

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, July 27, 2010.

The meeting was called to order by Mayor Pro Tem John J. Azua.

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

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

Mayor Pro Tem Azua expressed his condolences to Councilor Landavazo and his family for the loss of his father Paul Anthony Landavazo.

The following items that will be considered during the next Regular Session were presented to the Mayor Pro Tem and Councilors for discussion only:

1. Appointments of Anna Dallago, Nash Khalaf, Yogash Kumar, Cynthia Tanner and Karen Fultz to the Lodgers' Tax Committee – Mayor Harry Mendoza

Mr. Pederson presented Mayor Mendoza's recommendations for appointments to the Committee.

2. Request for Street Closure for the Gallup High School Homecoming Parade to be Held on Friday, September 17, 2010 – Carrie Ames or Steven Wargo, Gallup High School
3. Request for Street Closures for the Gallup High School Bengal Girls Dance Team 5K Fun Run/Walk to be Held on Sunday, September 12, 2010 – Mike & Kristy Tiley

Alfred Abeita, City Clerk, said the Event Permit Application and Certificate of Insurance are in place for the homecoming parade; however, Mr. Tiley is in the process of completing the paperwork required for the fun run and walk.

Councilor Landavazo asked Mr. Tiley if the dance team is able to use the money it raises or if the dance team is forced to contribute the money raised to a pool of funds for all school groups. Mr. Tiley said he was not able to answer the question and

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deferred the question until his wife was present. Judi Starkovich, Executive Director, Administrative Services Division, said her daughter is a member of the dance team and beginning the month of August, the dance team will contribute the money it raises to the pool of funds; however, the dance team will be able to keep the money it raised during the summer time. Councilor Landavazo said he does not agree with the fund raising policy since the school groups work very hard for their money and should be able to use their money in a manner each group prefers.

4. Award of Construction Contract for the All Terrain Vehicle/Off Highway Vehicle (ATV/OHV) Facility Improvements – Clyde (C.B.) Strain, Community Planner

Mr. Strain presented the results of the bids submitted for the project. Clawson Excavation submitted the lowest bid; however the company does not possess the proper license for the project. Mr. Strain recommended award of the contract to Murphy Builders in the amount of \$151,440, with the project commencing early August 2010.

Councilor Landavazo asked how the New Mexico State Parks Division grant construction line item of \$127,000 is in contrast to the original value of the grant. Mr. Strain said the original value of the grant from the State Parks Division was \$142,000 with a City match of \$58,000. There is an outstanding difference of about \$36,000 for archeological approval and design work for the project as the Trails and Open Space bond funds were used to cover minor overages in costs for the project.

5. Resolution R2010-25; Final Fiscal Year (FY) 2010 Budget Adjustment – Judi Starkovich, Executive Director, Administrative Services Division

Mrs. Starkovich presented the final budget adjustment for FY 2010 which will be submitted to the State Department of Finance and Administration by July 31, 2010. The cash balance for the end of the fiscal year was \$4.6 million which is more than \$600,000 under projection due to the deduction in the gross receipts tax distribution by the New Mexico Taxation and Revenue Department. The reason for the deduction is based on amended CRS tax returns which were filed by Bradbury Stamm Construction for the overpayment of gross receipts tax for a two year period. The deduction will affect the FY 2011 budget as expenditures will need to be decreased by \$600,000 unless the Taxation and Revenue Department reverts the funds back to the City and allow the City to repay the funds over time.

Mr. Pederson said the City has not received any feedback from the New Mexico Taxation and Revenue Department and the New Mexico Municipal League since the City was first informed about the deduction in the gross receipts tax distribution. He

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intends to send a letter to Cabinet Secretary Rick Holmans and Bill Fulginiti, Executive Director of the Municipal League, requesting a solution to the problem which resulted in a considerable fiscal deficit for the City of Gallup and other local governments. If there is not a prompt resolution to the problem, Mr. Pederson said he will have cut \$55,000 per month in the FY 2011 budget.

Mrs. Starkovich said there will probably be no money available for mid-year budget adjustments. She also presented the following titled spreadsheets to the Mayor Pro Tem and Councilors: Budget Changes FY 2010 and FY 2010 Budget Revision #4 Recap.

Mr. Pederson provided brief information concerning the public hearing to be held during the next regular session concerning the proposed issuance of a Restaurant License to Tommy and Michelle Duckett d/b/a Aurelia's Diner at 2502 East Highway 66.

There being no further business, the Work Session adjourned.

  
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Mayor Harry Mendoza

ATTEST:

  
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Alfred Abeita, City Clerk

Approved 8/10/2010