

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, November 9, 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 was the following discussion item:

- 1. Presentation on the Solid Waste Association of North America (SWANA) Road-e-o Competition – Adrian Marrufo, Solid Waste Superintendent**

Mr. Marrufo provided information on the annual event that has been held during the past four years. On August 21, 2010 the City of Gallup had five Solid Waste Department employees attend and participate in truck driving skills and written test events in Santa Fe, New Mexico. These events were to showcase their abilities with regards to their everyday duties as Solid Waste Operators.

Mr. Marrufo reported that there were twenty-one competitors who attended the event this year, as City of Gallup employees have always placed within the top three places during the past four years of competition. Randy Platero placed first every year of the annual completions.

Mr. Marrufo also said it was nice hear the positive things about City employees rather than the negative and the employees were excited to be able to compete in these events. Mr. Marrufo was also concerned that the competitions may be abolished next year due to recent budget restrictions throughout the state.

Mayor Mendoza thanked Mr. Marrufo and commented on how it was great that the City had such qualified employees. Mayor Mendoza asked when the next completion was going to be held. Mr. Marrufo said the competitions are usually held in May of each year but it was held in August this year because some cities would rather send their employees to the competitions in the beginning of their fiscal budgets when they could afford it, rather towards the end of their fiscal year.

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Mayor Mendoza asked why the City did not send anyone to the last completion that was held in Tempe, Arizona. Mr. Pederson said the City did not fund the competition as a city event due to the high expenses. Mayor Mendoza said the City should have thought differently and sent an employee since the competition was within driving distance.

Councilor Landavazo asked if the completion was open to everyone. Mr. Marrufo said the competition it was open to all his staff and since it was held on a Saturday it did not create a conflict. Councilor Landavazo said it was great to have the staff participate in the competition.

Councilor Azua also congratulated the Solid Waste Department employees.

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

1. Request for Street Closure for the City Christmas Parade to be Held on Saturday, December 4, 2010 at 2:00 P.M. – Debbie Garcia, Gallup Convention and Visitors Bureau

The Mayor and Councilors reviewed the documentation concerning the event.

2. Ordinance S2010–2; An Ordinance Authorizing the Issuance of the City of Gallup, New Mexico General Obligation Refunding Bonds, Series 2010 – Chris Muirhead, Modrall Spering Law Firm

Mr. Muirhead said the Ordinance was the second step of the refunding process that was discussed a few weeks ago. The City currently has an outstanding 2003 General Obligation debt that is being held by the New Mexico Finance Authority. The loan was in the amount of \$6,715,000 with a current outstanding amount of \$4,135,000. Under the terms of the existing debt, the bonds are callable at any point after one year. So with the current bond market at historic low interest rates it has created an opportunity to refinance the debt and save the City a present value savings under the initial terms showing at six plus percent savings. The state usually approves the financing at three percent so the savings are double than what the State would be looking for at present value savings.

Mr. Muirhead explained the Ordinance authorizes the issuance of the bonds not to exceed \$4,500,000. This will give some flexibility to the underwriters to be able to move and price the bonds in early December and to report on the terms of the pricing so the Mayor and Councilors can review the final interest rates and debt service payments over the next ten years of the debt. The main things about this debt are that it is not a

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gross receipt tax pledge but an ad valorem property tax pledge. The property tax is already being assessed to pay the current debt so there will be some savings on the tax by refunding the bonds.

Councilor Enfield asked what the total savings would be. Mr. Muirhead said the initial numbers that Southwest Securities ran were: gross savings at \$262,000 and the present value savings were coming in at the low \$250,000's which was at 6.1 percent present value savings. Mr. Muirhead also said the market does change from day to day but the numbers presented were conservative numbers.

Mr. Pederson informed the Mayor and Councilors that he and Judi Starkovich, Administrative Services Director, will be going to San Francisco to meet with the bond market people to establish exactly what the savings will be. Mr. Pederson said it was the City's obligation to prudently manage the public's money so when the City has an opportunity to save the taxpayers some money, it seems that the City should move forward with it.

Councilor Enfield agreed along with Councilor Wall who thought it was a good idea to save money for the taxpayers.

3. Ordinance C2010-8: An Ordinance Concerning Solid Waste Rates and Charges, Amending the Value and Quantity of the Coupons Provided to Residential Solid Waste Customers to be Used and Redeemed at the Northwest New Mexico Regional Solid Waste Authority McKinley Transfer Station; Amending Subsection 8-6-7-D.2 of the Gallup Municipal Code – Lance Allgood, Executive Director, Gallup Joint Utilities Division

Mr. Allgood said the Solid Waste Authority raised their minimum charge at the transfer station and the City ordinance currently in place allows each residential customer in good standing four coupons a year with a value of \$5.50 each. Unfortunately, the amount does not match the minimum charge at the transfer station which has caused a burden for the City's customers who must pay the difference in cash or use two coupons. This ordinance will decrease the number of coupons to three but will increase the value of each coupon to \$7.00 to match the minimum charge. Although it decreases the dollar amount by one dollar to our customers it could save the City possibly thousands of dollars depending on the number of coupons used. Mr. Allgood thought it was a fair adjustment and it should not affect the customers much since the difference is only one dollar.

Councilor Enfield asked when the Solid Waste Authority raises its rate, if the City will have to reduce its coupons and eventually leave the customer with no coupons. Mr. Allgood said there is no guarantee that the Solid Waste Authority was not going to raise

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their rates, but in the event that they raise their rates to \$8.00 then the City will need to issue two coupons for \$4.00 each. Mr. Allgood said that he did not see an increase in the foreseeable future, but if there was a substantial change then he would need to bring an amendment to the Ordinance for the Mayor and Councilors' consideration.

4. Resolution R2010-35: A Resolution Requesting Urgent Federal Action for the Replacement of the Gallup Indian Medical Center – Mayor Harry Mendoza and R. David Pederson, City Manager/City Attorney

Mr. Pederson informed the Council that McKinley County had recently passed an updated Resolution urging the New Mexico Congressional Delegation to act upon the previous request for funding to replace the Gallup Indian Medical Center. The proposed Resolution is in support of requesting adequate funds to be allocated to Indian Health Service in order to move ahead with the design phase for the replacement facility and to advance the project on the priority list for actual construction.

McKinley County Commissioner Ernest Becenti, Jr. said the replacement of Gallup Indian Medical Center was a very important project for the community based on the economic impact the project would bring to the area. The number of permanent jobs created will range from one to two thousand. He said it was a very competitive project and the competition for the project includes the Navajo Nation and other Native American tribes including other states regarding where a facility of this size should be built. The cost for this facility will be around \$500 million dollars and will take a community effort to move the project along. Because of the need for this kind of healthcare facility for our community, he stressed the importance of passing this Resolution by the Mayor and Council.

Mayor Mendoza asked Mr. Pederson if there was anything else to be presented for discussion.

Mr. Pederson presented an article from the Albuquerque Journal regarding Albuquerque's Business Improvement District Ordinance. Albuquerque's Ordinance has been in place for ten years which was coming up for renewal. The article stated that about 61 percent of the current property owners were in favor of the Ordinance while 39 percent were opposed, including the hotel owners who are strenuously objecting to the renewal of the Ordinance. Gallup is the only other Business Improvement District (BID) in the state and some of the issues in the article were about the Downtown Action Team in Albuquerque who serve as paid administrators for the \$700,000 annual funding that comes through a 5.8 - mill levy. The term of Gallup's Ordinance is for five years, but the Ordinance calls for an evaluation by the Council at the end of three years on whether the BID should continue.

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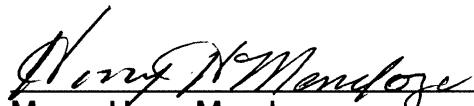
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Mr. Pederson reiterated that he and Ms. Starkovich will be going to San Francisco to facilitate the refunding of the bonds.

Mr. Pederson said in lieu of annual Christmas party the City will be having a recognition dinner on December 23, 2010 at Red Rock Park. The dinner will be to honor City employees whose service anniversaries fall in increments of five years. Employees with five, ten, fifteen and twenty years will receive a bronze coin, while a silver coin will be given to the employees with twenty five years of service. This dinner will be to demonstrate the City's appreciation to these employees. State Attorney General Gary King is invited to address the attendees and representatives from McKinley County and the Gallup-McKinley County Schools are also invited to attend.

Mayor Mendoza provided clarification for the news media that funding for the dinner would not be allocated from the City's General Fund. Mr. Pederson said funds for the dinner will come from remaining Christmas party funds that were privately raised. Mr. Pederson also thanked Klo Abeita, Human Resources Director, for arranging the recognition dinner.

There being no further business, the Work Session adjourned.



Mayor Harry Mendoza

ATTEST:



Brenda Romero, Deputy City Clerk

Approved 11/30/2010