

Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 2:30 p.m. on Monday October 29, 2012

The meeting was called to order by Mayor Jackie McKinney

Mayor:	Jackie McKinney
Councilors:	Cecil Garcia Mike Enfield Allan Landavazo E. Bryan Wall
Also present:	Dan Dible, City Manager George Kozeliski, City Attorney

Presented to the Mayor and Councilors were the following Discussion/Action Topics:

1. Consideration of Wages for Non Union Employees – Dan Dible, City Manager
2. Approval of Revised Collective Bargaining Agreement for United Mine Workers of America # 1629 – Dan Dible, City Manager
3. Approval of Collective Bargaining Agreement for Fraternal Order of Police Lodge # 7– Dan Dible, City Manager

Mayor McKinney asked Mr. Dible if all three topics were still on the agenda, Mr. Dible said no, that Item No. 1; Consideration of Wages for Non Union Employees will be the only Item to be considered at this meeting. Mr. Dible said the Collective Bargaining Agreements were looking good and he was optimistic that the City had reached agreements with the Unions but the agreements were not yet formalized. Mr. Dible said he made the decision to place the items on the agenda in the event that the agreements were ready to present to Mayor and Council. Mr. Dible asked that Items No.2 and No.3 be tabled until the next regular meeting on November 13, 2012.

A motion to table Items No. 2; Approval of the Revised Collective Bargaining Agreement for the United Mine Workers of America #1629 and Item No. 3; Approval of Collective Bargaining Agreement for the Fraternal Order of Police Lodge #7 was made by Councilor Garcia, seconded by Councilor Wall. Roll call: Councilors, Garcia, Wall, Enfield, Landavazo and Mayor McKinney all voted Aye.

Mr. Dible said with the scheduled November 13th regular Council meeting being onerous and the union negotiations winding down to a close, he is projecting the gross receipts being a million over budget but more in line with being 550k over if taken in to account the budget included a 13.5 % reduction in Fire Department wages. Mr. Dible said the FICA tax cuts that went into effect two years ago may not continue, in which case the employee take home pay will go down by 2 %. Mr. Dible said the current social security FICA tax rate of 4.2 % is scheduled to return to 6.2 %. In light of the changes that may occur, Mr. Dible recommended that 103 non union employees that have an average annual salary of \$42,746 be increased by 2 %. Mr. Dible said with the 103 positions not being included in bargaining unit, gives the City the freedom to address pay issues much more informally. and also prohibits the Mayor and Council

from going into a close session to talk about wages, because of the employees non union status. The impact on the budget would be \$79,068. The breakdown per fund is; \$56,093 General Fund, \$13,098 Gallup Joint Utilities, \$3,617 Risk Management, \$2,148 Gas Tax Fund, \$2,063 Solid Waste Fund, \$1,441 Senior Centers and \$608 for the Fitness Center.

Mayor McKinney asked about the stipulation in the Fraternal Order of Police Union contract where it states that if the City Council approves any across the board increase for any other group of city employees, the same pay increase will be applied to the Police department. Mr. Dible said informally the Police Department has already approved their increase of 2 %, the formal paperwork just needs to be done. Mr. Dible said that he had not heard from the United Mine Workers representatives but within labor contracts there are attachments that need to be redone and for that reason Mr. Dible wanted to wait until the contracts were formalized and everything was perfect. But with the non union employees he felt comfortable going forth with the increase.

Councilor Landavazo asked why the Summary page had the City Attorney and the City Manager included in the group when there were separate agreements in place regarding their pay. Mr. Dible said both himself and the City Attorney were included in the numbers where it states that 103 positions were non union and the average salary was \$42,746. Councilor Landavazo said, so at this point Mayor and Council are not considering a raise for the City Attorney and the City Manager. Mr. Dible said he thought that there was a clause in their contracts stating that they receive the same increase that everyone else receives, but that he would look into it. Mayor McKinney stated that "if it is there, it's there, if it isn't, it isn't". Mayor McKinney said that if it's included in their current signed contracts then it will apply if not, then when Mr. Dible and Mr. Kozeliski come up for review, their contracts will be up for negotiations. Councilor Landavazo said any action taken will be contingent upon an increase of FICA at the beginning of the year and if it does not happen than it reshapes the picture. Mr. Dible said that a 2 % increase was justifiable, and he mentioned the increase in FICA because it is out there but thought for practical matter's he thought the Congress would have a hard time rationalizing the logic of continuing to keep the funding for social security lowered. Mayor McKinney said if the Federal Government raises the FICA tax, the City has no way of controlling that and the City in good faith is giving the employees a 2 % increase. Mr. Landavazo said if that happens the 2 % becomes a wash and would the City have to revisit this issue because essentially the employees end up with nothing. Mayor McKinney said that because the employees receive a 2 % increase and the Federal Government does raise the FICA the employees will still be better off because they received a 2 % increase in their wages. Mayor McKinney thought that it was a good that Mr. Dible had found money in the budget to give the employees an increase, especially since the City has had a wage freeze for some time. Mayor McKinney said it was a good faith and gesture to be passed on to the staff.

Councilor Wall asked if the increase was perpetual. Mr. Dible replied that it was perpetual, and the concept of the non reoccurring pay raise was a real sticky point in negotiations.

The employees would rather have a lower percentage increase without a sunset clause than to have a higher percentage increase with a sunset clause.

Councilor Garcia asked when Congress was going to act on the FICA increase. Mr. Dible said that Congress will have to act on it by January 1st to extend the tax cut, but if they don't act then it automatically reverts back to the 6.2 %

Councilor Wall asked if in the event that Congress does increase the FICA to 6.2 % can the City renegotiate the contracts. Mr. Dible said the non union employees did not have a contract but contracts with the unions had provisions included to provide for a one year wage reopening for economic issues. That gives the City enough time to look at the survey data on competitive wages, but before the City does anything more Mr. Dible would like to have some more analysis as to what other Cities are doing. Mr. Dible said what the City is doing with this increase is an act of good will.

Mayor McKinney said the increase that the City was giving would affect the budget for \$79,068, and before the City could consider any more wage increases would be dependent on the figures of where the City finances are and if funding is available. Mr. Dible said there will be discussion on the City's cash reserve issues at the November 13th City Council Meeting, including having the opportunity to discuss some capital improvements from the excess in the City's available cash reserves.

Councilor Enfield said he would just like for the Council to approve the wage increase and although he said he understood the Federal tax issue, he did think it had anything to do with what the Mayor and Council was currently doing, and he thought it was time to do something good.

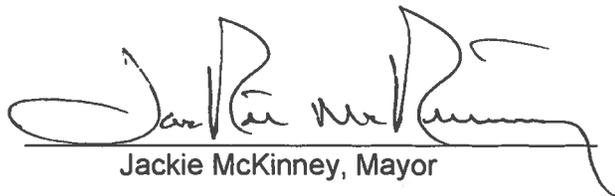
Councilor Landavazo said that the Council should revisit the issue, because he wanted the employees to be able to take more money home especially if the Government does increase the tax back to 6.2 % and if the City had the funds available. Mr. Dible said the City should have the salary data available in a couple of months to further assist in revisiting the issue. The last survey that the City has available is from June 2011 which does not include 2012 increases, and thought that was the way to proceed. Mr. Landavazo said in reality what the Federal Government did by reducing the rate, hurt the employee's long term as far as their contributions to the Social Security fund and their future. Mr. Dible said he had wanted the Mayor and Council to be aware of the FICA tax increase because he did not want anyone to approach them and say the increase they had received was gone.

Councilor Wall asked if it was correct that Council could not revisit the issue for another year, Mr. Dible said that only pertained to the Union employees; their agreement has a wage reopener, unlike the non union employees which has the advantage of having the Mayor and Council revisit the issue if they chose to.

Councilor Wall made the motion to approve a 2 % increase across the board to all non union employees contingent upon the City contracts written for the City Manager and City Attorney. Seconded by; Councilor Enfield. Roll Call: Councilors Wall, Enfield, Landavazo, Garcia and Mayor McKinney. All voted Aye

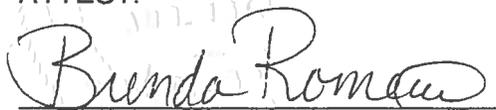
Mayor McKinney reminded Council that they had seven minutes to get to the McKinley County Board of Commissioners Special meeting regarding the Joint Power Agreement for the Liquor Excise Tax.

With there being no further business the meeting was adjourned, Councilor Garcia made a motion to adjourn, seconded by Councilor Landavazo, Roll call: Councilors Garcia, Landavazo, Enfield, Wall, and Mayor McKinney all Voted Aye.



Jackie McKinney, Mayor

ATTEST:



Brenda Romero, Deputy City Clerk

Approved 11/13/2012

Minutes of the Joint Meeting of the Gallup City Council and the McKinley County Board of Commissioners held during a Special Meeting of the McKinley County Board of Commissioners in the Commission Chambers at the McKinley County Courthouse, 207 West Hill Avenue, Gallup New Mexico, at 3:00 p.m. on Monday October 29, 2012.

The meeting was called to order by David Dallago, Commission Chairman.

At such meeting, the following were present, constituting a quorum of both bodies:

Mayor:	Jackie McKinney
Councilors:	Cecil Garcia Mike Enfield Allan Landavazo E. Bryan Wall
Commissioners:	David Dallago, Chairman Carol Bowman Muskett Genevieve Jackson
Also Present:	Dan Dible, City Manager George Kozeliski, City Attorney Richard Kontz, County Manager Doug Decker, County Attorney

Presented to the Mayor, Councilors and Commissioners was the following Discussion/Action Topic:

1. Review, discuss and finalize a Joint Powers Agreement between the County and City on the Liquor Excise Tax, and possibly adopt an allocation of funds schedule – Doug Decker, County Attorney, George Kozeliski , City Attorney

Mr. Decker thanked the Mayor and City Council for attending the joint meeting regarding this important issue. Mr. Decker explained that since the early 1990's the County has imposed a Liquor Excise Tax as a Local Option Excise Tax. New Mexico State Statutes requires the County and the governing body of the most populated city to enter into a Joint Powers Agreement regarding the allocation and distribution of the tax proceeds. Mr. Decker said under the State Statutes it requires the County and City to enter into a Joint Powers Agreement (JPA) each time there is to be an election. McKinley County has placed on the ballot of the November 6, 2012 General Election the option to continue the Liquor Excise Tax which requires a new JPA between the City of Gallup and McKinley County. Mr. Decker said that all the paperwork was done except for deciding which programs were going to be funded and by how much. Mr. Decker said he hoped that the two parties could come to an agreement to be commensurate with the act and be able to continue this local option liquor excise tax. In the past, this tax has always passed very handily by a margin of three votes to one or better. Mr. Decker said the County had passed or exceeded the evaluation requirement for McKinley County and if there is a break in the ordinances of continuing this tax, McKinley County will not be eligible to reenact the tax, if there is a break in service. Mr. Decker said there are several programs that have been discussed: the Juvenile Substance Abuse Crisis Center, County DWI Program, City's Protective Custody Program, the Joint City, and County Authority Boards, In-house Treatment Programs, the Eleventh Judicial District Court Program and a portion

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to non-profit organizations that have related treatment or preventive programs, including the Na'nizhoozhi Center (NCI), a non-profit organization that can apply for these monies. Over the last weeks NCI has had better days and is currently struggling financially, as well as the other non-profits and programs that are here to discuss their needs. Commissioner Muskett asked if Mr. Decker could explain what the Liquors Excise Tax was. Mr. Decker explained that the Local Liquor Excise Tax act was created in 1989 under §7-24-10 and was enacted by the laws of 1992 and has not changed since. Section 7-24-10-B states: the governing body at the time of enacting an ordinance imposing the tax authorized in Subsection A of this section shall dedicate the revenue to fund educational programs and prevention and treatment of alcoholism and drug abuse within the county and for no other purpose. Mr. Decker went on to read the following State Statute regarding the County and City Joint Powers Agreement: §7-24-10.1 Use of tax proceeds; local liquor excise tax committee; joint powers agreement; community participation. A. Prior to the election on the question of imposing a local liquor excise tax pursuant to the Local Liquor Excise Tax Act [7-24-8 to 7-24-16 NMSA 1978], the governing body of a county shall enter into a joint powers agreement with the governing body of the most populated municipality and the governing bodies of any other municipalities in the county that choose to be parties to the agreement to provide for the use and administration of the tax proceeds. The agreement shall provide for the establishment and appointment of a local liquor excise tax committee to provide advice, assist in preventing duplication and supplanting of program funding and make recommendations to the governing body of a county and the governing bodies that are parties to the agreement on the use of the tax proceeds and may include agreements that: Clearly specify the use of the proposed local liquor excise tax, including the identification of specific local programs, agencies or entities that will be funded from the tax proceeds.

Councilor Enfield asked Mr. Decker to reiterate the specific uses for the tax. Mr. Decker reread the section regarding the uses for the tax on funding educational and prevention programs.

Mr. Kozeliski handed out copies of the City and County versions of the Joint Powers Agreements, and letters dated August 8, and August 22, 2012 regarding the Liquor Excise Tax Distribution. Mr. Kozeliski referenced the letter in which he said there were discussions on whether the amount of \$380,000 or \$330,000 was to be allocated to the City Protective Custody and whether the 11th Judicial District Court Youth Treatment Court would receive \$50,000 or nothing, which would increase the monies for the priority two programs by \$100,000 to go towards the non-profit organizations. As discussions were ongoing the City was contacted by the NCI Center who had lost their funding and would have to close in February without additional funding. Mr. Kozeliski said in the Liquor Excise JPA paragraphs 5 and 15 in the City draft, and paragraphs 4 and 15 in the County version, paragraph 15 of the City's version the agreement ends on June 30, 2014 so that future Commissioners and Council can address this once NCI is past their funding problem. The County version may be extended until it is changed or modified, as it has no ending date. The gist of the agreement is in paragraph 5 of the city version and paragraph 4 in the County version. The county version addresses the two letters dated August 8th and 22nd 2012. Under the City version, NCI would receive \$85,000 a month starting in February 2013 when they are scheduled to close because of the lack of funding. After July 1, 2013, the parties shall meet to determine if there are an excess of funds available that can be used by the parties for other projects and programs. The recommendation for fiscal year 2013-2014 shall be the same in order to give NCI time to have

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federal funding reinstated or an alternate source of funding is secured. The City's version is shorter in time and stands to be readdressed by the parties at the start of the new fiscal year in July 1, 2013.

Commissioner Chairman David Dallago, welcomed Navajo Nation Council Delegate, Edmund Yazzie, Past City Councilors, Charlie Chavez, Frank Gonzales, and John J. Azua.

The following individuals came forward to address the City Council and County Commissioners to State the need for Liquor Excise Tax monies for the programs they represent:

John J. Azua, Executive Director of NCI, a local nonprofit organization who is funded by the various entities from the County and City including local tribes like the Navajo Nation, and the Zuni Pueblo. Mayor McKinney asked Mr. Azua if NCI was currently receiving any funds from the Navajo Tribe. Mr. Azua said "No, not at this time." NCI has received invitations and have been having meetings with the Navajo Tribe since February 2011, and held meetings with the Navajo Nation Vice President, Mr. Rex Lee Jim, Indian Health Services (IHS) Representatives, the Navajo Nation Health Services, Board of Directors for NCI, and other entities. The money that has been historically available over the past eighteen years is not going to be available. The money that had flowed through a Congressional Grant from Washington through the Indian Health Services in the Arizona region, to the Navajo Nation, into New Mexico and finally to NCI is known as Public Law 437 and was extracted by the Navajo Nation into a Public Law 638 program in 2005. NCI was not aware of this and blindsided by this action. NCI was told that the funds would no longer be available and the Navajo Nation was not required to make any funding available. In response to this action NCI requested information on a RFP that was submitted in 2010 for 2011 on competitive bid with the Navajo Nation Department of Behavioral Health Services in November 2010 and in January 2011 the RFP was retracted. There was a call in the RFP asking for matching funds of one million dollars. NCI indicated that the property, building, and all of its assets were adequate to serve as its matching funds. NCI was informed that there was no money available to satisfy the RFP and the RFP was retracted. Mr. Azua explained the differences between Public Laws 437 and 638. Public Law 437 are laws that are enacted to satisfy the Healthcare Reform Act and to satisfy Congressional promises and BIA agreements for all tribes to provide certain funding identified by congressional orders and passed into laws so that money cannot be touched or retrieved in any way except for what it is indicated for. Public Law 437 also allows other entities like Public Health Service, the BIA, Indian Health Service to manipulate the funds however they see fit in conjunction with the tribes. Public Law 638 is to improve the quality of health of American Indians, and by providing a full range of curative, preventive, and rehabilitative health services; and provides self-determination of the Native people to assume full operation of all or part of an existing Indian Health Service (IHS) direct-operated health care program on tribal land. Under Public Law 638, the tribe is not obliged to fund any program outside the reservation and becomes full power of authority of the Navajo Tribe. NCI was made aware of this in February 2011. Mayor McKinney asked about a letter written by Cordell Shorty, Grants Department Director of the Navajo Budget and Finance Department, and the statement in the letter requesting that the Congressional appropriation of \$1.5 million that was authorized to NCI through the Navajo Tribe be changed and not to include the Gallup alcohol treatment, was correct. Mr. Azua confirmed the letter was correct. Mr. Azua said they were stunned by that information because the RFP money had already been retracted when NCI received a letter from Indian Health Service that identified NCI in the wording but, did not identify an

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amount. NCI historically had received up to 3 million dollars, but it had gradually been receding down to the current amount of 1.4 million. When Mr. Azua called the Indian Health Service, they had also received a letter from Mr. Shorty requesting NCI be removed from the funding. He contacted the Navajo Nation Vice President Mr. Rex Lee Jim, the Indian Health Service, and the Navajo Nation made it clear that they were not obliged to help NCI with any funding. NCI is currently operating on their cash reserves and have made necessary cutbacks to remain open. NCI received 750K for 2011 with 400K to come before the end of 2011. Mr. Azua said NCI did not receive the promised 400K, he inquired and was told that the 400K would be coming but not as a supplement to the 750K for 2011 but it would be the total funding for 2012.

Chairman Dallago asked why the Navajo Nation pulled its funding and if the reason was it because they were dissatisfied with the treatment of their people. Mr. Azua said there were no arguments; he said it simply was done because the tribe felt they could do it. There was no reason given.

Councilor Wall asked if the Liquor Excise Tax would be in effect for two years if it passes this election or would it expire in 2016. Mr. Decker said it would expire two years after it is enacted. The Ordinance will be in effect from March 2013 to February 2015. Councilor Wall asked if NCI sought additional funding elsewhere. Mr. Azua said there is the NCI Wrap Around Service provided by the Center of Substance Treatment (CSAT), National Institute on Drug Abuse (NIDA) and Optumhealth grants. Councilor Wall said he would like to see more preventive treatment agencies, such as The Boys and Girls Club. Councilor Wall said he would like to know how much of the percentage would go towards these other agencies or if they would they get abandoned just so the proceeds could go primarily toward NCI. Mr. Azua said NCI was not taking a position in the division of monies. Mr. Azua said NCI needs the money, but so does Battered Families, and all the other prevention and education programs, and would be grateful for any money that NCI receives.

Chairman Dallago asked Mr. Kozeliski what the City's proposal for NCI was. Mr. Kozeliski said the proposal was to fund NCI for \$85,000 a month for contract for services rendered to the City and the County. After July 1, 2013, the parties shall meet to determine if there are excess funds available for other programs. The agreement terminates on June 30, 2014; this is so there can be a JPA in affect by Tuesday, November 6, 2012. Chairman Dallago asked why the City wanted to shortchange the children's education and prevention programs. Mr. Kozeliski said no one wants to shortchange the other programs. The question is; does NCI have to close its doors?

Mayor McKinney said the calls to the Navajo Nation President have not progressed towards any commitments for funding. There was a conference call with Senator Tom Udall's office and they informed the City that there is no Federal funding available. State Representative Patty Lundstrom left for Santa Fe on Friday to look for emergency funding from the State. The City is not sitting idly by; the City is actively pursuing other avenues of funding. Without funding, NCI will close its doors in February. He asked if the City want to slide backwards and go back to 1988, when the Albuquerque Journal did a six page story on drunk town USA. Mayor McKinney said he knows that the other programs are worthy but that they have other grants and funding available to them. It is a matter of what our Community and County want, and it is our moral obligation to take care of the people in need. Whether NCI is being appropriately run or doing the right job is not in question. The parties will need to talk to a board member and possibly look at board changes. Mayor

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McKinney said when he first took office there were four vacancies on the NCI Board; to date they have never been filled. The Navajo Nation has taken the funding that was appropriated for NCI and have successfully maneuvered it into a 638 fund where they can request for proposals any way the tribe sees fit and therefore the center will receive no funding. At this point, only the City and County are funding NCI. Mayor McKinney said the City and County would have to help establish a board that works for the County and City.

Navajo Nation Council Delegate Edmund Yazzie, who represents six chapters, came to speak on behalf of Thoreau Youth Center and the NCI issue. Mr. Yazzie stated that there is lack of communication between President Ben Shelly and the Council. He said it could be resolved; there is 20 million dollars in the supplemental fund that the tribe has available to its delegates once a bill sponsors it. Mr. Yazzie said he has not heard from the City Council or NCI. Mr. Yazzie explained that there are already Chapter resolutions that have been approved, meaning that half the paperwork is completed. Mr. Yazzie said the tribe is interested in helping because the sad fact was that most of the people who receive help from NCI are Navajo. Mr. Yazzie said he wants to take on the challenge of passing legislation towards getting the funding for NCI. Mr. Yazzie said the Navajo Nation needs to step up and he will take this report back to his committee.

Commissioner Jackson asked Mr. Yazzie how long it would take to get the money, because the process can take months. Mr. Yazzie said that if he would take the report from NCI, and draft up Legislation, it could be done by the spring session. However, if they really push hard it can be done during the Winter Session in January. Commissioner Jackson proposed to fund NCI for three months, from November through January Winter Session, giving Mr. Yazzie time to work on the Legislation to approve funding for NCI from the Navajo Nation because she said NCI provided a valuable service.

Chairman Dallago said that if the Council and Commissioners approved the proposal to fund NCI \$85,000 a month that means all the other social programs that are sponsored for education and prevention will go without funding for three months and all these programs cannot stand without continued funding.

Ms. Debra Martinez said the Liquor Excise Tax was to be used specifically for education and prevention purposes and said that Detox was not considered treatment and did not know where it fits in under the provision. Mr. Azua said he had been licensed as an Alcohol and drug abuse Counselor by the State of New Mexico for the last 20 years and said Detox was the considered the lowest level of intervention.

Commissioner Muskett said the JPA had to be signed today and she proposed that the JPA be signed without any amounts in the agreement and to decide on the distribution later. Chairman Dallago asked both attorneys if that Commissioner Muskett's recommendation was possible. Mr. Kozeliski said the first expenditure is set for February and the agreement can be to amend the date of July1, 2013 to March1, 2013, in Paragraph 5, bullet point 2, regarding the excess funding to other programs. Mr. Decker said he agreed with a caveat that the JPA that the City and County agreed to distribute the funds later, meaning there is no money to distribute to the programs listed on the August 8 and August 22, 2012 letters until there is an agreement of distribution at a later date.

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There was a motion to sign the Joint Powers Agreement (JPA) without any amounts listed by Commissioner Muskett and seconded by Commissioner Jackson.

Chairman Dallago asked if there were any comments before the vote was taken.

Michelle Touhey, Battered Family Services said she had been holding on just to make the payroll and the requested \$50,000 was crucial and said that she would have to close it down because they did not have any money to remain open. If Battered Family Services does not have the requested \$50,000, which serves as matching funds for them and without the \$50,000 puts the other grants in jeopardy.

Karl Lohman, Boys and Girls Clubs said the prevention programs are hanging by a thread, and the Commission's and Council's decision affects all the families in our neighborhood. He asked that the Council and Commission to use the money correctly and effectively. He said the \$35,000 that comes from the Liquor Excise tax funds the neighborhoods in the community and serves families and children. The money is used for matching funds and preventive programs.

Fran Palochak, Youth Treatment Program, said they requested money for preventive services for the high risk, high need kids. The money is not just for NCI and if the youth does not receive treatment while they are young, they turn into young adult criminals. She asked that the Mayor, Council, and Commissioners reconsider and be thoughtful and mindful of the whole community.

Dominique Dosedo and Debra Martinez; Juvenile Substance Abuse Crisis Center said they rely on the money to be used for intervention, and the crises center sees many broken families, and the money goes toward helping the youth who are in trouble. Ms. Martinez said that without the money Ms. Dosedo may have to work part time, and asked that the whole picture be looked at.

Yvonne Barala, RMCH Addiction Program, said she saw a need for a detox center, and if the detox program closes, the emergency room would be filled up.

Frank Gonzales said that in order for us to get the funding that is needed the City and County will have to work together and ask the Navajo Tribe as a group. He suggested that by working together and approaching them as a group we can get things done.

Irvin Jones, Native American Social Services, said he heard about the Liquor Excise Tax and wanted to come forward to be considered for funding.

There was a motion made by Commissioner Muskett to amend her original motion of having no amounts in the Joint Powers Agreement (JPA) to state that amount of \$1,100,000 to be fifty/fifty in the JPA so that the City can do whatever they need to do with their portion and the County can fund the programs with their portion. Seconded by Commissioner Jackson. Roll call: Commissioners Muskett, Jackson, and Chairman Dallago all voted aye.

Mr. Kozeliski advised the Mayor and Councilors that they could go with the original motion on having a Joint Powers Agreement with no amounts entered or vote with the Commissioners to go fifty/fifty but with NCI needing \$150,000 a month, \$550,000 will not go far.

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Councilor Landavazo said their priority is to see that NCI is funded and with the hopes that Mr. Yazzie is effective with the funding from the Navajo Nation. He thought that the best way to go was to approve a JPA without any amounts entered.

Councilor Wall agreed with the Commissioners and liked the idea of the fifty/fifty agreement. He said he was for an agreement where some of the programs could get funded and not have to fold.

Councilor Garcia wanted to know why NCI was the City's responsibility when 98 % of the residents are Navajo and thought that City and County should share in the responsibility to fund NCI.

Councilor Enfield made the motion to accept the original revised agreement with no amounts entered and to put off the distribution of any available excess funds to other projects or programs until January 1, 2013. Seconded by Councilor Landavazo. Roll call: Councilors Enfield, Landavazo, Garcia, and Mayor McKinney all voted aye. Councilor Wall voted nay. Motion carried.

Chairman Dallago said he wanted to explain where the Liquor Excise Tax came from to answer Councilor Garcia's question. Chairman Dallago said the City wanted to get involved with NCI 27 years ago. He explained that McKinley County was the only County allowed to have this special tax. He said he was in the original group that wrote the Liquor Excise Tax Bill, and Dominic Ferrari carried it to the Legislature. The Legislature agreed that Gallup did have a problem, as the Mayor pointed out in the newspaper article. The City needed prevention programs such as NCI, Battered Families, the Youth Treatment program, and the Boys and Girls Club. The Liquor Excise Tax Committee has always been a joint venture between the City and County with different people on board. The Ordinance was written to have the most populated municipality, which is Gallup to have a say so in how it was going to be spent. Chairman Dallago agreed that it was mostly County residents who are spending the money, but those county residents also include the City. The County has always supported NCI, but not to the extreme of sending 100% of our funding to NCI when we have other programs that is going to affect Battered Families and our Youth that need to be paid attention to.

Mayor McKinney said that this JPA should have been signed months ago, and many of these programs are probably struggling right now, but are not going to close their doors because they have other available funding. He said what we do know is that NCI is going to close their doors in February. Mayor McKinney said with Council Delegate Yazzie's commitment, the City is not asking for a very long time period and Mayor McKinney felt very positive that Council Delegate Yazzie would be successful. Mayor McKinney said what is needed is a band-aid for this program. To close the doors for one day would be sliding back. Mayor McKinney thought that the County had money and had ways of handling small appropriations to keep the smaller programs going. Mayor McKinney suggested that the parties fund NCI until such time when funding is available and if it comes in the coming months, then our problems are over. Unfortunately the City has no funds and inherited NCI and is morally committed to those people. Mayor McKinney said all the citizens would suffer, whether they have an alcohol problem in their families or not, and said we would see people suffer who do have a problem within their families unless we continue to keep the doors open. Mayor McKinney was a little discouraged that the original agreement was changed during recess, and asked the County to give the City until January to see if commitments come up. The

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parties did not know what Representative Lundstrom had accomplished during the last two days in Santa Fe. We do not know what President Shelly or Council Delegate Yazzie might do. Chairman Dallago said NCI has funding until February; some of the other programs do not have any funding to last until the end of this year, why not provide them with short term funding and allow everyone else time to come up with an agreement. This also provides the taxpayers the right to vote on the tax. Chairman Dallago would like to fund the smaller programs until the end of February.

Mr. Kontz said there was one thing that the parties need to remember is that the key date of February 2013 is when NCI will shut down, without any funding. The \$85,000 amount from the 50/50 agreement will keep them going until the end of July unlike the smaller programs that will shut down by January if funding is not received.

Mr. Dible said during the last three years McKinley County has lost 1,300 jobs and as a board member of the Business Improvement District, he asked the parties to make a decision based on what will turn or stabilize the numbers. Mr. Dible said NCI is critical to the City and County in competing in economic development.

After some more discussion between the parties, including the County agreeing to give an additional amount of \$225,000 of their half to the City to fund the NCI, there was an agreement to form a committee on how the funding will be disbursed. The committee will include one County Commissioner and two City Councilors to decide on the disbursement by December 1, 2012.

Ms. Palochak said she was upset at the City Council for making innuendos that all the private organizations that are operating and needing funding were not in critical need for funding because their doors are not going to shut down. She said funding was critical for them and the other programs including the District Court Youth Treatment Program and why the private organizations were being scrutinized when they should be scrutinizing NCI on how they are spending the \$85,000 a month. Ms. Palochak said that by not funding the Battered Families Program the City was saying that that program was not worth it.

To clear the record Chairman Dallago said that there was representation on the NCI Board who report to the County on how their funds were being used.

Chairman Dallago made the motion that the parties agree to the Joint Powers Agreement with no funding amounts listed but that the parties agree to decide the amounts by December 1, 2012. Seconded by Commissioner Jackson. Roll call: Commissioners Jackson, Muskett and Chairman Dallago all voted aye.

Mr. Decker said the agreement shall read in paragraph 5, pursuant to this JPA the parties (McKinley County and the City of Gallup through their respective Boards) shall meet on an annual basis in conjunction with their budget preparation. Prior to December 1, 2012 the Parties shall meet to determine if there are any excess funds available that can be used by the parties on other projects and programs.

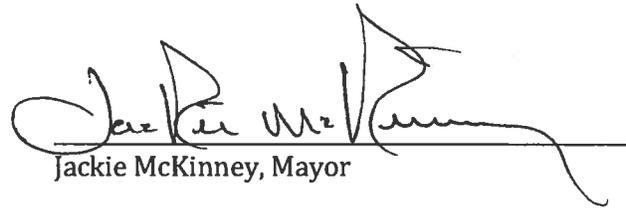
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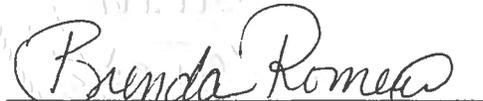
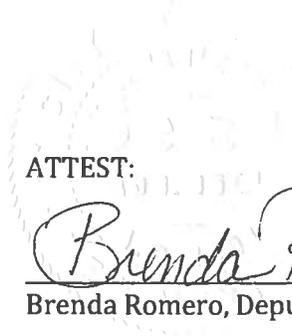
Councilor Enfield made the motion to agree to the Joint Powers Agreement with no funding amounts listed and that the parties agree to decide the amounts by December 1, 2012. Seconded by Councilor Landavazo. Roll call: Councilors Enfield, Landavazo, Wall, Garcia and Mayor McKinney all voted aye

With no further business between the Gallup City Council and the McKinley County Board of Commissioners, the Mayor and Councilors excused themselves from the Special Meeting of the McKinley County Board of Commissioners.



Jackie McKinney, Mayor

ATTEST:



Brenda Romero, Deputy City Clerk

Approved 11/13/2012