

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 4:00 p.m. on Tuesday, May 14, 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
Arrived late:	Fran Palochak, Councilor
Also present:	Maryann Ustick, City Manager Curtis Hayes, City Attorney

The following Discussion/Action Topic was presented to the Mayor and Councilors for their approval:

1. Resolution No. R2019-18; Preliminary Fiscal Year (FY) 2020 Budget Approval – Patty Holland, Chief Financial Officer

Ms. Ustick said the power point of the budget presentation will only include the changes made from the draft budget work shop documents from the Special Meeting of April 25, 2019. The changes are included in the preliminary budget pending approval by the Mayor and Councilors. The final budget adoption for FY 2020 is scheduled for the Regular Meeting of June 11, 2019.

Ms. Holland said a vehicle replacement plan, which was to be included in the FY 2020 budget in accordance with the City's Strategic Plan, is not currently included in the preliminary budget. A recommendation for a vehicle replacement program for the General Fund will be forthcoming during the first quarter of FY 2020. Ms. Ustick said a portion of the fund balance at the end of the current fiscal year may be set aside to create the fund for the vehicle replacement program.

Terri Gray, Budget Manager, presented a power point presentation on the key revisions from the draft budget documentation. A copy of the power point presentation is attached hereto, marked as Exhibit A and made a part of these official Minutes. Ms. Ustick, Ms. Holland and Department Directors answered questions posed by the Mayor and Councilors.

Ms. Ustick said the preliminary budget will include \$99,827 of unallocated lodger's tax funds to be used for increased grants to sub-recipients by \$50,000 and City sponsored

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events by \$49,827. Although the City has already budgeted \$750,000 for its share in prisoner care costs, Ms. Ustick said she was advised by the County that the City will need to allocate an additional \$81,000 in next year's budget to cover those costs, which are projected to increase. Rather than amending the proposed preliminary budget to add \$81,000 for prisoner care costs, Ms. Ustick recommended reviewing those costs when the City is billed by the County toward the end of the next fiscal year. If it is determined that the prisoner care cost actually increased, Ms. Ustick recommended covering those costs with fund balance at that time.

Councilor Landavazo asked City staff if they have any concerns about the proposed preliminary budget. Ms. Ustick said she was disappointed that the proposed preliminary budget could not absorb the paving machine requested by the Public Works Department and the installation of new turf at the ball fields at Ford Canyon Park.

Councilor Palochak expressed her concerns about utilizing Fire Funds for the operating budget of the Fire Department. She said the Fire Fund should be used only for trucks and equipment needed by the Department.

Discussion followed concerning the hours of the recycling centers which have been changed from 9:00 a.m. to 6:00 p.m., instead of the previous hours of 8:00 a.m. to 6:00 p.m.

Following discussion, Councilor Palochak made the motion to approve Resolution No. R2019-18; Preliminary Fiscal Year 2020 Budget. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

Councilor Kumar made the motion to adjourn into closed session for the purpose of discussing matters subject to attorney-client privilege pertaining to litigation; specifically, Athens LLC v. Alcohol and Gaming Division and City of Gallup. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.

The Mayor and Councilors adjourned into closed session pursuant to Section 10-15-1(H)(7) NMSA 1978.

Jackie McKinney, Mayor

ATTEST:

Alfred Abeita II, City Clerk



EXHIBIT A

FY 2020 PRELIMINARY BUDGET PRESENTATION

**Total City Budget (all funds)
\$ 103,933,478**

FOCUS: GENERAL FUND

➤➤ **Balanced FY20 General Fund**

Operating Budget: \$29,879,016

Capital Budget: \$ 1,501,220

Total GF Budget: \$31,380,236

(includes \$1,501,220 from fund balance)

General Fund Estimated Cash Reserves:
\$8,086,460

Key Revisions from Draft Budget: General Fund

1. **City Clerk:**
 - A. Increase \$21,950 capital expenditure purchase for software upgrade on the agenda system on the website. (Will incur \$15,000 in recurring costs for FY 2021)
2. **Warehouse:**
 - A. Increase \$20,130 capital expenditure purchase for barcoding system.
3. **Customer Care:**
 - A. Corrected personnel/wage expenditures.
4. **Construction & Maintenance:**
 - A. Corrected \$11,000 capital expenditure purchase for 6-inch curb and gutter forms.
5. **Fire Department:**
 - A. Increase \$60,000 capital expenditure purchase for paving parking lot at Fire Station No. 2.
 - B. Reclassification of current Fire Fighter position to Fire Inspector paid by reduction in overtime of \$13,414. The Fire Inspector schedule is 40 hours per week.
 - C. Increase \$45,000 operations expenditures for EMS contracts and supplies

General Fund Revisions Continued:

6. Larry Brian Mitchell Center (LBM):
 - A. Removed (Decrease) \$135,000 capital expenditure for roof and stucco work (design).
7. Library:
 - A. Removed (Decrease) \$25,000 capital expenditure for building site soil testing.
 - B. Increase \$33,000 wage expenditure for transfer of Rex Museum position from Lodger's Tax funding.
8. Police Department:
 - A. Transfer operations expenditures to fund 211 account to assist in balancing General Fund.
 - 101-2011 - \$680,769 (PD Operations)
 - 101-2013 - \$7,477 (PD support & admin)
 - Total Transfer \$688,246
 - B. For fund 211, funding is transferred from ¼ cent GRT Tax designated for General Fund.

Key Revisions from Draft Budget: Other Funds

1. Lodger's Tax Funds:
 - A. Fireworks expense was included in funding (no change).
 - B. \$99,827 is unallocated funds that will be used to increase grants to sub-recipients by \$50,000 and city sponsored events by \$49,827.

2. Infrastructure Tax GRT
 - A. Total Revenue \$1,976,000
 - Fund 211 - \$688,246 for Police Operations expenditures
 - Fund 216 - \$1,287,754 for Streets



Questions???

