

Minutes of the Work Session of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 6:00 P.M. on Tuesday, April 13, 2010.

The meeting was called to order by Mayor Harry Mendoza.

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

Mayor:	Harry Mendoza
Councilors:	John J. Azua Mike Enfield Allan Landavazo E. Bryan Wall
Also present:	R. David Pederson, City Manager & City Attorney

Presented to the Mayor and Councilors were the following discussion items:

1. Veterans Cemetery and Memorial – Lisa Baca Diaz, Project Manager

Mrs. Baca Diaz said since the completion of the Veteran Memorial Park located at the Court House Square, the City has replaced the glass pillars with additional names of Veterans during the Memorial Day celebration every year. The replacement of the glass pillars was made possible through funding allocations by the State Legislature; however, the City was not able to obtain funding from the State for this year's Veterans Memorial. Twelve glass panels containing the additional names of about 75 veterans would need to be installed, with each panel costing about \$1,600.00. The cost of the panels plus artist services and gross receipts tax would total \$22,800. She asked if the City would be able to provide funding to replace the glass panels in time for next year's Memorial Day celebration since it takes about twelve weeks for the manufacturer to prepare the panels.

Mayor Mendoza asked about replacing the panels every other year since there are 75 names to be added and there are 12 panels to be replaced. Mrs. Baca Diaz said the Veterans Committee discussed the possibility of replacing one panel when there are four to five names to be added and the possibility of replacing the panels every two to three years. The Committee is interested in becoming a non-profit organization which will enable the Committee to receive donations, grants and endowments for the maintenance of the Park and improvements to the Veterans Cemetery.

Councilor Landavazo asked if the artist would be able to take the panels down and add the names to each panel. Mrs. Baca Diaz said the names are listed in alphabetical order and she was not sure if the names could be added to the existing panels since the panels are sealed together. She said it would also cost about \$1,600 per name for the artist to etch the existing panels.

MINUTES

City Council Work Session – 4/13/2010

Page 2

Councilor Wall recommended replacing the panels every two years or when there are a certain number of names to be added on the panels.

Councilor Enfield asked about the findings made by the Veterans Committee concerning the panels. Mrs. Baca Diaz said there has not been a definitive answer from the Committee concerning replacement options for the panels. Mayor Mendoza said the Committee will discuss the options at their meeting next week.

Mrs. Baca Diaz said there were several recommendations made based on the Feasibility Study of the Veterans Cemetery. She said the Veterans Committee would like to proceed with implementing as many of the recommendations made, realizing there is not a funding source in place for the proposed improvements. Some of the recommendations included in the study pertain to the procedures for the sale of burial lots, rules for the placement of headstones and markers, proposed amendments to the Municipal Code, etc.

Mayor Mendoza asked if the Master Plan for the Veterans Cemetery was completed. Mrs. Baca Diaz said the Feasibility Study was completed last November.

Councilor Wall asked if the Veterans Administration provide money for the burial of Veterans. Mrs. Baca Diaz said the Veterans Administration will only pay for the headstones. Since Hillcrest Cemetery does not meet the requirements for a national cemetery, Mrs. Baca Diaz said the cemetery is not eligible for federal or state funding.

Mr. Pederson said Bob Rosebrough, Attorney-at-Law, will offer his legal assistance to the Veterans Committee in establishing the Committee as a non-profit organization.

2. DWI Awareness Day Scheduled for April 30, 2010 – Diane DiPaolo

Mirakhel Windsong said the DWI Task Force Committee is asking all McKinley County residents to refrain from all activity and to pause for two minutes to commemorate all friends and family who have died due to DWI on Friday, April 30, 2010 at 2:00 p.m. She also asked the Mayor and Councilors to prepare a proclamation declaring April 30, 2010 as DWI Awareness Day. Mr. Pederson said the proclamation will be presented during the Regular Council Meeting of April 27, 2010.

3. Request for Proposal for Gallup to Become an Official Destination City for the 2010 Fireball Run – Bill Lee, Gallup-McKinley County Chamber of Commerce and Debbie Garcia, Gallup Convention and Visitors Bureau

Mr. Lee said Gallup has been chosen as a destination city for the 2010 Fireball Run which will come to Gallup on September 26, 2010. The Fireball Run is a team event,

MINUTES

City Council Work Session – 4/13/2010

Page 3

consisting of 75 teams traveling 3,500 miles from Henderson, Nevada to an unspecified location in Wisconsin. The event is an interactive road rally where the participants will be tasked with different missions to find certain items in the Gallup area to collect points needed to win the event. The event is also connected with the Race to Recover America's Missing Children and will also spotlight a local charity in Gallup. All of the eight selected destination cities have been chosen to participate at Concorso Italiano (one of the largest car shows in the country) which is scheduled to take place in August 2010, in Monterey, California. The Fireball Run will help promote Route 66 as well as the upcoming Route 66 Freedom Ride and Flight on May 16, 2010 and the State Route 66 Run from Tucumcari to Gallup scheduled for this summer. Mr. Lee asked the Mayor and Councilors to allow he and Ms. Garcia to travel to Monterey, California, August 12-14, 2010 to promote Gallup at Concorso Italiano. Ms. Garcia asked that the City place its own team into the event which will cost \$6,500.

Mayor Mendoza said the costs for promoting Gallup in the event will be minimal and recommended the use of lodgers' tax for the event.

Councilor Enfield asked about the participating members of the City's entry. Mr. Lee said the makeup of the City's team will need to be determined before May 1, 2010.

Councilor Wall commended Mr. Lee and Ms. Garcia for their work and said by participating in the event, the City will get more for its advertising dollar in promoting the Gallup area.

4. Refunding the City's Series 2000 Bonds – R. David Pederson, City Manager/City Attorney

Mr. Pederson introduced the City's Financial Advisors: Mark Valenzuela of George K. Baum & Company and Kit Caldwell of Southwest Securities, Inc.

Mr. Valenzuela provided an overview for the City's options to refund the Series 2000 Bonds. He said the City of Gallup is in good financial condition as other cities in the state and across the country are struggling financially. By refunding the Series 2000 Bonds the City would realize a 5.7% net present value savings which is higher than the recommended 3%. There is currently \$4,110,000 currently outstanding from the original bonds with the total debt of the bonds including principal and interest total \$4,892,657. If the bonds are refunded, the City would pay \$4,492,117 for the remainder of the maturity of the bonds, saving the City about \$400,000 in future interest costs. The City also has an opportunity to refund the Series 2003 General Obligation Bonds which was issued through the New Mexico Finance Authority with a net present value savings of 3.003%, which is at the recommended threshold of 3%.

MINUTES

City Council Work Session – 4/13/2010

Page 4

Mr. Caldwell said the Series 2000 Bonds are callable on June 1, 2010. In comparing his numbers with Mr. Valenzuela, Mr. Caldwell said his estimated numbers were more aggressive concerning the net present value savings. The City's net savings or present value savings would be \$242,982.27, which is net savings of all costs to refund the bonds. Mr. Caldwell recommended the Mayor and Councilors consider a parameters bond ordinance next month if they are interested in moving forward with the refunding of the bonds. Mr. Caldwell provided an overview of the City options and the timelines that are involved to enter into the market once the parameters ordinance is adopted.

Mayor Mendoza said he would like to proceed with the refunding of the bonds regardless of whether the City moves forward with the capital improvement project list. Mr. Caldwell said the 2000 bonds are sales tax revenue bonds which are secured by the State's allocation of the gross receipts tax to the City. If the City is interested in proceeding with capital improvement bonds, Mr. Caldwell said the City would probably use another revenue source for the new bonds. Mayor Mendoza asked if there was an advantage to issue both bonds. Mr. Caldwell responded no and the bonds should be issued separately for various reasons.

Councilor Enfield asked if the net savings of \$242,000 would be provided to the City in one lump sum. Mr. Caldwell responded no as the City would realize the savings of \$40,000 per year in the amount of debt service that is to be paid over the next six years.

Councilor Wall asked if would also take six years to pay the old bond off. Mr. Caldwell responded yes.

Councilor Landavazo asked about the cost for refunding and reissuing the bonds. Mr. Caldwell referred to page one of his presentation entitled Sources and Uses of Funds, which itemizes the issuance expenses for refunding the bonds. Councilor Landavazo said the Council has been cautiously viewing the market and based on the promising signs of the current economy, refunding the bonds would be a good move for the City. Councilor Azua agreed.

5. Capital Improvement Project List:
 - a. Installation of Artificial Turf at the Sports Complex and TDFL Fields (Four Athletic Fields, Estimated Cost - \$3 Million)
 - b. New Eastside Fire Station (Estimated Cost - \$2 Million)
 - c. Repair and Remodel Northside Recreation and Senior Center (Estimated Cost - \$2 Million)
 - d. Red Rock Park (ADA Compliance & Structural Repairs, Estimated Cost - \$2 Million to \$4 Million)

– R. David Pederson, City Manager/City Attorney

MINUTES

City Council Work Session – 4/13/2010

Page 5

Mr. Pederson asked the Mayor and Councilors for their input and consideration of the proposed list of highly prioritized projects based on assessing the overall needs of the City. The list contains gross estimated costs for each project and once the planning and design phases for the projects are completed, the City will be able to obtain specific dollar amounts for each project.

Councilor Enfield said the planning and design for the TDFL field is completed and asked about the planning and design phase for the Sports Complex. Mr. Pederson said the planning and design work for the Sports Complex has not been done; however, one of the main reasons for installing artificial turf at the Sports Complex is to alleviate the need for an on-site retention pond, which currently has compliance issues with the New Mexico Environment Department. Councilor Enfield asked about the costs for addressing the situation with the retention pond and installing a storage tank. Stan Henderson, Executive Director, Public Works Division, responded about \$750,000. Mr. Pederson said it would cost the same amount to address the retention pond as it would to install artificial turf on one field. Mr. Pederson also said it was uncertain how long the retention pond would last. Regarding the construction of a new eastside fire station, Mr. Pederson said he was confident with the estimated cost of \$2 million since the amount is based on the construction costs of the westside fire station. By constructing a new fire station on the eastside of town would result in a favorable Insurance Service Office (ISO) rating which would lower insurance premiums for property owners. Councilor Enfield asked if there has been any discussion with officials at Fire Rock Casino concerning the provision of services to the casino in order to defray the cost of constructing the fire station. Mr. Pederson said there have not been any firm conversations with representatives at Fire Rock Casino but the City could definitely look into this option as it would be in both the City's and the casino's interest to construct the enhanced facility. Mr. Pederson recommended repairing and remodeling the Northside Recreation and Senior Center in addition to repairing the roof and to remove the building which houses the defunct swimming pool. Councilor Enfield asked if the conceptual drawing reflecting the improvements to the Northside Center have been completed. Mr. Henderson responded yes. Mr. Pederson said the proposed improvements would be a tremendous enhancement for the northside and its citizens. Councilor Landavazo asked if the proposed improvements could be made with the underground configuration and the abandoned mines that exist underneath the facility. Mr. Pederson said the problems underneath the facility mainly exist on the west end of the property as the existing structure will be demolished with no plans of rebuilding a structure on the unstable ground. Mr. Pederson also said there will be engineering services performed to ensure that the remaining portion of the property is stable. Councilor Wall asked if the portion of the building which houses the Senior Center is new. Mr. Henderson said the reason the Senior Center appears to be new is improvements have been made on a continual basis to the specified area of the facility since the original construction. Mr. Henderson also said there have not been any

MINUTES

City Council Work Session – 4/13/2010

Page 6

improvements made to the remaining areas of the building which houses the Recreation Center. Councilor Wall asked about the technical work to be done on the roof of the facility and usage of the \$140,000 received from the State. Mr. Henderson said the funding has been allocated to replace the roof of the gymnasium. Councilor Wall said the State's funding was to be used for the roof of the Senior Center. Mr. Henderson said it was his understanding that the funding would be used to repair the roof of the complex which also houses the gymnasium. Mr. Henderson said the proposal is to salvage the gymnasium by replacing the roof and to demolish the western portion of the building. Councilor Wall recommended that the Mayor and Councilors conduct a group visit at each project site to make an assessment of the needs and the scope of work to be done at each facility. Councilor Wall also recommended utilizing 20% to 30% of the proceeds from a bond issue towards improvements to the City's infrastructure. Councilor Wall said if the City does not address its infrastructure needs the City will hurt its chances for any type of expansion. Mr. Pederson said Councilor Wall's recommendation is duly noted. Mr. Pederson said there is wide gap for the estimated costs for improvements to Red Rock Park depending on the amount of improvements to be made to the Park. Mr. Pederson said \$2 million could be easily used on addressing Americans with Disabilities Act (ADA) compliance issues and structural issues.

Due to time limitations, the Work Session adjourned.



Mayor Harry Mendoza

ATTEST:



Alfred Abeita, City Clerk

Approved 4/27/2010