

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 26, 2011.

The meeting was called to order by Mayor Jackie McKinney.

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

Mayor:	Jackie McKinney
Councilors:	Mike Enfield Cecil Garcia 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. Legislative Updates by State Rep. Patty Lundstrom and State Senator George Munoz

Rep. Lundstrom said a Special Session of the Legislature will be called in September 2011 concerning statewide redistricting based on the 2010 Census. She presented information from Research and Polling, Inc. regarding the population changes for all counties in New Mexico with respect to each House and Senate District. For House District 9, there is a population loss of 3,307 (-11.2%) and for House District 5 there is a population loss of 4,245 (-14.4%). With the population increases in the House Districts in Sandoval and Dona Ana Counties and the population decreases in the northeastern and northwestern parts of the state, she expressed concerns with the significant population shifts which will highly affect the district boundaries for both the House and Senate Districts for Gallup and McKinley County. She provided an overview of the pending committee hearings which may result in potential litigation since the process involves a predominant Democratic Legislature and Governor Susana Martinez, a Republican. She strongly recommended the City's involvement in the redistricting process by supporting legislation for district representation that is suitable for Gallup.

Rep. Lundstrom also presented a summary of the following House Memorials which were approved during the past Legislative Session: the feasibility study for extending the Rail Runner Express from Albuquerque to Gallup, the Proclamation of Gallup as the Adventure Capital of New Mexico and the feasibility study for improvements to State Highway 118 in downtown Gallup for increased pedestrian safety and angled parking.

MINUTES

City Council Work Session – 4/26/2011

Page 2

Councilor Landavazo asked if the drop in population was due to a lack of employment opportunities. Rep. Lundstrom said some of the “outmigration” is due to employment and educational reasons. Councilor Landavazo said economic development in Gallup and McKinley County is going to be very important in luring its own people back home.

Mayor McKinney thanked Rep. Lundstrom for her presentation and asked her to keep the City informed so it may support redistricting legislation that will be favorable to Gallup. Rep. Lundstrom said she does not want to see the City in a position where it will be disenfranchised. Mayor McKinney asked for the correct date for the meeting with the New Mexico Department of Transportation Commission. Rep. Lundstrom said the meeting will take place on May 19, 2011 and she would like to address the Commission concerning the Rail Runner Express, mutual aid agreements and long-term sustainability. Rep. Lundstrom said the state appropriations for the road fund for all six highway districts needs to match federal funding to be able to complete major highway projects.

Senator Munoz presented an update on his accomplishments and legislation affecting Gallup from this past legislative session. Legislation that was signed by the Governor: Senate Bill 89, in which he received assistance from Bill Lee, Executive Director of the Gallup-McKinley County Chamber of Commerce, provides for the creation of cooperatives for businesses aimed at reducing insurance costs. Senate Bill 109 provides for the adoption of the squash blossom necklace as the official state necklace; Senate Bill 196 provides more hunting licenses to New Mexico residents; Senate Bill 86 allows the state to recover the pay-to-play money during Governor Richardson’s Administration; and Senate Bill 454 provides \$13 million for economic development in the state. Legislation that was vetoed or pocket vetoed by the Governor: Senate Bill 300 would have enacted regulations for advertising New Mexico chili; Senate Bills 38 and 370 would have created the State Health Insurance Exchange Act and Senate Bill 483 would have provided clarification for the qualifications for political subdivisions to impose certain taxes. Bills that died in the House or Senate: Senate Bill 197 would have required electronic ankle devices to monitor individuals convicted for Driving While Intoxicated (DWI) and Senate Bill 218 would have provided the issuance of Severance Tax Bonds for capital expenditures, including \$15 million for the water rights settlement with the Navajo Nation for the Navajo Gallup Water Supply Project (NGWSP). Senator Munoz said he does not believe the state’s economy will improve during the next two years; therefore, he cautioned the Mayor and Councilors that the Legislature may consider eliminating the hold-harmless provisions on local governments. Senator Munoz also cautioned the Mayor and Councilors about the NGWSP and advised them to have a contract in place, rather than a memorandum of

MINUTES

City Council Work Session – 4/26/2011

Page 3

understanding, for the actual water for the pipeline. He recommended that the Mayor and Councilors contact Victor Marshall, a water rights consultant, for assistance concerning the NGWSP. Senator Munoz recommended that the City apply for funding assistance from the proceeds of the State's General Obligation Bonds to be used for the library and senior centers. He recommended that City officials take the time to plan for its needs, to testify during the Legislative Finance Committee hearings for state funding of local projects and to consider hiring a lobbyist to advocate for the City's needs. He also cautioned the Mayor and Councilors about the Navajo Nation's request to the federal government to consolidate trust land around Gallup which will affect many private property owners.

Mayor McKinney thanked Senator Munoz for his presentation and said the City needs to work with Senator Munoz concerning the City's needs.

Councilor Garcia asked if Senate Bill 197 would be introduced during the next Legislative Session. Senator Munoz said he would like to introduce the Bill during the next Legislative Session; however, the Bill has to be on the Governor's call since the next Legislative Session is a 30-day session and the proposed Bill is not a budgetary item.

Rep. Lundstrom presented a summary of Senate Bill 218 and said out of the entire statewide project listing in the amount of \$241 million, there were no appropriations listed for Gallup. Although the Bill died, she said there were many discrepancies in the proposed allocation of the funding for statewide capital projects and the process will be fully vetted during the upcoming Special Legislative Session. She agrees with Senator Munoz and recommended that the City become more involved in the legislative process; by possibly hiring a lobbyist as early as the Special Legislative Session on redistricting.

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

1. Resolution R2011-12; A Resolution Declaring the Intent of the City Council of the City of Gallup to Consider for Adoption an Ordinance Authorizing Issuance and Sale of Up to \$4,500,000 Northwest New Mexico Regional Solid Waste Authority Improvement and Refunding Revenue Bonds, Series 2011 – Chris Muirhead, Modrall Sperling Law Firm

Mr. Muirhead said the Northwest New Mexico Regional Solid Waste Authority

MINUTES

City Council Work Session – 4/26/2011

Page 4

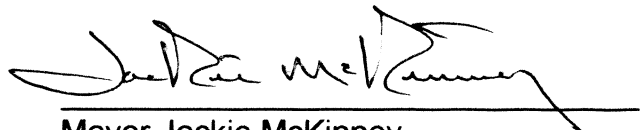
(NWNMRSWA) is planning to use about \$1.2 million of the proceeds of the proposed bond issue for a new landfill cell and to refinance over \$2 million from two loan transactions with the New Mexico Finance Authority which will result in debt service cost savings for the NWNMRSWA. The bond issue will be in the range of about \$3.5 million and will not exceed \$4.5 million as indicated on the proposed Resolution. The remaining entities of the NWNMRSWA (City of Grants, Village of Milan, Cibola County and McKinley County) have approved their Resolutions of Intent.

Billy Moore, Executive Director, NWNMRSWA, said all of the entities of the NWNMRSWA have pledged 50% of their Environmental Gross Receipts Tax (EGRT) to finance the initial startup to build the regional solid waste facility. He asked the Mayor and Councilors to continue its pledge of EGRT to the NWNMRSWA for the proposed bond issue to finance costs for a new cell at the landfill and to refinance existing debt as a cost saving measure. Currently, the loan payment with the New Mexico Finance Authority is about \$70,000 per month as the NWNMRSWA faces a shortfall of about \$20,000 to \$30,000 every month in EGRT revenues and has to make up the difference with tipping fees and operational revenue. By moving forward with the bond issue, the loan payment for the NWNMRSWA will be reduced to about \$40,000 per month.

Councilor Wall asked about the authorized amount of \$4.5 million on the proposed Resolution when the actual amount for the bond issue is about \$3.5 million. Mr. Muirhead said the preliminary numbers for the bond issue were prepared by the financial advisors about two months ago. When the bond ordinance is presented to the Mayor and Councilors in the upcoming weeks, the ordinance will have a definitive amount for the bond issue.

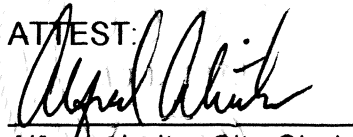
Councilor Landavazo asked about the current status of the regional solid waste facility with regards to the environmental violations from a few years ago. Mr. Moore said an escrow account was established to pay the fines that were assessed for the violations and the compliance issues for the facility have been addressed.

Due to time limitations, the Work Session adjourned.



Mayor Jackie McKinney

ATTEST:



Alfred Abeita, City Clerk

Approved 5/10/2011