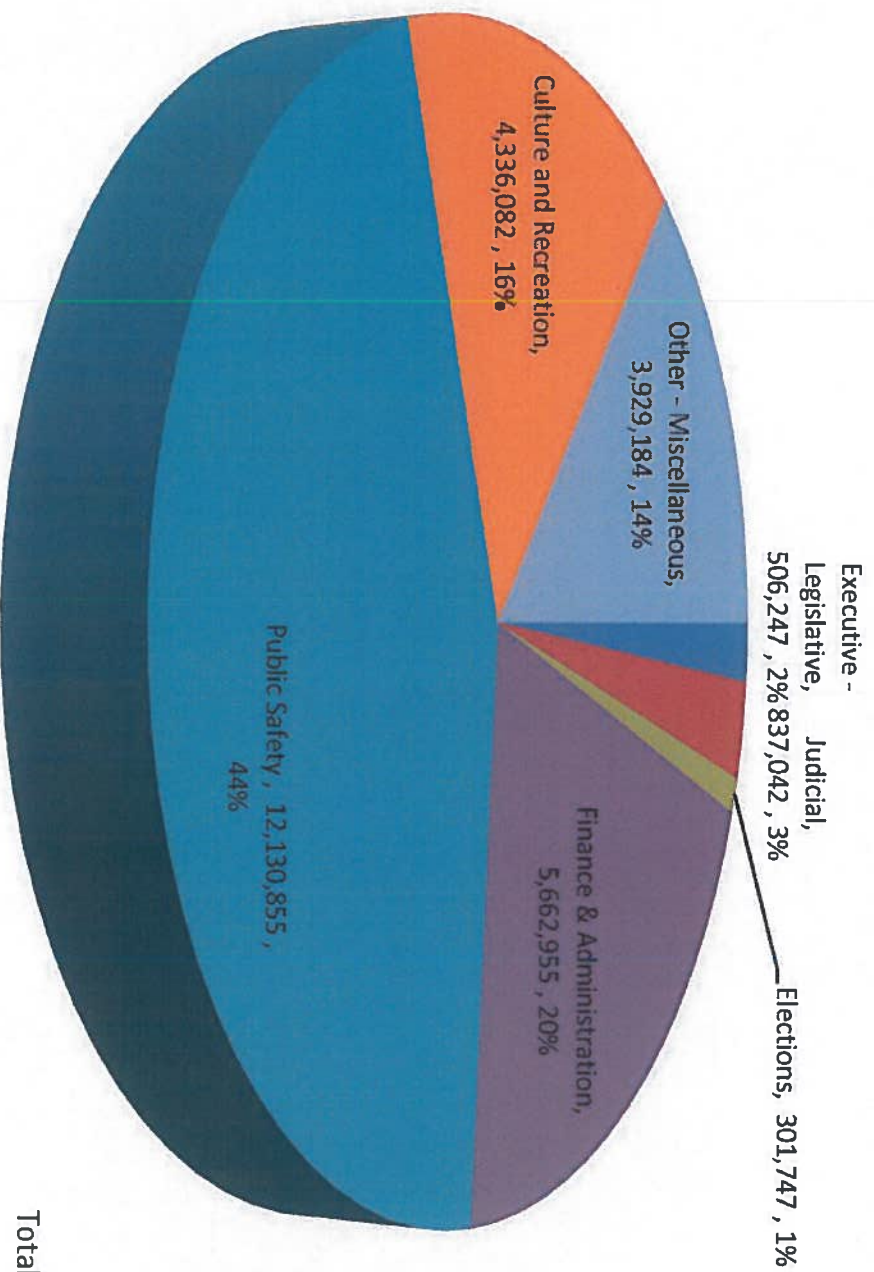


- Total Taxes
- Total Grants
- Licenses and Permits
- Charges for Services
- Fines And Forfeits
- Interest on Investments
- Miscellaneous

Total Revenue \$26,481,929

\*\*Total Revenue above does not include transfer from Utility Enterprise Funds 8.5% (\$3,200,674)

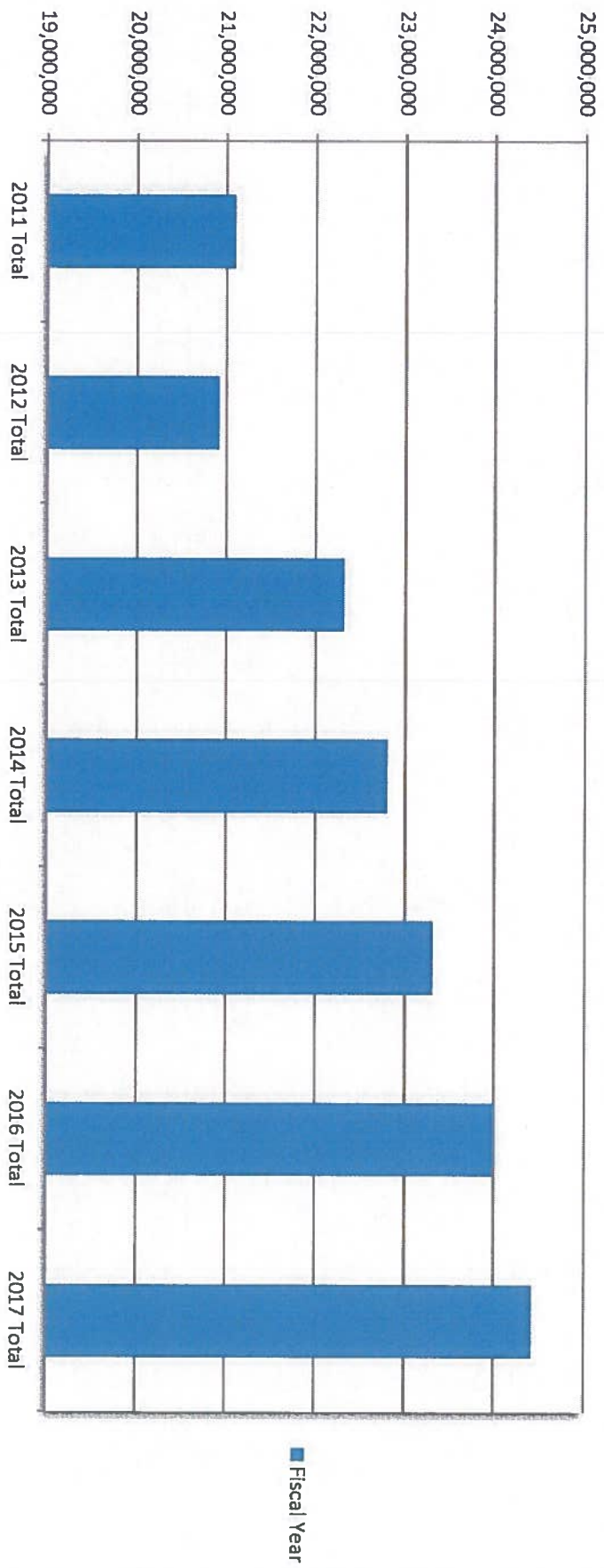
# 2019 Budget Expenditures



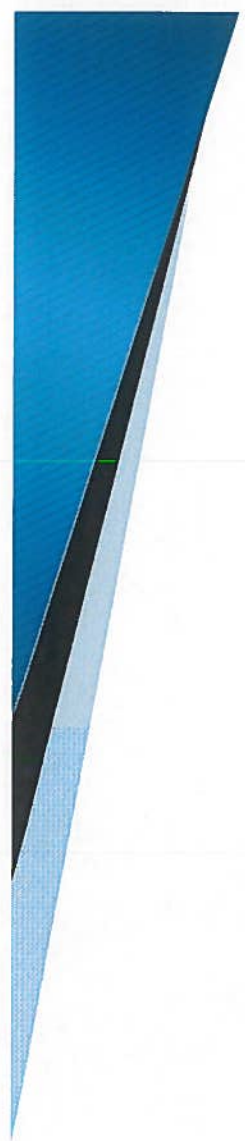
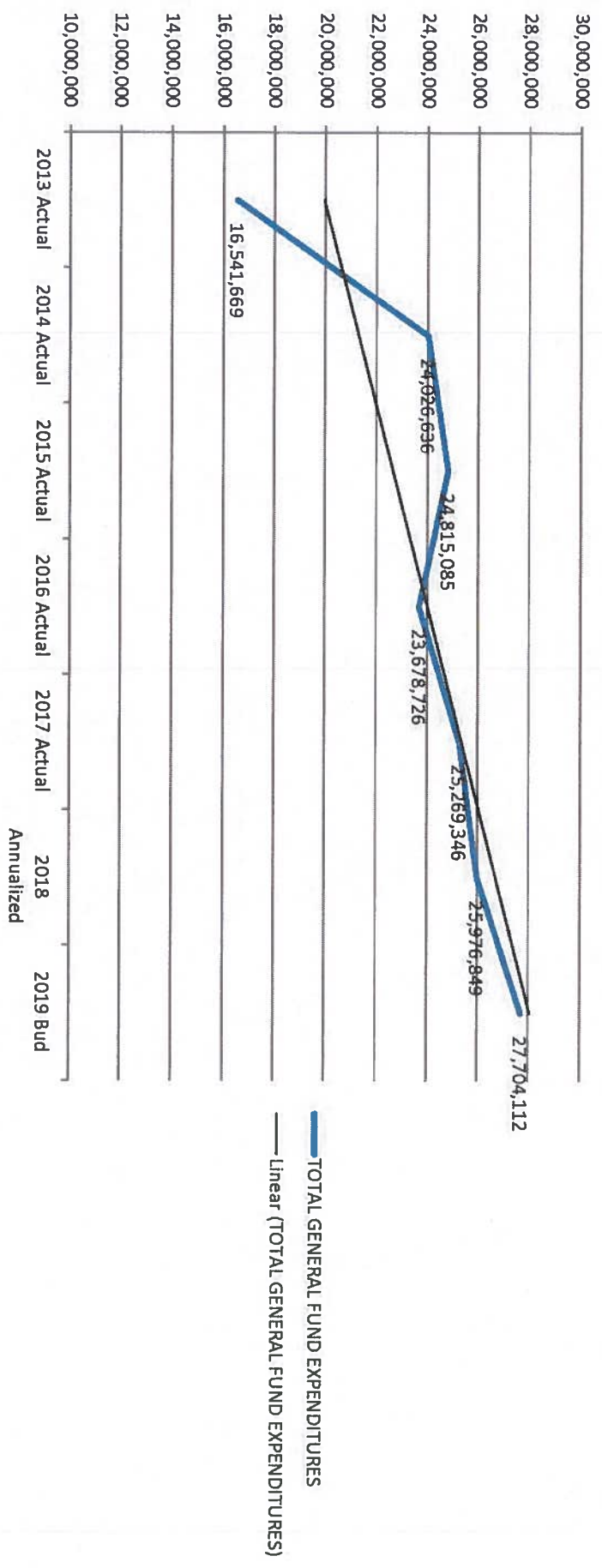
Total Expenditures \$27,704,112

- Executive - Legislative
- Judicial
- Elections
- Finance & Administration
- Public Safety
- Culture and Recreation
- Other - Miscellaneous

## GRT Total Receipts



# TOTAL GENERAL FUND EXPENDITURES



# Proposed FY 2019 Budget Highlights

**Key Issue:** City has been able to “absorb” Hold Harmless increase of approximately \$200,000 per year until it reaches 3.2 Million in year 15. This will make balancing the budget a greater challenge with each subsequent year. FY 2019 Hold Harmless amount approximately \$800,000.

## 1. Vehicles: (General Fund Departments)

- A. Replacement vehicles:
  - \* One ½ ton pick up truck to replace truck in Code Enforcement
  - \* Replace utility bed truck for Building & Construction
  - \* Six police vehicles to replace high mileage vehicles over 10 years (\$226,000 in legislative capital outlay funds)
- C. Council Special Project Funds: \$150,000 (\$30,000 for each elected official)
- D. No COLAs included in draft budget due to Hold Harmless revenue reduction.
- E. Health Insurance cost increase budgeted in draft FY 2019 Budget at 10%. Additional funds in 1025 as increase could be up to 22% (\$476,897).





# Highlights cont'd

## 2. Enterprise Funds:

- A. Cost allocation/transfer from Utilities Funds to General Fund remains at 8.5%
- B. Wastewater rate ordinance will be presented to Council in May.
- C. Funding for GGEDC (Economic Development) is \$200,000. Included in Electric and Water Budgets. (\$100,00 in each budget)

## 3. Special Activities Funding:

- A. Funding for Special Activities. Prisoner Care amount not final.

- \*BID \$120,000
- \*BOYS AND GIRLS CLUB \$6,000
- \*COG \$65,000
- \*gallupARTS \$10,000
- \*GALLUP EXPRESS \$85,000
- \*JPSA \$5,000
- \*MAIN STREET/ACCD \$40,000
- \*NMMML \$40,000
- \*PRISONER CARE \$500,000
- \*SWIF \$20,000
- \*VETERAN'S COMMITTEE \$6,000
- \*COMMUNITY PANTRY \$25,000



# Highlights cont'd

## Special Activities Funding (cont'd):

B. Received request from GallupARTS for \$10,000 (\$3,000 more than FY 2018 and increased in draft budget.)

## 4. Lodgers Tax:

A. Funding for budget unit for Tourism Manager (includes Rex Museum position): \$157,726 (FY 2018 \$167,366)

B. Total Red Rock Park operating budget proposed for funding by Lodger's Tax includes maintenance, non-capital furniture, staff salaries, benefits and overtime): \$476,941 (FY 2018 \$582,556)

C. Lodger's Tax funds in the amount of \$285,000 are used to fund capital improvements at Red Rock Park (replacement of boiler \$200,000, restroom renovation \$22,000, and replacement  $\frac{3}{4}$  ton truck \$63,000. (FY 2018 \$150,000)

D. Red Rock Park fee revisions to increase park usage and help reduce dependence on Lodger's Tax approved by City Council. No significant change in budgeted fee revenues are recommended pending actual data on impact of new fee schedule.

## 5. Risk Management Funds:

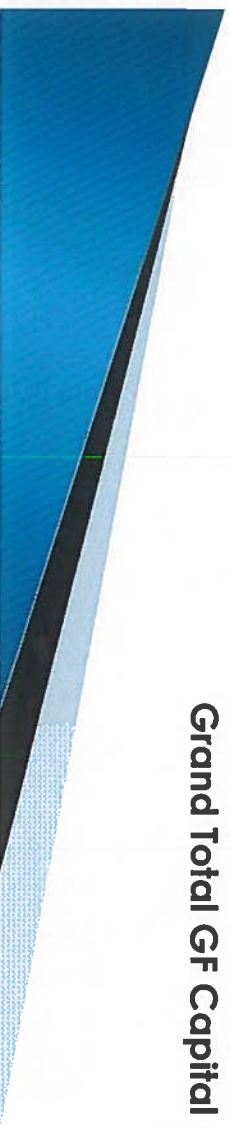
A. \$105,400 in Risk Reserves used for capital.



# Highlights cont'd

6. Summary of capital equipment, vehicles and projects included in draft FY 2019 Budget (General Fund total -- \$513,169 from Fund Balance).

Planning & Development	½ ton 4WD Truck reg. cab w/tool box	\$32,000
Animal Control	Animal Container Box	22,000
Information Technology	46 Desktops w/Monitors	67,000
Parks	Pressure Sprayer	13,000
Aquatic Center	Lane Timing System	10,000
Police	Taser Replacement	75,000
Building Construction	Ram 5500 4WD Truck/utility bed	55,132
	Utility Trailer for Scissor Lift	14,000
	<b>Total Vehicles &amp; Equipment</b>	<b>\$288,132</b>
New Regional Animal Shelter Construction		\$40,000
El Morro Theatre Stage Floor Reconstruction		22,537
Ford Canyon Park Turf Replacement Phase I		82,500
New Larry Brian Mitchell Recreation Center Construction		40,000
New Public Safety Building Construction		40,000
	<b>Total Projects</b>	<b>\$225,037</b>
	<b>Grand Total GF Capital</b>	<b>\$513,169</b>



# Highlights cont'd

## 7. Requested Positions/Reclassifications

### A. General Fund:

Human Resources	HR Coordinator	\$49,000	(pending)
Library	Archivist/Digital Curator	\$51,000	(pending)

### B. Enterprise Funds:

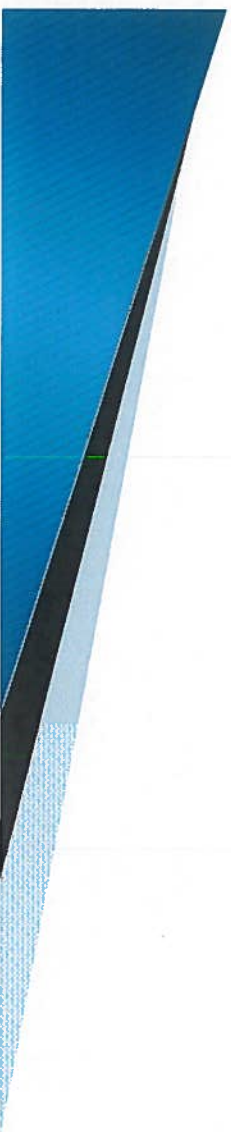
Water	2 Water Operators	\$66,101	(funded)
Electric	Deputy Director	\$98,000	(funded)
Wastewater	2 Operators	\$59,996	(funded)

### C. Reclassification/Increase:

El Morro	reclass position Theatre Manager, increase of	\$16,013	(funded)
Municipal Court	pay adjustment for Judicial Aides, total of	\$18,774	(funded)

## 8. Sign on/Retention Incentives for Police

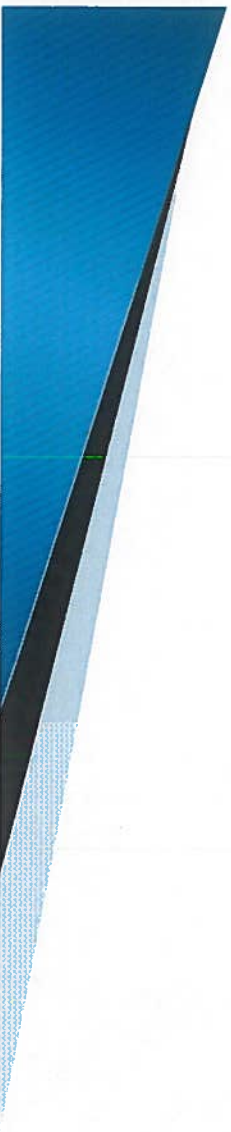
- A. Reduce authorized Sworn positions from 72-70 (temporary)
- B. Utilize savings (est. \$100,000) for sign on incentives and retention incentives for Officers and Sergeants.



# Highlights cont'd

## ▶ 9. Reductions/Revenue Generation Opportunities:

- A. During FY 2018 new Policy on Take Home Vehicles was implemented, replaced vehicles have been auctioned and size of pool vehicles has been increased. Updated Vehicle Plan was presented to Council. 12 Take Home Vehicles approved for 2018 plus on call vehicles.
- B. Billing for Fire Medical Transport is still a work in progress but Fire Department continues to undertake licensing, etc. to put this revenue generation in place.
- C. Continue to expand the quality and quantity of tourism promotion/events and marketing of City to increase both Lodger's Tax and GRT revenues.
- D. Build on strategic partnerships with BID, MainStreet/ACD and Gallup Arts to increase visitors and to promote/incent business expansion downtown which will increase both property tax and GRT revenues long term. Lack of MainStreet Executive Director has impacted progress. Future Event Street will have positive impact on downtown revitalization.
- E. Develop and implement revised Land Development Code to encourage and facilitate both commercial and residential development. New development and redevelopment will enhance both property tax and GRT long term. Will be brought to Council for approval May/June.



# Questions



CITY COUNCIL BUDGET WORKSHOP SCHEDULE  
April 25<sup>th</sup>, 2018, 8:30 AM to close  
City Council Chambers

**EXHIBIT B**

TENTATIVE SCHEDULE

**8:30 AM -10:30 AM**

Facilities/Fleet	Senior Programs
Community Services	Customer Care/Metering
Parks/Cemeteries	Library
Golf Course	Technology Services/GIS
Recreation/Larry Brian Mitchell	Risk Management
Harold Runnels/Aquatic Ctr./Fitness Ctr.	El Morro

**10:30 AM-10:45 AM (Break)**

**10:45 AM**

Fire Department	Emergency Management
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**11:00 AM**

Police Department	Police Building	Protective Custody
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**12:00 PM (Working Lunch Served)**

**12:15 -12:45 PM**

Tourism	Red Rock Park	Rex Museum
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**12:45-1:00 PM**

Planning	Animal Control
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**1:00-1:30 PM**

City Clerk	City Attorney
Human Resources	Finance
	Purchasing/Warehouse

**1:30-2:00 PM**

Municipal Court	City Council/City Manager
	BHIZ/LET

**2:00-2:45 PM**

Public Works	Airport
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**2:45-3:00 PM (Break)**

**3:00-close**

Solid Waste	Water/Wastewater	Electric
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