

Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico, held at the El Morro Events Center, 210 South Second Street, at 8:30 a.m. on Thursday, April 25, 2019.

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
Curtis Hayes, City Attorney

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

1. Proposed Fiscal Year (FY) 2020 Budget – Maryann Ustick, City Manager and Patty Holland, Chief Financial Officer

Ms. Ustick and Terri Gray of the Finance Department presented a power point presentation on the proposed budget for FY 2020. 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 FY 2020. The schedule of the department presentations is attached hereto, marked as Exhibit B and made a part of these official Minutes. Ms. Ustick, Ms. Holland 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.

Jackie McKinney, Mayor

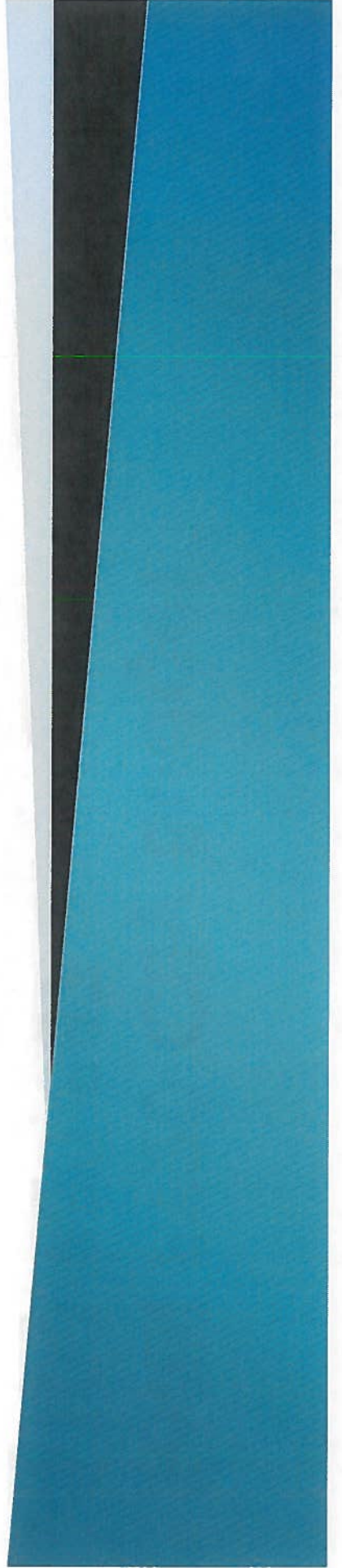
ATTEST:

Alfred Abeita II, City Clerk

EXHIBIT A

CITY OF GALLUP

PROPOSED FY2020 BUDGET WORKSHOP PRESENTATION



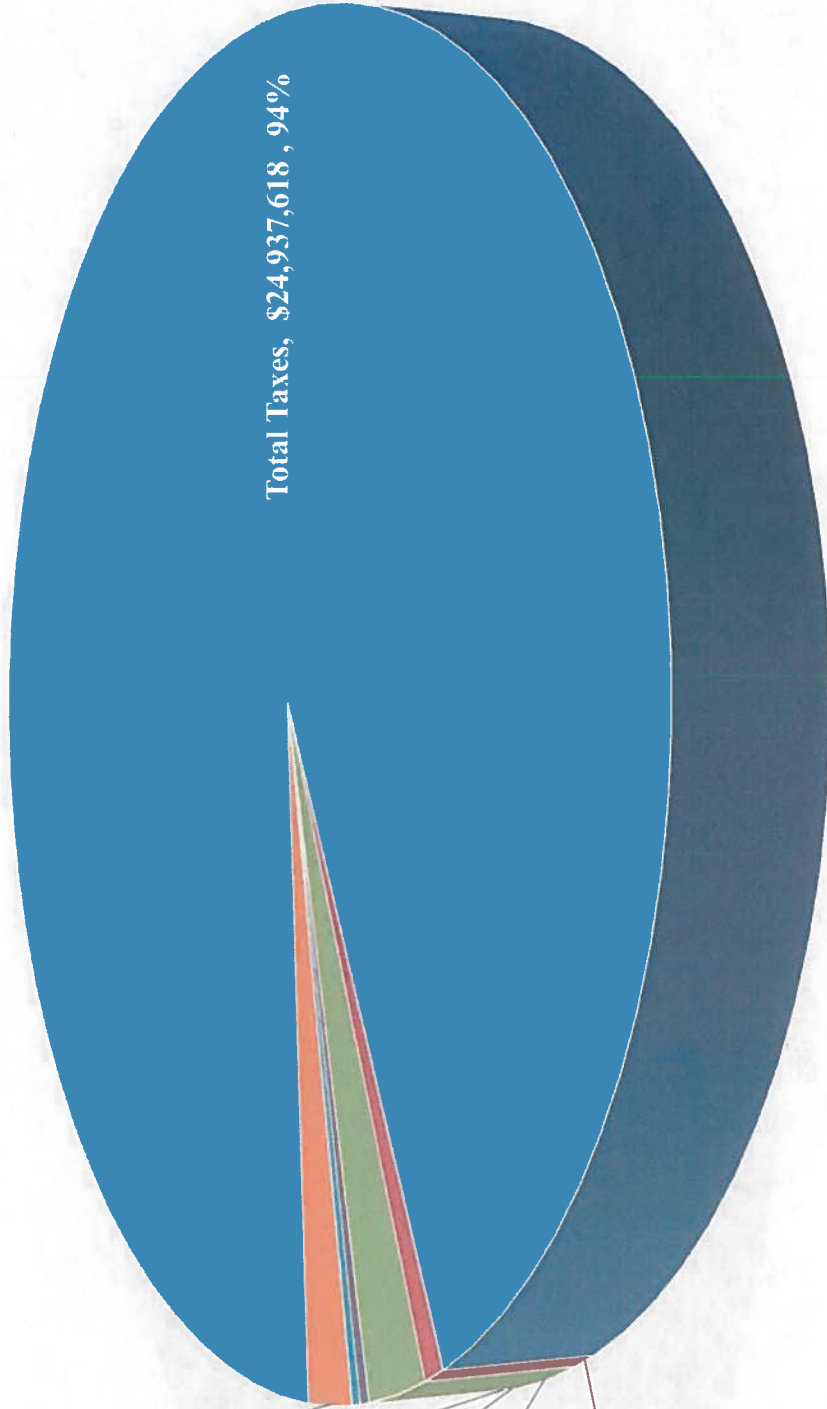
**Total FY20 City Budget
\$103,930,887**

FOCUS: GENERAL FUND

- ▶▶ General Fund Expenditures:
\$31,438,156 (includes \$1,559,140 from
fund balance)
- General Fund Cash Reserves:
\$9,587,680 (Est. Year End)



FY 2020 General Fund Revenue Budget



Miscellaneous, \$561,503 ,
2%

Interest on Investments,
\$100,000 , 0%

Fines and Forfeits,
\$109,600 , 0%

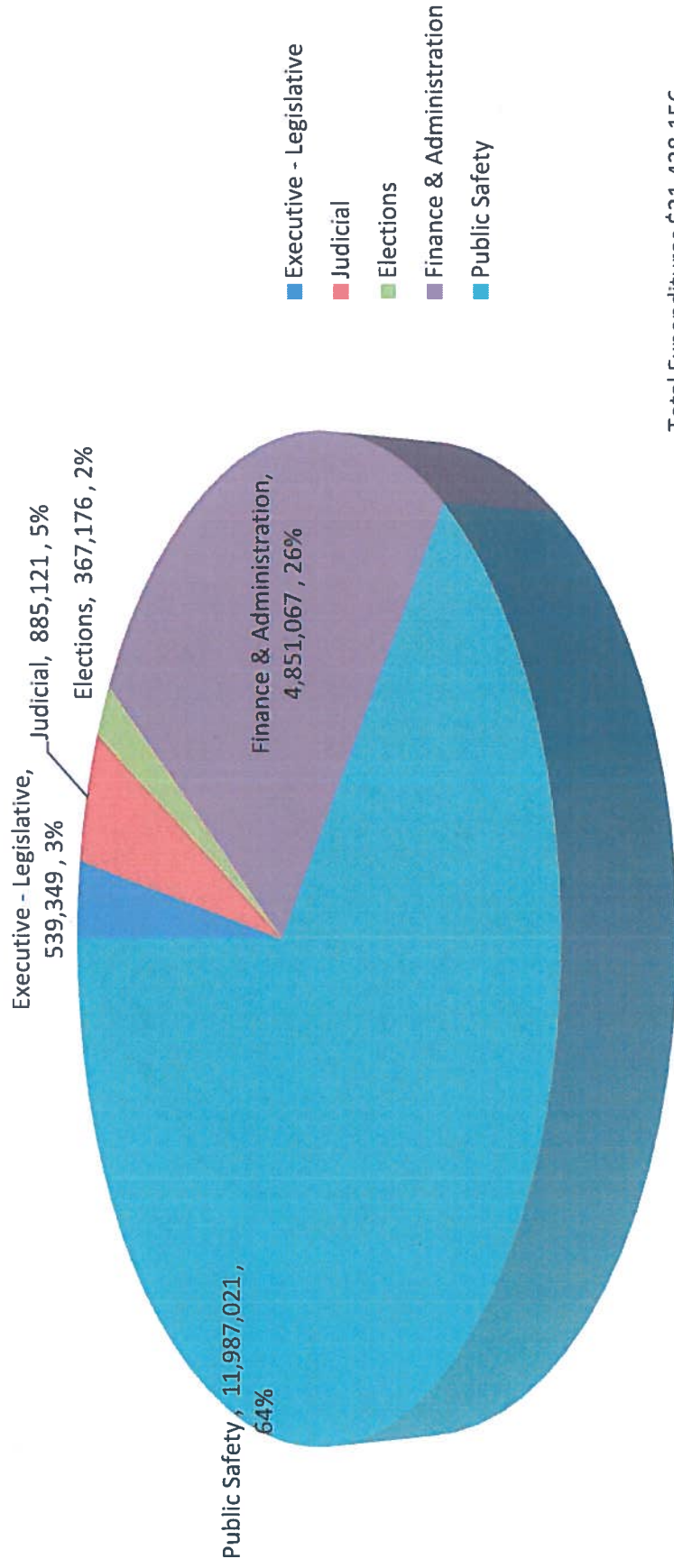
Charges for Services,
\$697,000 , 3%

Licenses and Permits,
\$224,000 , 1%

Total Taxes, \$24,937,618 , 94%

**Total Revenue above does not include transfer from Utility Enterprise Funds 8.5% (\$3,249,295)

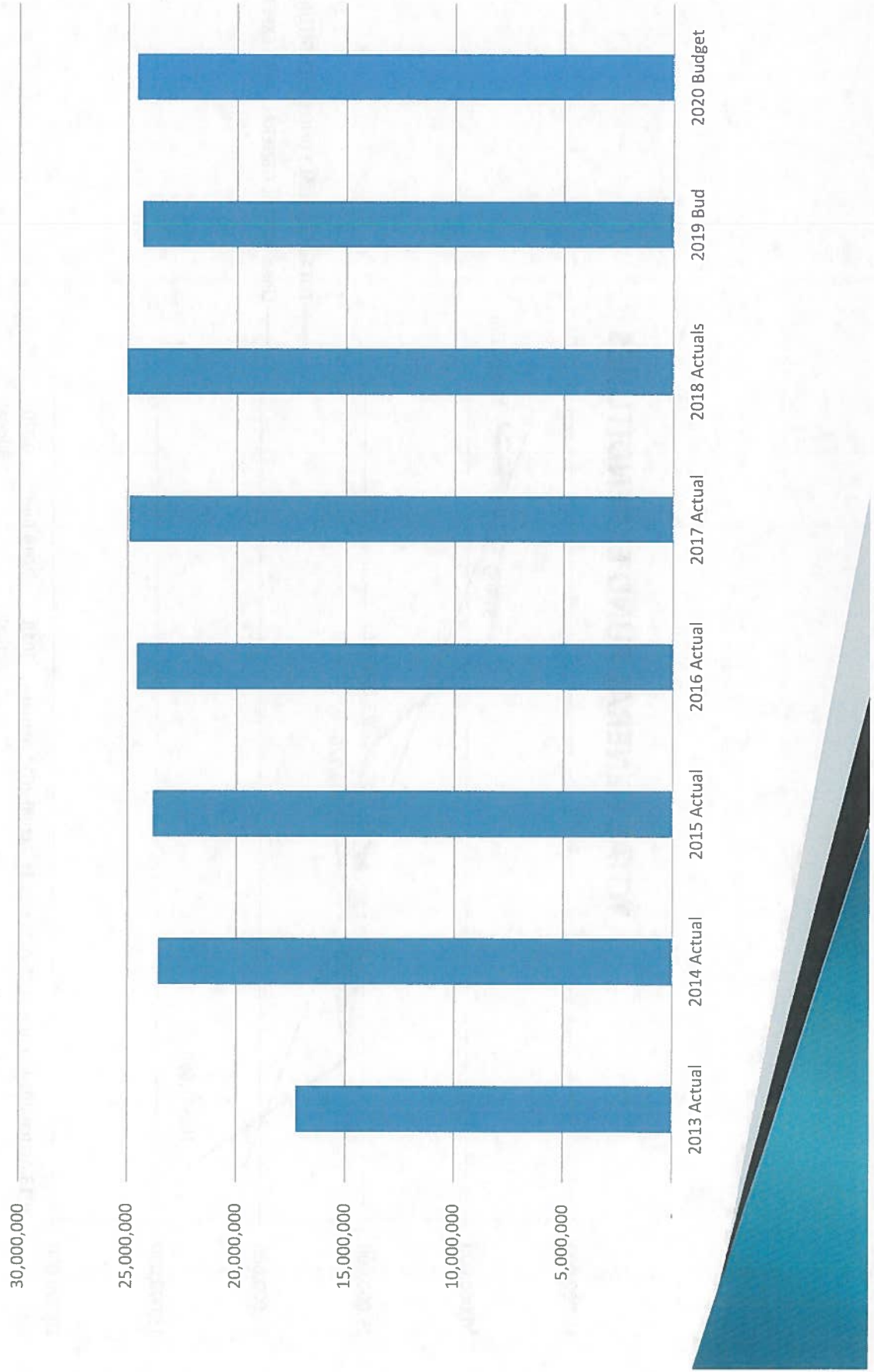
2020 Budget Expenditures



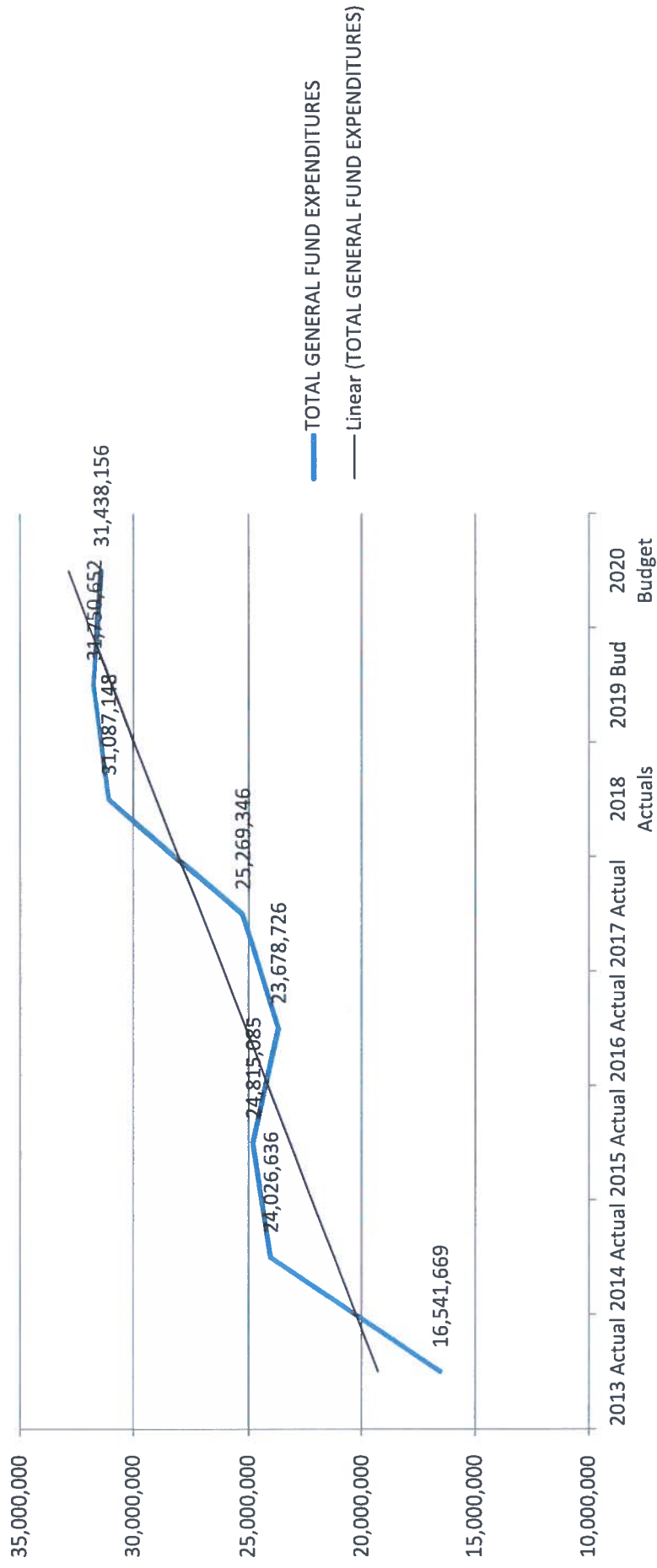
Total Expenditures \$31,438,156



GRT Total Receipts




TOTAL GENERAL FUND EXPENDITURES



Proposed FY 2020 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 2020 Hold Harmless amount approximately \$1,000,000.

General Fund Expenditure Highlights

- ▶ Red Rock Park Utilities expenditure (\$183,000) moved from Lodger’s Tax to General Fund
 - ▶ Rex Museum position moved from Lodger’s Tax to General Fund
 - ▶ No COLAs included in draft budget due to Hold Harmless revenue reduction.
 - ▶ Health Insurance cost increase budgeted in draft FY 2020 Budget at 12% and Dental insurance at 5%.
 - ▶ Council Special Project Funds: \$150,000 (\$30,000 for each elected official)
 - ▶ Fire operation expenditures decrease of \$75,000 from general fund. These operation expenditures are funded by the Fire Protection Fund (209).
 - ▶ Police operation expenditures decrease of \$586,976 from general fund, then allocated to a police special fund, funding from Infrastructure Tax GRT.
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Highlights cont'd

2. Enterprise Funds:

A. Cost allocation/transfer from Utilities Funds to General Fund remains at 8.5%

3. Special Activities Funding:

A. Funding for Special Activities. Prisoner Care amount is \$750,000.

*BID	\$	120,000
*Boys & Girls Club	\$	6,000
*Community Pantry	\$	25,000
*Gallup Mainstreet/ACD	\$	40,000
*Gallup Rural Transit	\$	85,000
*GallupArts	\$	10,000
*JPSA	\$	5,000
*NMML	\$	44,000
*NWNMCOG	\$	65,000
*Prisoner Care	\$	750,000
*SWIF	\$	20,000
*Veteran's Committee	\$	6,000



Highlights cont'd

Special Activities Funding (cont'd):

4. **Lodgers Tax:**
 - A. Funding for budget unit for Tourism Manager (does not include Rex Museum position): \$482,697 (FY 2019 \$160,668)
 - B. Total Red Rock Park operating budget proposed for funding by Lodger's Tax includes maintenance, non-capital furniture, staff salaries, benefits and overtime): \$404,297 (FY 2019 \$830,722, includes capital)
 - C. Other Services expenditure of \$250,000 increase from prior year of \$400,350.

5. **Risk Management Funds:**
 - A. No funds are utilized in Risk Reserves for capital.



Highlights cont'd

- Summary of capital equipment, vehicles and projects included in draft FY 2020 Budget (General Fund total -- \$1,559,140 from Fund Balance).

General Fund Vehicles & Equipment

Department	Capital Description	Amount
General Services	City Hall HVAC Replacement	\$ 100,000
IT	42 - desktops & GIS servers, Plotter	\$ 72,000
Police		
Department	Mobile Data Terminal Replacement - Laptops	\$ 155,000
Police		
Department	Interview Room Recording System	\$ 10,340
Planning	Pick up Truck	\$ 45,000
Public Works	S650 T4 Bobcat	\$ 50,000
	Total Vehicles & Equipment \$	432,340



Highlights cont'd

General Fund Capital Projects

Department	Capital Description	Amount
General Services	Exhaust system for Vehicle Shop	\$ 22,300
Library	Main Library Reflooring	\$ 50,000
Library	New Region Library Building	\$ 25,000
Park	Indian Hills Park Lighting Replacement	\$ 350,000
Park	Picnic Shelters Reconstruction & Addition	\$ 30,000
Public Works	Six inch curb and gutter concrete forms	\$ 11,000
Public Works	Whole Block Sidewalk Reconstruction Program	\$ 350,000
Recreation	LBM Reconstruction	\$ 135,000
Recreation	Aquatic Center Pool Rehabilitation	\$ 50,000
Recreation	Aquatic Center ADA Pool Lifts	\$ 8,500
Red Rock Park	RRP campsites Electrical Pedestals Replacement	\$ 20,000
Red Rock Park	Phase 2 Auditorium Roof Repair	\$ 75,000
	Total Projects \$	1,126,800
	Total General Fund - Capital Purchases \$	1,559,140

Highlights cont'd

7. Requested Positions/Reclassifications

A. General Fund:

Library – Museum Clerk position

B. Enterprise Funds:

Solid Waste – Customer Service Representative position



Highlights cont'd

- ▶ 9. Reductions/Revenue Generation Opportunities:
 - A. 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.
 - B. Continue to expand the quality and quantity of tourism promotion/events and marketing of City to increase both Lodger's Tax and GRT revenues.
 - C. 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.
 - D. Hold Harmless GRT fix is still in progress.



Questions



CITY OF GALLUP
FY 2020 BUDGET WORKSHOP SCHEDULE

EXHIBIT B

April 25th, 2019, 8:30 AM to close
El Morro Theater – Event Center

TENATIVE SCHEDULE

8:30 AM – 10:30 AM

Community Services

Parks/Cemeteries	Golf Course	Facilities/Fleet
Recreation/Larry Brian Mitchell	Fitness Center	Customer Care/Metering
Harold Runnels	Senior Center	IT - Technology Services/GIS
Aquatic Center	El Morro	Risk Management

Aspremy

10:30 AM – 10:45 AM (Break)

10:45 AM – 11:15 AM

Fire Department

Fire Protection Fund	Emergency Management
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11:15 AM – 12:00 PM

Police Department

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

12:15 PM – 12:45 PM

Planning

Planning	Animal Control
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12:45 PM – 1:00 PM

Administration

Finance	Human Resources	City Attorney
City Clerk	Purchasing/Warehouse	

1:00 PM – 1:30 PM

Municipal Court	City Council/City Manager	BHIZ/LET
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1:30 PM – 2:00 PM

Lodger's Tax

Tourism	Red Rock Park	Rex Museum
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2:00 PM – 2:45 PM

Public Works

Construction	Streets	Airport
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2:45 PM – 3:00 PM (Break)

3:00 PM – Close (5PM)

Utilities

Solid Waste	Water/Wastewater	Electric
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