

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 7:00 p.m. on Tuesday, September 28, 2010.

The meeting was called to order by Mayor Harry Mendoza.

Upon roll call, the following were present:

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

The Mayor and Councilors continued their discussion from the previous Work Session concerning the following Regular Session items:

2. Annual Write-off of Bad Debts – Judi Starkovich, Executive Director, Administrative Services Division

Councilor Wall recommended revisions to the City's ordinance requiring the termination of services on commercial accounts for non-payment if the utility accounts are more than 30 to 45 days. Mr. Pederson and Mrs. Starkovich said City staff is more aggressive with cutting-off commercial accounts for non-payment. Councilor Wall said he would like to see the City's outstanding utility bills reduced from \$1 million to about \$200,000 to \$300,000. Mrs. Starkovich said the City's ordinance regulating the utility billing cycles will need to be changed since it takes over two months to finally terminate services to customers for non-payment. Councilor Landavazo said as long as City staff adheres to terminating services to customers for non-payment after 60 days and adheres to the two month deposit requirement, the City will be constantly addressing the utility delinquencies. Mrs. Starkovich said the City is working towards offering more payment options for its customers such as auto-drafting and it has already implemented the budget billing system.

The Mayor and Councilors proceeded with the Agenda of the current Regular Meeting.

Presented to the Mayor and Councilors were the Minutes of the Work Session and Regular Session of September 14, 2010.

Councilor Wall said the second to the last paragraph on page 3 of the Work Session Minutes should include his name in addition to Councilor Enfield requesting a full analysis of the lodgers' tax fund revenues and expenditures.

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Councilor Wall made the motion to approve the Minutes of the Work Session and Regular Session of September 14, 2010 with his requested amendment as previously stated. Seconded by Councilor Azua. Roll call: Councilors Wall, Azua, Landavazo and Mayor Mendoza all voted aye.

Presented to the Mayor and Councilors were the following Consent Agenda Items:

1. Formal Bid No. 1018, Construction Contract Award for the New Eastside Fire Station – Ron Caviggia, Purchasing Director
2. Annual Write-off of Bad Debts – Judi Starkovich, Executive Director, Administrative Services Division

Councilor Landavazo made the motion to approve Consent Agenda items 1 & 2. Seconded by Councilor Azua. Roll call: Councilors Landavazo, Azua, Wall and Mayor Mendoza all voted aye.

Mayor Mendoza called for a recess at 7:10 p.m.

Mayor Mendoza called the meeting back to order at 7:15 p.m.

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

3. Lodgers' Tax Committee Recommendations – Judi Starkovich, Executive Director, Administrative Services Division

Mrs. Starkovich presented the Committee's recommendations for the use of lodgers' tax funds for the current fiscal year. She also presented the following recommended changes in lodgers' tax allocations: TDFL Four Corners Football Championships from \$1,500 to \$12,000 and an allocation to the Gallup Film Office for the Film Book Project in the amount of \$2,000. The total amount of lodgers' tax fund allocations recommended by the Committee is \$131,000.

Mayor Mendoza asked Mr. Pederson to explain the total amount of lodgers' tax funds that are available to allocate. Mr. Pederson provided an overview of the lodgers' tax budget worksheet which was distributed to the Mayor and Councilors. A copy of said worksheet is attached hereto and made a part of these official Minutes. As the worksheet will indicate, not all of the total lodgers' tax funds that are collected are allocated to the 24 organizations requesting money for their events. Lodgers' tax funds are also used for the City's internal programs such as Red Rock Park, Code Talkers Museum, Junior High Rodeo and other large projects. State law requires the usage of more than 1/3 of lodgers' tax funds for advertising, marketing and promoting tourist-

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related attractions, facilities, and events of the City. In analyzing the overall usage of lodgers' tax funds, it has been determined that the City utilizes over 60% of the lodgers' tax funds in accordance with state law.

Councilor Landavazo expressed his appreciation to the Lodgers' Tax Committee for their work. He asked about the proposed allocation of \$5,000 for Teach for America and how the function promotes tourism in the community. Mrs. Starkovich said the Committee debated the Teach for America lodgers' tax allocation; however, the Committee finally felt the program warranted the allocation since it brings the families and friends of the teachers to Gallup during the relocation and settling period for the teachers. Councilor Landavazo said his Business Promotion and Regulation Task Force discussed at length untapped areas that could be used to showcase Gallup. One of the untapped areas is outdoor adventure tourism and he recommended lodgers' tax allocations that would help promote events such as the Squash Blossom Classic. He recommended the full allocation of \$5,000 for the Squash Blossom Classic and \$3,000 for the Gallup Triathlon. Lindsay Mapes of the Squash Blossom Classic, Inc., which oversees the Dawn Till Dusk, Gallup Triathlon, 24 Hours in the Enchanted Forrest and the Squash Blossom Classic events, said the Gallup Triathlon is only able to grow to a certain extent by utilizing the Gallup Aquatic Center and would rather recommend additional funding for the Squash Blossom Classic event. Cynthia Tanner of the Lodgers' Tax Committee said the Committee's goal was "heads in beds" and felt the Squash Blossom events work hand in hand with each other and draw the same people to its events. Councilor Landavazo agreed; however, he said the Squash Blossom events occur at different times during the year. Councilor Landavazo also said the task force would like to see the Lodgers' Tax Committee meet four times a year to allocate funding for events year round. Ms. Tanner said the Committee's recommendations were made based upon the criteria that were given to them. Mr. Pederson recommended proceeding with the suggestions made by Councilor Landavazo by restoring the lodgers' tax allocations for the Gallup Triathlon and the Squash Blossom Classic to each of the fully requested levels.

Cassie Henderson, President of the Gallup Lions Club, expressed her concerns with only \$8,000 being allocated for the 63<sup>rd</sup> Annual Lions Club Rodeo. She said the rodeo is a week long event that draws people not only to the rodeo but to the parade, barbeque, and street dance. Councilor Wall said he felt the Lions Club should be given its fully requested allocation of \$15,000. Councilor Wall also said the beginning cash balance for the Lodgers' Tax Committee to allocate for events should have been more than \$150,000. Councilor Wall also said he would like to see Wild Thing Championship Bull Riding funded at its full requested level and the Monster Truck National should be allocated \$4,000 to \$5,000. Mrs. Starkovich said the Committee focused on the events that will entice people to stay in hotel rooms and the events that are for one night only were not funded at the fully requested level.

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Following discussion, Mayor Mendoza recommended approval of the Lodgers' Tax Committee recommendations and to have the Committee return within the next two to four weeks to consider additional lodgers' tax requests. Mr. Pederson said it may help to refine the allocation process if the City appropriates funds on a quarterly basis rather than on an annual basis; however, if the City allocates all of the available lodgers' tax funds at the beginning of the fiscal year, there will be no funds available to allocate during the remainder of the year. As a compromise, Councilor Landavazo recommended the full allocation of \$15,000 to the Gallup Lion Club for the Lions Club Rodeo, full allocation of \$3,000 for the Gallup Triathlon, and the full allocation of \$10,000 for the Squash Blossom Classic. Councilor Landavazo also said the Business Promotion and Regulation Task Force will propose an increase in the money that is allocated by the Lodgers' Tax Committee during each quarter of every year. Mr. Pederson recommended a careful review of the lodgers' tax budget in order to give the maximum flexibility to spread the promotion of events more evenly throughout the year.

Councilor Wall said he wanted to review a better break-down of the entire lodgers' tax budget to see if money could be shifted to provide additional allocations for events. Mrs. Starkovich said there were cuts made to the General Fund this fiscal year in the amount of \$1.2 million which led to the allocations of lodgers' tax funds for the operation of Red Rock Park. Mrs. Starkovich also said if lodgers' tax funding cuts are made for Red Rock Park, she asked for direction concerning cuts to be made in the General Fund to make up the deficit for Red Rock Park. Councilor Wall said he believes things can be worked out and would like to see a complete list of expenditures in order to make recommendations for changes to the budget. Mayor Mendoza said the Council is only able to take action on the Lodgers' Tax Committee recommendations since the matter is listed on the Agenda. Councilor Wall said he wanted to increase some of the lodgers' tax allocations for the events. Mayor Mendoza recommended approving the Lodgers' Tax Committee recommendations with the recommended increase for funding to the Gallup Lions Club, Gallup Triathlon and Squash Blossom events. Councilor Landavazo said the additional recommendations for lodgers' tax funding could be discussed at a later time. Mrs. Starkovich asked for the Mayor and Councilors' recommendations for additional lodgers' tax funding prior to the next Regular Meeting. Councilor Wall said he does not understand why the Council cannot take action on all of the recommended lodgers' tax allocations during this meeting. Mayor Mendoza said there are limited lodgers' tax funds available.

Following discussion, Councilor Landavazo made the motion to approve the Lodgers' Tax Committee recommendations with the recommended increases for the Gallup Lions Club, Squash Blossom Classic and the Gallup Triathlon and to review additional recommendations for lodgers' tax funding at the next Regular Meeting. Seconded by Councilor Wall. Roll call: Councilors Landavazo, Wall, Azua and Mayor Mendoza all voted aye.

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Mayor Mendoza thanked the members of the Lodgers' Tax Committee and Mrs. Starkovich for their work.

**Comments by Public on Non-Agenda Items:**

Joann Benenati, representing Habitat for Humanity of Gallup, invited the Mayor and Councilors to attend the dedication of their fourth house located at 501 North High Street on Saturday, October 2, 2010 at 2:00 p.m.

**Comments by Mayor and City Councilors:**

Councilor Azua said there was a film being made in Gallup this past weekend. The film, entitled "Rainbow Boy", featured Native American actors and was shot at the Juggernaut and Sammy C's Sports Pub. Based on his conversations with Norman Brown, director of the film, Councilor Azua said Mr. Brown would like to see Gallup to become identified internationally as the focal point of movies featuring Native American culture. Councilor Wall said he agreed with Councilor Azua and said there is no reason why Gallup cannot tap into the film industry which is the largest industry in the New Mexico.


**Comments by City Manager:**

None.

There being no further business, Councilor Azua made the motion to adjourn the meeting. Seconded by Councilor Landavazo. Roll call: Councilors Azua, Landavazo, Wall and Mayor Mendoza all voted aye.

  
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Harry Mendoza, Mayor

ATTEST:

  
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Alfred Abeita, City Clerk

Approved 10/14/2010