

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 12, 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: Dan Dible, City Manager

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

1. Appointment of Pete Juarez, Randal Henry and Lucy R. Saucedo to the Gallup-McKinley Veterans Committee – Mayor Jackie McKinney

Mayor McKinney recommended the appointments of the aforementioned individuals to the Committee.

2. Sale of Surplus Property to Anna M. Bond – R. David Pederson, City Attorney

Mayor McKinney said the subject property is a small residential lot located on Victoria Avenue between Second and Third Streets. The property contains .22 acres out of a large tract of land which was acquired by the City from the Diocese of Gallup in 1972. He recommended approval of the sale of the property to Anna Bond in the amount of \$4,000.

Councilor Wall asked if the property was located next to Bubany Park and if the prospective property owner would have any issues related to the lighting of the park. Mayor McKinney and the City Clerk said the subject property proposed for sale is located across the street from the park in which lighting should not be an issue.

3. Construction Contract Award for the Community Development Block Grant (CDBG) Sky City Public Housing Curtis Avenue Reconstruction Project – Stan Henderson, Executive Director, Public Works Division

Mr. Henderson presented the results of the bid for Phase II of the Curtis Avenue Reconstruction Project. The project will consist of the reconstruction of the roadway,

## MINUTES

City Council Work Session – 7/12/2011

Page 2

sidewalks and utilities within the roadway. Based on the bids submitted for the project, he recommended award of the construction contract to Mountain States Contractors in the amount of \$389,151.97.

Councilor Landavazo asked if there was a City funding match required for the project. Mr. Henderson said the CDBG amount itself is \$375,000 in which the City will need to make up the difference for the overall construction costs and costs for services provided by DePauli Engineering and Surveying. The amount that needs to be made up is about \$100,000, which is currently available in the City's budget.

Mayor McKinney asked if the City has utilized the service of Mountain States Contractors in the past. Mr. Henderson responded no; however, Mountain States Contractors is the apparent low bidder for the West Maloney Reconstruction Project, which is a State sponsored project under the New Mexico Department of Transportation. Mayor McKinney asked how soon the project would commence. Mr. Henderson said the contractor will begin construction toward the end of this month. Councilor Wall asked when the West Maloney Reconstruction Project will begin. Mr. Henderson said the project will begin at the end of the month as well. Mayor McKinney asked about the areas to be worked on under the West Maloney Reconstruction Project. Mr. Henderson said the lane construction will be conducted in front of Wal-Mart and payment resurfacing will continue westward to the Allison intersection. Councilor Enfield asked if the curve of the roadway will be removed at the Allison intersection. Mr. Henderson responded no.

Mr. Dible recommended the presentation and discussion of Item 5 prior to Item 4.

5. Resolution No. R2011-23; Adoption of Revised Fiscal Year (FY) 2012 Budget – Dan Dible, City Manager

Mr. Dible said the savings from the proposed wage freeze for all non-union personnel is included in the payroll line items of the departments funded by the General Fund. He requested direction from the Mayor and Councilors concerning the possible extension of the wage freeze to non-union personnel in departments that are not funded by the General Fund, such as the Street Department, Senior Centers, and Gallup Joint Utilities. If the wage freeze is extended to departments that are not funded by the General Fund, it would affect roughly 20 to 40 non-union employees since the majority of the employees are part of the collective bargaining unit. Previously, he was unaware that longevity pay was addressed in the collective bargaining agreement with the City's blue collar workers; however, by suspending longevity pay to non-union personnel would save the City \$150,000 in the General Fund. He said he is more supportive of the wage freeze rather than suspending longevity pay as the City moves closer to

## MINUTES

City Council Work Session – 7/12/2011

Page 3

balancing the budget. The revised budget includes the savings of about \$180,000 for the closing of Harold Runnels Pool after the Labor Day weekend and an estimated \$767,000 for “at-cost” utilities for City facilities. Matters concerning the Law Enforcement Building will be discussed during the next Regular Meeting. If all of the proposals for FY 2012 as previously outlined are approved by the Mayor and Councilors, the budget will still be \$376,740 out of balance. In contrast to a recent newspaper article, Mr. Dible provided clarification concerning the \$500,000 that was cut from the Special Activities (Non-Departmental) budget for capital projects. He said the \$500,000 will be kept in the City’s reserves and may be used with authorization from the Mayor and Councilors for funding matches required for grants to fund capital improvement projects.

Mayor McKinney asked about the duration of time the proposed wage freeze, suspension of longevity pay and purchasing utilities “at cost” would be in effect. Mr. Dible said the costs saving proposals for FY 2012 are not permanent and the proposed wage freeze would not affect employees for six months. Councilor Enfield said the proposed wage freeze should be applied across the board. Mr. Dible said he would prefer that the wage freeze be applied across the board and to defer action on the suspension of longevity pay until the Personnel Rules and Regulations have been reviewed. Any action on longevity pay for non-union personnel will require an amendment to the Personnel Rules and Regulations, which may be considered in October when the City will have sufficient data on its gross receipts tax revenues. Mayor McKinney asked if the suspension of longevity pay would affect all employees except union employees. Mr. Dible concurred since longevity pay is addressed in the collective bargaining agreement with the United Mine Workers of America. Councilor Landavazo asked if longevity pay for employees is typical in other municipalities. Mr. Dible said longevity pay is normally used when the employer has a short pay plan. Although the pay plans have been adjusted over time, longevity pay for employees remained in effect as supplemental pay for employees. Other municipalities have longevity pay; however, longevity pay is paid to employees in different ways, such as in lump sums or on employee anniversary dates, which has a psychological advantage by encouraging employees to work another year. Discussion followed concerning shortened pay scales, job value, pay scales over time, pay based on performance, and pay scales for different occupational groups. Mayor McKinney asked if longevity pay be tied to performance reviews. Mr. Dible said the basis of longevity pay is to recognize the employee’s years of service; however, longevity pay should be tied to a pay system where the employee “tops out” in their pay. Mr. Dible said he does not want to burden the non-union employees by suspending their longevity pay and would like to review the matter as well as the entire Personnel Rules and Regulations with input from City employees. Councilor Enfield asked when the City last amended its Personnel Rules and Regulations. Mr. Henderson said the Personnel Rules and Regulations were last

MINUTES

City Council Work Session – 7/12/2011

Page 4

amended during the Rosebrough Administration. Mayor McKinney thanked Mr. Dible for keeping the City's employees in mind since he and the Councilors also value the work of the employees.

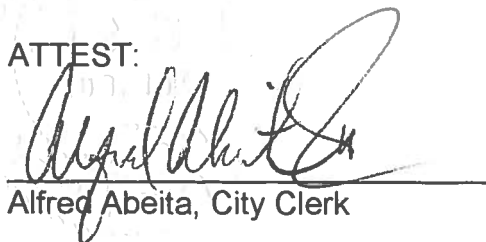
Councilor Wall asked about the revenue generated by the golf course. Mr. Dible said the City is projecting \$180,000 in revenue from the golf course. Councilor Wall asked about the self-support level of the golf course. Mr. Dible presented the self-support percentages and subsidy levels for the City's recreational facilities that are funded by the General Fund. A copy of the General Fund Self-Support and Subsidy Level are attached hereto and made a part of these official Minutes. The best year for the golf course was in 2004 when its self-support percentage was close to 35%. The self-support level has gradually declined every year since 2004 and currently maintains a self-support percentage of 17.71% and a subsidy level of \$661,249. Discussion followed on the self-support and subsidy levels of the Harold Runnels Pool and the Aquatic Center. The subsidy level for the Aquatic Center is more consistent than the Harold Runnels Pool since the Aquatic Center is a modern facility and the Harold Runnels Pool requires capital expenditures from time to time for repairs and improvements for the aged facility. Based on his conversations with City staff, Councilor Wall said the Aquatic Center normally reaches capacity 2 to 3 times per week in contrast to the Harold Runnels Pool which never reaches capacity. Mr. Dible said the City will be able to accommodate the lap swimmers from the Harold Runnels Pool at the Aquatic Center. Discussion followed concerning the budgetary line items for the Fitness Center, Ford Canyon Senior Citizens Center, Neighborhood Senior Citizens Center, Red Rock Park, solutions for the cooling system at the Fitness Center, Recreational (Cigarette) Tax, Gasoline Tax and the Law Enforcement Building Lease.

Due to time limitations, the Work Session adjourned.



Allan Landavazo, Mayor Pro Tem

ATTEST:



Alfred Abeita, City Clerk

Approved 7/26/2011

## GENERAL FUND SELF SUPPORT (%) & SUBSIDY LEVELS (\$)

	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002
Golf Course	17.71%	20.01%	25.74%	23.98%	24.22%	31.06%	31.68%	34.96%	29.94%	25.15%
Golf Course	\$661,249	\$713,822	\$721,570	\$640,154	\$543,182	\$411,744	\$368,337	\$368,224	\$477,429	\$702,872
Aquatic Center	11.56%	16.25%	15.13%	17.63%	30.95%					
Aquatic Center	\$360,472	\$430,313	\$420,502	\$379,369	\$184,319					
EI Morro	29.29%	22.64%	22.53%	9.13%	17.44%	19.58%	35.51%			
EI Morro	\$72,842	\$89,181	\$83,722	\$110,165	\$107,267	\$71,206	\$62,173			
Red Rock Park	15.50%	18.33%	22.11%	24.43%	11.84%	3.11%	8.99%	30.25%		
Red Rock Park	\$494,867	\$441,898	\$396,810	\$333,637	\$271,190	\$364,155	\$443,791	\$602,633		
Fitness Center	79.76%	91.33%	91.95%	62.34%	83.22%	44.52%	97.25%	85.62%	61.43%	78.38%
Fitness Center	\$41,910	\$20,982	\$19,048	\$89,455	\$37,519	\$173,612	\$4,300	\$24,750	\$77,736	\$38,243
H R Pool	15.77%	22.30%	22.58%	4.14%	19.19%	27.35%	9.59%	27.86%		
H R Pool	\$213,782	\$206,978	\$239,910	\$746,668	\$329,115	\$266,020	\$764,265	\$266,777		
Total	\$1,845,121	\$1,903,174	\$1,881,562	\$2,299,448	\$1,472,592	\$1,286,737	\$1,642,865	\$1,262,384	\$555,165	\$741,115

### LODGERS TAX ALSO INVOLVED

For example, in FY 2010 the Fitness Center was 91.33% self supporting and it cost the General Fund \$20,982 to cover the shortfall.