Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico, held at the El Morro Events Center, 210 South Second Street, at 9:00 a.m. on Tuesday, April 19, 2016.

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

Mayor:	Jackie McKinney
Councilors:	Linda Garcia Allan Landavazo Yogash Kumar Fran Palochak
Also present:	Maryann Ustick, City Manager George Kozeliski, City Attorney

The Mayor and Councilors conducted a Work Session to review and discuss the following topics:

1. Presentation on General Obligation Bond Options – Paul Cassidy, RBC Capital Markets

Mr. Cassidy provided a power point presentation on the City's options to issue General Obligation Bonds for financing infrastructure and capital improvements. A copy of the power point presentation is attached hereto, marked as "Exhibit A" and made a part of these official Minutes. If the City moves forward with the bond issue, the Mayor and Councilors must identify the capital projects to be funded with the proceeds from the sale of bonds. The City must also hold a special bond election in August 2016 to obtain voter approval on the issuance of the bonds. Mr. Cassidy also provided an overview of a cycling program for the issuance of the City's General Obligation Bonds, which provides a recurring source of funds for infrastructure and capital improvements.

2. 5-Year Community Improvement Plan – Maryann Ustick, City Manager and Stan Henderson, Public Works Director

Mr. Henderson provided a power point presentation on the proposed Community Improvement Plan (CIP) for Fiscal Year (FY) 2017. The CIP identifies the capital needs for each department for the next fiscal year as well as the five-year funding needs with the use of the City's General Fund, special revenue funds, enterprise funds, and third party/outside funding sources. A copy of the power point presentation is attached hereto, marked as "Exhibit B" and made a part of these official Minutes.

3. Proposed Fiscal Year 2017 Budget – Maryann Ustick, City Manager and Patty Holland, Chief Financial Officer

Ms. Ustick presented a power point presentation on the proposed budget for Fiscal Year

2017. A copy of the power point presentation is attached hereto, marked as "Exhibit C" and made a part of these official Minutes.

The Mayor and Councilors conducted a review of the FY 2017 proposed budget. Ms. Ustick, Ms. Holland and the department heads answered questions posed by the Mayor and Councilors.

There was no official action taken by the Mayor and Councilors during the Work Session. The Work Session adjourned at 5:25 p.m.

Jackie McKinney, Mayor

ATTEST:

Alfred Abeita II, City Clerk

Approved 5/10/2016

City of Gallup, NM

GO Bond Election and Bond Cycle Discussion

April 19, 2016

EXHIBIT A

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General Obligation Bonding Capacity

Municipal GO Debt

- Can issue General Obligation Bonds per NM Constitution
- Bonds must be approved by voters
- Tax rate in first year borrowing cannot exceed 12 mill rate
- Debt amortization cannot exceed 20 years
- Bonds must be sold at a public sale, negotiated sale or privately placed with NMFA or other investors

General Purpose Bonding Capacity

2015 Assessed Valuation	$	345,833,833
4% of Assesed Valuation		13,833,353
G.O. Debt Outstanding		(795,000)
Remaining Capacity	**$**	**13,038,353**
% Bonded Capacity		**5.75%**

	Series 2011					
Date	Principal	Coupon	Interest	Total	Total Debt	Tax Rate
2016	145,000	3.000%	28,850	173,850	$ 173,850	1.487
2017	150,000	3.000%	24,500	174,500	174,500	0.515
2018	160,000	4.000%	20,000	180,000	180,000	0.531
2019	170,000	4.000%	13,600	183,600	183,600	0.542
2020	170,000	4.000%	6,800	176,800	176,800	0.522
Total	$ 795,000		$ 93,750	$ 888,750		

Non-callable

PROPERTY TAX DECREASE OF **-0.972**

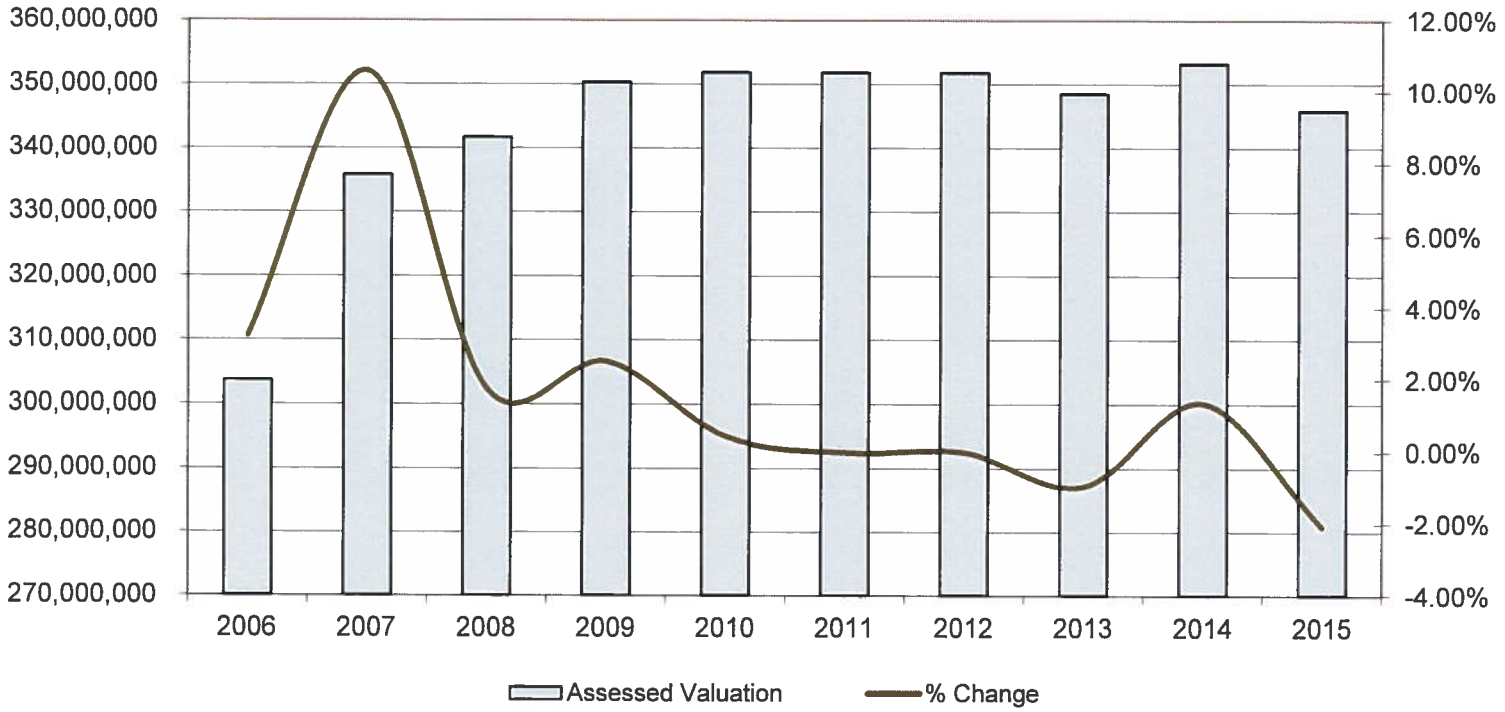
FULL VALUE	NET TAXABLE VALUE	ANNUAL COST	MONTHLY COST	DAILY COST
$100,000	$31,333	($30.46)	($2.54)	($0.08)
125,000	39,667	(38.56)	(3.21)	(0.11)
150,000	48,000	(46.66)	(3.89)	(0.13)
175,000	56,333	(54.76)	(4.56)	(0.15)
200,000	64,667	(62.86)	(5.24)	(0.17)
225,000	73,000	(70.96)	(5.91)	(0.19)
250,000	81,333	(79.06)	(6.59)	(0.22)

**Net taxable value is computed as follows: 100% of market value of property divided by 3 less $2,000 for head of household deduction.*

If no Debt is issued in 2016 Debt Service tax rate will go down to approximately 0.515 in FY 2017 and 0.531 in FY 2018.

History of Assessed Value

Tax Year	Assessed Valuation	% Change
2006	$303,670,060	3.23%
2007	335,815,449	10.59%
2008	341,703,493	1.75%
2009	350,303,878	2.52%
2010	351,833,741	0.44%
2011	351,798,125	-0.01%
2012	351,782,943	0.00%
2013	348,471,767	-0.96%
2014	353,196,152	1.36%
2015	345,833,833	-2.08%
5 Year Average Annual Growth		-0.34%
10 Year Average Annual Growth		1.63%



Analysis of Assessed Value

Assessments	2015	2014	2013	2012	2011	2010	% Change 2010 to 2015
Value of Land	$103,914,986	$103,160,041	$101,568,357	$99,364,874	$98,997,784	$95,937,314	8.32%
Improvements	312,605,592	332,335,916	328,272,609	333,518,846	333,456,100	318,581,870	-1.88%
Personal Property	12,456,410	11,818,410	12,441,490	12,190,790	12,021,870	12,912,640	-3.53%
Manufactured Homes	6,028,550	6,635,270	6,720,690	6,622,850	6,263,670	6,131,130	-1.67%
Livestock	-	-	-	-	-	-	0.00%
Assessor's Total Valuation	**$435,005,538**	**$453,949,637**	**$449,003,146**	**$451,697,360**	**$450,739,424**	**$433,562,954**	**0.33%**
Less Exemptions							
Head of Family	$4,387,340	$4,557,600	$4,655,330	$4,712,350	$4,804,360	$4,829,560	-9.16%
Veterans	4,349,204	4,324,762	4,285,381	4,174,733	4,158,130	3,933,151	10.58%
Other	90,115,688	101,583,368	100,990,629	99,968,779	99,189,273	80,927,745	11.35%
Total Exemptions	**$98,852,232**	**$110,465,730**	**$109,931,340**	**$108,855,862**	**$108,151,763**	**$89,690,456**	**10.21%**
Assessors' Net Valuation	$336,153,306	$343,483,907	$339,071,806	$342,841,498	$342,587,661	$343,872,498	-2.24%
Centrally Assessed	9,680,527	9,712,245	9,399,961	8,941,445	9,210,464	7,961,243	21.60%
Total Assessed Valuation	$345,833,833	$353,196,152	$348,471,767	$351,782,943	$351,798,125	$351,833,741	-1.71%

5 Year Average Annual Growth	**-0.34%**
10 Year Average Annual Growth	1.63%

Source: McKinley County Assessor's Office.

Historical Tax Rates

Residential Tax Rates - per $1,000 Assessed Valuation
Within 20 Mill Limit for General Purposes

	2015	2014	2013	2012	2011
State of New Mexico	$0.000	$0.000	$0.000	$0.000	$0.000
McKinley County	6.033	5.895	5.859	5.719	5.524
City of Gallup	5.738	5.603	5.589	5.435	5.250
Gallup-McKinley County Schools	0.276	0.270	0.268	0.262	0.253
Total	**$12.047**	**$11.768**	**$11.716**	**$11.416**	**$11.027**

Over 20 Mill Limit - Interest, Principal, Judgments, etc.

	2015	2014	2013	2012	2011
State of New Mexico	$1.360	$1.360	$1.360	$1.360	$1.362
McKinley County	0.000	0.000	0.000	0.000	0.000
University of New Mexico - Gallup Branc	5.750	5.750	6.330	6.330	5.500
City of Gallup	1.487	1.113	1.502	1.717	1.414
Gallup-McKinley Schools	10.320	10.331	10.332	10.349	10.355
Rehoboth Christian Hospital	3.000	3.000	3.000	2.000	2.000
Total	**$21.917**	**$21.554**	**$22.524**	**$21.756**	**$20.631**

Total Levy

	2015	2014	2013	2012	2011
State of New Mexico	$1.360	$1.360	$1.360	$1.360	$1.362
McKinley County	6.033	5.895	5.859	5.719	5.524
Gallup Branch Comm. College	5.750	5.750	6.330	6.330	5.500
City of Gallup	7.225	6.716	7.091	7.152	6.664
Gallup-McKinley Schools	10.596	10.601	10.600	10.611	10.608
Rehoboth Hospital	3.000	3.000	3.000	2.000	2.000
Total Residential - Gallup	**$33.964**	**$33.322**	**$34.240**	**$33.172**	**$31.658**
Total Non-Residential - Gallup	**$41.917**	**$41.554**	**$42.524**	**$41.756**	**$40.631**
Total Residential in Unincorporated McKinley County	**$26.739**	**$26.606**	**$27.149**	**$26.020**	**$24.994**
Total Non-Residential in Unincorporated McKinley County	**$32.780**	**$32.791**	**$33.372**	**$32.389**	**$31.567**

Source: State of New Mexico, Department of Finance & Administration

No Tax Rate Increase = $4.3MM One time issuance

		Series 2016						
Date	Existing Debt	Principal	Coupon	Interest	Total	Total Debt	Assessed Value	Tax Rate
2016	173,850	0	4.25%	182,963	182,963	$ 356,813	$ 345,833,833	1.487
2017	174,500	145,000	4.25%	182,963	327,963	502,463	345,833,833	1.483
2018	180,000	145,000	4.25%	176,800	321,800	501,800	345,833,833	1.481
2019	183,600	150,000	4.25%	170,638	320,638	504,238	345,833,833	1.488
2020	176,800	165,000	4.25%	164,263	329,263	506,063	345,833,833	1.493
2021		345,000	4.25%	157,250	502,250	502,250	345,833,833	1.482
2022		360,000	4.25%	142,588	502,588	502,588	345,833,833	1.483
2023		375,000	4.25%	127,288	502,288	502,288	345,833,833	1.482
2024		390,000	4.25%	111,350	501,350	501,350	345,833,833	1.479
2025		410,000	4.25%	94,775	504,775	504,775	345,833,833	1.489
2026		425,000	4.25%	77,350	502,350	502,350	345,833,833	1.482
2027		445,000	4.25%	59,288	504,288	504,288	345,833,833	1.488
2028		465,000	4.25%	40,375	505,375	505,375	345,833,833	1.491
2029		485,000	4.25%	20,613	505,613	505,613	345,833,833	1.492
Total		$ 4,305,000		$ 1,708,500	$ 6,013,500			

Assumes 0% Assessed Value Growth. Current Tax Rate = $1.487

GO Debt Management Plan – No Cycle Established

- Next bond election in August 2016 for up to $4.3 million
  - No tax rate increase will be required
  - Elections can be held every two or four years thereafter but require a tax rate increase
- Constitution limits amount of bonds outstanding to 4% of assessed valuation.
- Declining debt service to permit new bonds in future without tax increase.
- 13 year final maturity (20-year maximum).
- Retire debt as quickly $1.487 levy will permit.
- Actively manage debt service cash and principal maturities to maintain a stable debt service tax rate and retire debt as quickly as possible.
- Debt Service Tax Rate Management
  - Optionally Redeem Bonds
  - Authorized But Unissued Debt
  - Defease Bonds

Why establish a funding cycle?

- A cycle provides a recurring source of funds for infrastructure and capital.
- A cycle mitigates market rate risk.
- The cycle takes advantage of growing property values and rapid pay off of bonds utilizing a stable tax rate.
- The cycling approach provides built-in accountability mechanisms.
- Without a long-term solution, competition for funds will continue to increase.

How does a cycling approach work?

- Elections are held once every two or four years, bond sales are held when funds are needed or dependent on Facilities Master Plan or cash needs.
- Property taxes are maintained at a level sufficient for rapid repayment of bonds.
- As the Issuer's total valuation increases, capacity for new bonds is created.
- As bonds are paid off, new bonds may be issued without raising the tax rate.

Cycling Program - Example $3MM Every Other Year = $3.80 Tax Rate

		Series 2016			Series 2018		Series 2020			Series 2022					
Date	Existing Debt	Principal	Interest	Total	Principal	Total	Principal	Interest	Total	Principal	Interest	Total	Total Debt	Assessed Valuation	Tax Rate
2016	173,850												173,850	$345,833,833	1.49
2017	174,500	960,000	154,600	1,114,600									1,289,100	345,833,833	3.80
2018	180,000	990,000	116,200	1,106,200									1,286,200	345,833,833	3.80
2019	183,600	95,000	76,600	171,600	780,000	935,338							1,290,538	345,833,833	3.81
2020	176,800	95,000	72,800	167,800	835,000	957,188							1,301,788	349,292,171	3.80
2021		95,000	69,000	164,000	125,000	211,700	775,000	164,250	939,250				1,314,950	352,785,093	3.80
2022		95,000	65,200	160,200	125,000	206,388	830,000	129,375	959,375				1,325,963	356,312,944	3.80
2023		95,000	61,400	156,400	125,000	201,075	125,000	92,025	217,025	610,000	163,875	773,875	1,348,375	359,876,073	3.82
2024		95,000	57,600	152,600	125,000	195,763	125,000	86,400	211,400	650,000	134,900	784,900	1,344,663	363,474,834	3.77
2025		95,000	53,800	148,800	125,000	190,450	125,000	80,775	205,775	160,000	104,025	264,025	809,050	367,109,582	2.25
2026		95,000	50,000	145,000	125,000	185,138	125,000	75,150	200,150	160,000	96,425	256,425	786,713	370,780,678	2.17
2027		95,000	46,200	141,200	125,000	179,825	125,000	69,525	194,525	160,000	88,825	248,825	764,375	374,488,485	2.08
2028		95,000	7,800	102,800	125,000	174,513	125,000	63,900	188,900	160,000	81,225	241,225	707,438	378,233,370	1.91
2029	-	100,000	4,000	104,000	125,000	169,200	125,000	58,275	183,275	160,000	73,625	233,625	690,100	382,015,704	1.84
2030	-				125,000	136,050	125,000	52,650	177,650	160,000	66,025	226,025	539,725	385,835,861	1.43
2031	-				135,000	140,738	125,000	47,025	172,025	160,000	58,425	218,425	531,188	389,694,219	1.39
2032							125,000	12,150	137,150	160,000	50,825	210,825	347,975	393,591,161	0.90
2033							145,000	6,525	151,525	160,000	43,225	203,225	354,750	397,527,073	0.91
2034										160,000	14,250	174,250	174,250	401,502,344	0.44
2035										140,000	6,650	146,650	146,650	405,517,367	0.37
2036													-	409,572,541	-
Total	888,750	3,000,000	835,200	3,835,200	3,000,000	3,883,363	3,000,000	938,025	3,938,025	3,000,000	982,300	3,982,300	16,353,788		

Assumptions

- Assessed valuation growth: 0% 2016-2020 , 1% 2021 and Thereafter
- Collection rate at 98%

PROPERTY TAX INCREASE OF **2.310**

FULL VALUE	NET TAXABLE VALUE	ANNUAL COST	MONTHLY COST	DAILY COST
$100,000	$31,333	$72.38	$6.03	$0.20
125,000	39,667	91.63	7.64	0.25
150,000	48,000	110.88	9.24	0.30
175,000	56,333	130.13	10.84	0.36
200,000	64,667	149.38	12.45	0.41
225,000	73,000	168.63	14.05	0.46
250,000	81,333	187.88	15.66	0.51

**Net taxable value is computed as follows: 100% of market value of property divided by 3 less $2,000 for head of household deduction.*

CITY OF GALLUP, NEW MEXICO
SPECIAL ELECTION FOR GENERAL OBLIGATION BONDS

FINANCING SCHEDULE DRAFT

DATE	ACTION	RESPONSIBLE PARTIES
Monday, May 16, 2016	Notify Local Government Division, DFA of proposal to issue bonds (include statement of outstanding general obligation bonds). Must be done before any proceedings are initiated. (6-15-1)	City Bond Counsel FA
Tuesday, May 24, 2016	Adoption by Council of bond election resolution (pp. 1-5) and supplemental resolution (pp. 1-18) as a special election. Posting of a copy of the bond election resolution in the office of the City Clerk. (3-8-35)	City Bond Counsel
Tuesday, May 24, 2016	City Council to appoint Election Board not less than 35 days prior to Election, two of whom can serve as clerks and not less than two alternates for each billing place who shall be the precinct board. (3-8-19(C))	City Clerk City
Thursday, May 26, 2016	File Election Resolution with McKinley County Clerk; Request Registered Voter Lists and Signature Rosters, containing only the qualified electors eligible to vote in the City's election; Order Voting Machines from County Clerk. (3-8-7(B)) (3-8-14) Forward copy to Secretary of State (3-8-35)	City Clerk
Thursday, June 02, 2016	Submit election resolution to *Gallup Independent* for publication (in English AND Spanish) for 4 weeks beginning on Friday, June 17, 2016 (deadline 12:00 noon) (3-8-35)	City Clerk

DATE	ACTION	RESPONSIBLE PARTIES
Friday, June 10, 2016	First day not more than 60 days prior for filing non-resident municipal electors certificates of eligibility with City Clerk (3-30-3)	City Clerk
Thursday, June 16, 2016	First publication of a total of 4 weekly publications of election resolution (pp. 1-5); must be published once each week for four consecutive weeks (in English AND Spanish). (3-30-6; 3-8-35) (First publication to be between 50 and 60 days before the date of election). Broadcast in Navajo and Zuni.	City Clerk
Friday, June 17, 2016	Not later than 5:00 p.m. the City Clerk shall order all election supplies. (3-8-18(B)) (No later than 53rd day preceding election)	City Clerk
Thursday, June 23, 2016	Second publication (in English AND Spanish) of election resolution (pp. 1-5), one week after first publication. (3-30-6; 3-8-35). Broadcast in Navajo and Zuni.	City Clerk
Thursday, June 30, 2016	Last day for the City Clerk to request in writing from the County Clerk the Registered Voter Lists and Signature Rosters containing only the qualified electors eligible to vote in the City's election. (3-8-7(B))	City Clerk
Thursday, June 30, 2016	Third publication (in English AND Spanish) of election resolution (pp. 1-5), two weeks after first publication. (3-30-6; 3-8-35). Broad cast in Navajo and Zuni.	City Clerk
Tuesday, July 05, 2016	The City Clerk shall post the names of the precinct boards and their polling places in the City Clerk's office (35th day prior). The City Clerk shall notify the precinct board in writing of their appointment. (3-8-19(C))	City Clerk

DRAFT

DATE	ACTION	RESPONSIBLE PARTIES
Tuesday, July 05, 2016	Last day for the City Council to appoint not less than three election judges, two of whom may serve as clerks and not less than two alternates for each polling place who shall be the precinct board. (3-8-19(C))	City Council City Clerk
Tuesday, July 05, 2016	First day to mail absentee ballots to voters (3-9-4(M), 1-23-5: 35 days prior to election)	City Clerk
Tuesday, July 05, 2016	Last day for printer to deliver ballots to the City Clerk. (3-8-18(C))	City Clerk
Thursday, July 07, 2016	Fourth publication (in English AND Spanish) of election resolution (pp. 1-5), three weeks after first publication. (3-30-6; 3-8-35). Broadcast in Navajo and Zuni.	City Clerk
Monday, July 11, 2016	Post in City Clerk's office and publish (in English AND Spanish) Notice of Voting Machine Inspection and Certification (3-8-14(D))	City Clerk
Tuesday, July 12, 2016	Last day to register with McKinley County Clerk. (1-4-8(C): Closed at 5:00 p.m. on 28th day preceding election)	County Clerk
Monday, July 18, 2016	Voting Machine Inspection and Certification with County Clerk (3-8-14)	City Clerk
Tuesday, July 19, 2016	Last day to receive Registered Voter Lists from County Clerk (3-8-7)	City Clerk
Friday, July 22, 2016	Submit bond questions and related polling information for publication (in English AND Spanish) in *Gallup Independent* for 2 consecutive weeks beginning July 27, 2016 (deadline 12:00 noon) (3-8-36)	City Clerk

DRAFT

DATE	ACTION	RESPONSIBLE PARTIES
Monday, July 25, 2016	Last day (not less than 15 days before election) for non-resident electors to file Certificate of Eligibility for voting on bond questions. (3-30-3)	City Clerk
Monday, July 25, 2016	Submit Notice of election school to *Gallup Independent* for publication (in English AND Spanish) on July 27, 2016 (deadline 12:00 noon) (3-8-21(A))	City Clerk
Wednesday, July 27, 2016	First day for first of two weekly publications (in English AND Spanish) of bond questions, location and address of precinct polling places, names of precinct board members for each place (pp. 10-17 of the Supplemental Bond Election Resolution). The City Clerk shall publish twice, one week apart, for two successive weeks. The City Clerk shall also post in her office until election day. (3-8-36) Broadcast in Navajo and Zuni.	City Clerk
Friday, July 29, 2016	Last day to publish (in English AND Spanish) notice of election school, not less than five days prior to school. (3-8-21(A))	City Clerk
Tuesday, August 02, 2016	Last day for City Clerk to mail notice of election school to each precinct board member and alternate, not less than seven days prior to election school. (3-8-21(B))	City Clerk
Tuesday, August 02, 2016	Voting Machine Inspection and Certification with County Clerk not less than seven days prior to election. (3-8-14(E))	City Clerk
Wednesday, August 03, 2016	Last day for second and last weekly publication (in English AND Spanish) by the City Clerk of the bond questions, the location and address of polling places, and the names of precinct board members and alternates for each polling place (pp. 10-17 of the Supplemental Bond Election Resolution). (3-8-36) Broadcast in Navajo and Zuni.	City Clerk

DATE	ACTION	RESPONSIBLE PARTIES
Wednesday, August 03, 2016	Election School (3-8-21(A))	City Clerk
Thursday, August 04, 2016	Last day for City Clerk to conduct or cause to be conducted an election school for precinct workers. (3-8-21(A))	City Clerk
Thursday, August 04, 2016	Last day to mail absentee ballots to voters. (3-9-4) (1-23-5)	City Clerk
Thursday, August 04, 2016	Last day to issue replacement ballots (3-9-13(B))	City Clerk
Thursday, August 04, 2016	At 5:00 p.m., the City Clerk publicly destroys all unused absentee ballots. (3-9-8(C))	City Clerk
Thursday, August 04, 2016	Last day (not less than 5 days prior to election) for City Clerk to place Certificates of Eligibility of non-resident voters on bond questions in registration book. (3-30-4(B))	City Clerk
Friday, August 05, 2016	Last day to vote in person. (3-8-81(B))	City Clerk
Friday, August 05, 2016	Last day for receipt of Petitions appointing challengers and watchers. (3-8-31)	City Clerk
Tuesday, August 09, 2016	Presiding Judge shall cause all election materials to be delivered to polling places not later than 6:00 a.m. on election day. (3-8-38(B))	City Clerk

DRAFT

DATE	ACTION	RESPONSIBLE PARTIES
Tuesday, August 09, 2016	ELECTION DAY 7 a.m. to 7 p.m. (3-8-38(D))	City Clerk
Tuesday, August 09, 2016	Outer envelopes (ballots) from voters may be accepted up to closing of polls at 7:00 p.m. (3-9-8(B))	City Clerk
Tuesday, August 09, 2016	Deliver absentee ballots to precinct board. (3-9-10)	City Clerk
Tuesday, August 09, 2016	At 7:00 p.m. the City Clerk determines number of ballots not received and executes the certificate of unreceived ballots. (3-9-8(D))	City Clerk
Wednesday, August 10, 2016	7:00 p.m. deadline for delivery of election returns to the City Clerk. The City Clerk's office must remain open until all election returns are delivered. (3-8-47)	City Clerk
Friday, August 12, 2016	No later than 12:00 Noon the City Clerk shall begin the canvass of election returns, provided that the official canvass shall be completed no later than 5:00 p.m. on this date. (3-8-53)	City Clerk

City Council Work Sessions every 1st and 3rd Tuesday
City Council Meetings every 2nd and 4th Tuesday

DRAFT

Appendix: 2003 Bond Election Brochure

RBC Capital Markets

THE BALLOT QUESTIONS

1. **PUBLIC PARKS AND RECREATION BOND QUESTION**

   Shall the City of Gallup, New Mexico, be authorized to issue its general obligation bonds, in one series or more, in an amount not exceeding $4,190,000 for the purpose of acquiring, building, beautifying and improving public parks and other public recreational facilities within and without the City boundary, including but not limited to acquiring sites by purchase, lease or otherwise, (which may include but is not limited to a new public downtown plaza for community and cultural gatherings, open space projects, a new swimming pool, multi-use sports fields, neighborhood play grounds and trails for walking, hiking and biking), said bonds to be payable from general (ad valorem) taxes (except to the extent other moneys are available therefor) and to bear interest and mature and to be issued upon such terms and conditions as the City Council may determine?

2. **STREET AND SIDEWALK IMPROVEMENT BOND QUESTION**

   Shall the City of Gallup, New Mexico be authorized to issue its general obligation bonds, in one series or more, in an amount not exceeding $2,120,000 for the purpose of constructing, reconstructing, repairing and otherwise improving municipal alleys, streets, public roads and sidewalks, said bonds to be payable from general (ad valorem) taxes (except to the extent other moneys are available therefor) and to bear interest and mature and to be issued upon such terms and conditions as the City Council may determine?

3. **FIRE PRTECTION BOND QUESTION**

   Shall the City of Gallup, New Mexico, be authorized to issue its general obligation bonds, in one series or more, in an amount not exceeding $405,000 for the purpose of providing proper means for protection from fire, including but not necessarily limited to, purchasing apparatus for fire protection and providing, enlarging and improving fire equipment and facilities for the City, said bonds to be payable from general (ad valorem) taxes (except to the extent other moneys are available therefor) and to bear interest and mature and to be issued upon such terms and conditions as the City Council may determine?

WHERE DO I VOTE?

Precinct No.	Polling Place
District # 1 (Northside)	
34	*Washington Elementary* School 700 W. Wilson
34A	*Juan de Onate Elementary School* 505 E. Vega
35	*City Recreation Center* 400 W. Princeton
38	*Rex Historical Building*
39	*Octavia Fellin Public Library* 115 W. Hill
40	*Education Development Center* 1100 E. Aztec
District #2 (Eastside)	
46	*J.F.K. Mid School* 600 S. Boardman
46A	*Jefferson Elementary School* 300 Mollica Drive
47	*Eastside Fire Station* 2420 E. Aztec
48	*Rocky View Elementary School* 345 Basilio Drive
49	*Indian Hills Elementary School* 3604 Ciniza Drive
District #3 (Southside)	
42	*Bethany Christian Church* 1110 S. Strong
42A	*Roosevelt Elementary School* 400 E. Logan
43	*Gallup Mid School* 1001 S. Grandview
44	*Red Rock Elementary* 1305 Red Rock
45	*UNM Gallup Campus* 200 College Drive
46B	*Golf Course Pro Shop* 1109 Susan
District #4 (Westside)	
31	*Grace Navajo Baptist Church* Mentmore County Road 1
32	*Western Skies M.H.P. Rec. Hall* 200 Western Skies Road
33	*Stagecoach Elementary School* 725 Freedom Drive
37	*Lincoln Elementary School* 801 W. Hill
41	*Southside Fire Station* 1800 S. Second Street
Absentee Voters:	Office of the Gallup City Clerk Gallup Municipal Building Second and Aztec Gallup, NM

City of Gallup, New Mexico

Special Bond Election

August 12, 2003
7:00 A.M. to 7:00 P.M.

PLEASE VOTE

Prepared under the direction of the City of Gallup Council to assist voters in reaching a decision on the merits of the General Obligation Bond Issue

Printed by: _____, Gallup, New Mexico

WHO MAY VOTE?

Anyone who is a registered voter residing within the boundaries of the City of Gallup.
OR
Any non-resident registered voter who has completed a Certificate of Eligibility with the City Clerk.

If you have any questions, please call the City Clerk's office at (505) 863-1255

WHAT WILL IT COST?

Approval of the bond issue will result in an increase of property taxes. The increase will be approximately $0.996 per $1,000 of assessed valuation. The chart below illustrates the tax impact.

Full Property Value	Net Taxable Value (1/3 of full)	Monthly Tax Impact	Annual Tax Impact
$75,000	$25,000	$2.08	$24.90
100,000	33,333	2.77	33.20
125,000	41,667	3.46	41.50
150,000	50,000	4.15	49.80

BOND MEASURES WILL ACCOMPLISH

- These bond measures represent a significant investment in Gallup's future. Our small investment now, when bond interest rates are low, will reap economic benefits for years to come through increases in tourism (and the attraction of new business and jobs to Gallup.)

- These bond measures will improve the quality of life in Gallup by, developing a new aquatic center, improving sports fields and neighborhood playgrounds and creating an interconnected network of trails.

- These bond measures will allow the city to revitalize downtown through the creation of a new public downtown plaza for community and cultural gatherings, (and through improvements in traffic flow and presentation safety.)

REMAINING BACKLOG OF CAPITAL PROJECTS

- Electric Substation & Line Upgrades
- Fire Station Renovations
- Senior Citizen Centers
- Downtown Flood Control
- Wastewater Treatment Plant Improvements
- Wastewater Line Rehabilitations
- Water System Improvements

WHY BONDS AND NOT EXISTING CITY FUNDS?

- General Fund revenue sources have not increased at the same rate as the cost of living increases causing short falls and the inability to fund capital improvement projects from the General Fund. Future General Obligation Bonds, Revenue Bonds, and grants will help fund some of the unfunded backlog of capital projects.

BALLOT QUESTIONS IN BRIEF

On August 12, 2003 you will be asked to vote on the following questions, (the full text is included in the overleaf):

1. $4,190,000 Bond- City of Gallup, New Mexico general obligation bonds to acquire, build, beautify and improve public parks?

   - Downtown Plaza
   - Swimming Pool/ Aquatic Center
   - Recreational Open Space/ Comprehensive Shared Use Trail System
   - Field Turf Multi-Purpose Fields
   - Neighborhood Playgrounds

2. $2,120,000 Bond- City of Gallup, New Mexico general obligation bonds to improve municipal alleys, streets, public roads, and bridges?

   - Gurley/College Avenue Reconstruction
   - Hassler Valley Road Realignment
   - Sidewalk Projects:($200,000 per district)
   - Nizhoni/College Intersection Improvements

3. $405,000 Bond- City of Gallup, New Mexico general obligation bonds to provide proper means for protection from fire?

   - Northside Fire Station

For additional information, please call Larry Binkley, Assistant City Manager at (505) 863-1230

PLEASE VOTE

RECOMMENDED COMMUNITY IMPROVEMENT PLAN BUDGET

2016 To 2017

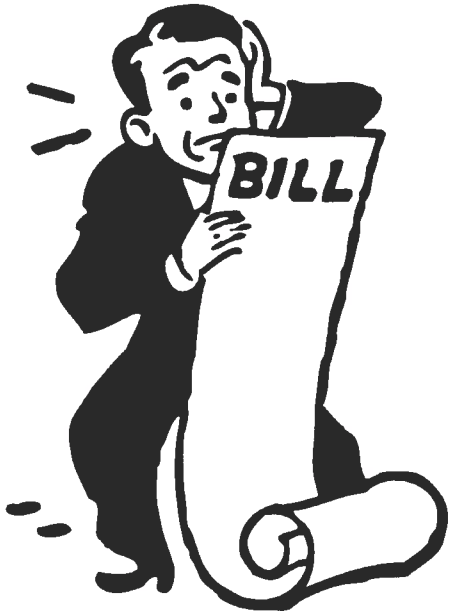
CITY OF GALLUP

CITY OF GALLUP

As of 19 April 2016

EXHIBIT B

RECOMMENDED 2016-2017 BUDGET SUMMARY



- General Department(s) = **$1,700,260**
- Parks n Recreation Department = **$ 683,000**
- Public Works Department = **$7,972,200**
- JU|Electric Department = **$1,826,250**
- JU|Water n Solid Waste Department = **$5,409,500**

TOTAL = $17,591,210

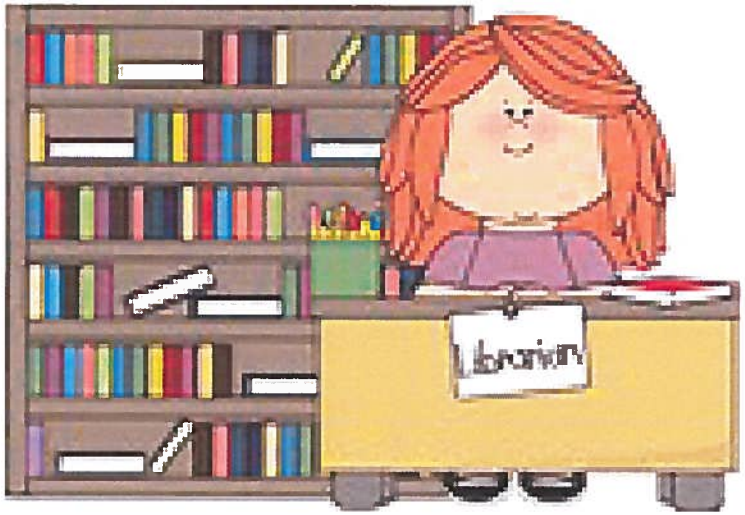
Includes $6,429,260 in Earmarked,
or Planned 3rd Party Funding

RECOMMENDED PROJECTS FOR GENERAL DEPTs | GENERAL SERVICES

1.	Customer Waiting Area Renovation	= **$100,000+**	**| EN**
2.	City Hall HVAC Replacement	= **$ 8,000 (Dsgn)**	**| GF**
3.	El Morro Marquee Reconstruction	= **$ 14,260 (Dsgn)**	**| 3P**
4.	Municipal Annex Exterior Repairs	= **$ 50,000**	**| EN**
5.	North Side Neighborhood Ctr Repairs	= **$ 15,000 (Dsgn)**	**| 3P**
6.	Back Up Network Server	= **$ 10,000 (EQ)**	**| GF**
7.	Desktop Computer Replacements	= **$ 63,000 (EQ)**	**| GF**

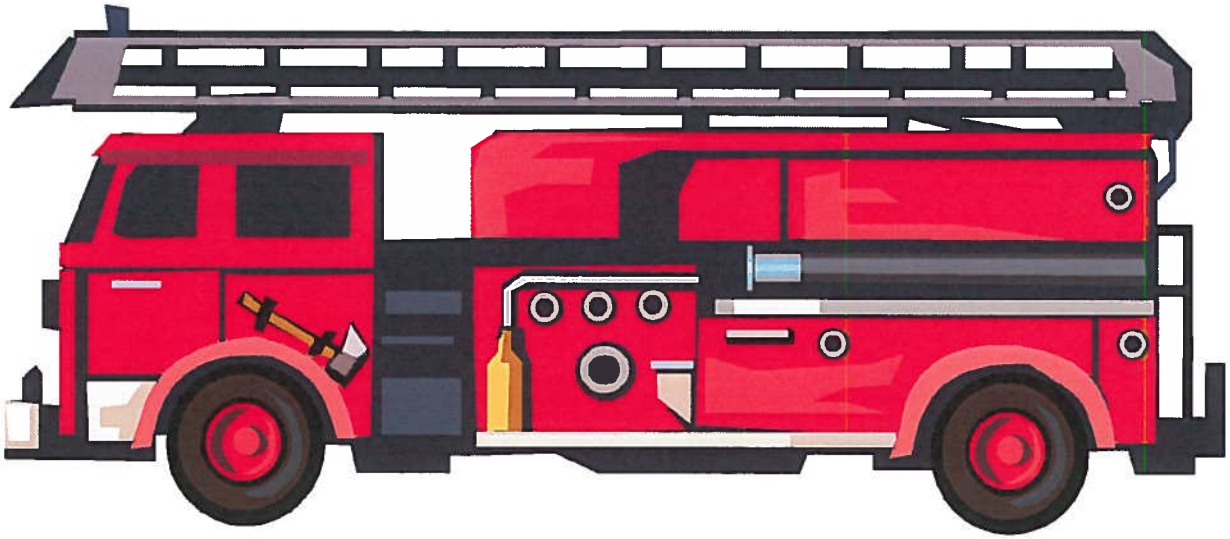
RECOMMENDED PROJECTS FOR GENERAL DEPTs | LIBRARY

1. New Library Building Construction = **$35,000** **| GF**
   (Technical Feasibility and Planning Cost Estimate)
2. Main Library Entrance Reconstruction = **$65,000** **| SF**



RECOMMENDED PROJECTS FOR GENERAL DEPTs | FIRE DEPARTMENT

1. New 105' Platform Fire Engine = **$750,000+ (VH) | GF/3P**

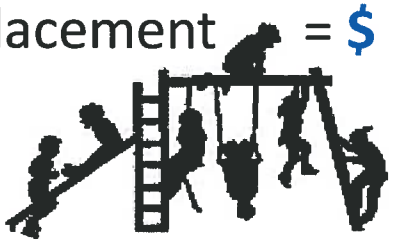


RECOMMENDED PROJECTS FOR GENERAL DEPTs | POLICE DEPARTMENT

1. Public Safety Bldg Improvements = **$ 30,000 (Dsgn) | GF**
2. Public Safety Bldg HVAC Replacement = **$ 60,000 | GF**
3. Public Safety Bldg Fire Sprinkler System = **$150,000+ | GF**
4. Police Dept Vehicles Replacement = **$350,000+ (VH) | SF/3P**

RECOMMENDED PROJECTS FOR PARKS n RECREATION DEPARTMENT

1. Topdresser 2500 For Golf Course = **$ 12,000 (EQ) | GF**
2. Arena Tractor For Red Rock Park = **$ 81,000 (EQ) | GF**
3. City Landscaping n ROW Drng Impr = **$ 50,000++ | SF**
4. Aquatic Center Swimming Pool Coating = **$ 70,000 (Ph 1) | GF**
5. Indian Hills Park Lighting Replacement = **$ 50,000 (Dsgn) | 3P**
6. New Concrete Skate Board Park = **$370,000+ | GF/3P**
7. RR Park Hydraulic Stage Replacement = **$ 50,000 | GF**



RECOMMENDED PROJECTS FOR PUBLIC WORKS DEPARTMENT

1.	BC|PM2000 10 Table Saw	= $ 5,100 (EQ)	| GF
2.	BC|Trailer w/ BT 14x7 Dump	= $ 9,500 (EQ)	| GF
3.	ST|10 Ton Tandem Dump Truck	= $ 215,000 (VH)	| SF
4.	ST|Case Loader Backhoe	= $ 110,000 (VH)	| SF
5.	ST|Bobcat 24” Planer Drum	= $ 17,000 (EQ)	| SF
6.	Reconstruct Airport Runway 6/24	= $4,725,000+	| SF/3P
7.	ACE Little Puerco Flood Cntrl Dam CO	= $ 60,000+	| GF
8.	Church Rock Extension Overlay	= $ 75,000+	| SF

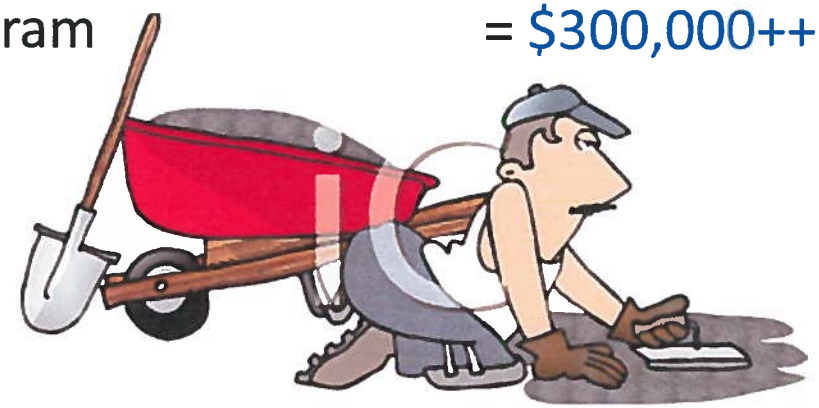
RECOMMENDED PROJECTS FOR PUBLIC WORKS DEPARTMENT (Continued)

9. Country Club Drive Repavement Ph 2 = **$ 80,000** | **SF**
10. DT Coal Ave Alley Reconstruction Ph 1 = **$500,000+** | **SF/EN**
11. DT Coal Ave Alley Reconstruction Ph 2 = **$ 65,000 (Dsgn)** | **SF/EN**
12. East Nizhoni Blvd Reconstruction = **$200,000 (Dsgn)** | **SF**
13. Ford n Aztec Conc Pvmnt Reconstruction = **$126,000+** | **SF**
14. Hasler Valley Rd Storm Drng Imprvmnts = **$ 50,000 (Dsgn)** | **SF**
15. Mill n Overlay Neighborhood Streets = **$160,000++** | **SF/3P**
16. Ridgecrest Ave Repavement = **$115,000** | **SF**

RECOMMENDED PROJECTS FOR PUBLIC WORKS DEPARTMENT (Continued)

17. Sky City Roadways Reconstruction Ph 4 = $700,000+ | SF/EN/3P
18. West Jefferson Ave Reconstruction = $ 55,000 (Dsgn) | GF

19. Curb n Gutter Repair Program = $500,000++ | SF
20. Sidewalk Repair Program = $300,000++ | SF



CURB, GUTTER, n SIDEWALK REPAIRS

Country Club Dr Curb n Gutter Ph 1 Lessons Learned

A. "One size fits all" concrete contract is not workable.

B. Need existing contract for small reconstruction repairs such as utility cuts in small quantities and widely spaced locations.

C. But it is not appropriate for larger concrete quantities.
   1) No economy of cost scale.
   2) Inefficient expenditure of funding.
   3) Prolonged neighborhood disruption.

D. Larger scale reconstruction requires contracting in larger quantities in centralized locations.

CURB, GUTTER, n SIDEWALK REPAIRS
Recommendations

A. Using Asset Management Plan condition data, target “whole block” curb, gutter, and sidewalk reconstruction in each Council district.

B. With “whole block” reconstruction, eliminate constituent cost participation. Allows reconstruction of sidewalks without breaks for existing landscaping, gaps, and constituent nonparticipation.

C. Centralize Curb n Gutter and Sidewalk Program funding for “whole block” reconstruction.

D. Advertise targeted blocks in a single construction contract once a fiscal year.
   1) Competitive contractor bids (economy of scale) with larger concrete amounts in centralized locations.
   2) Reduced contractor mobilization costs for each location.

CURB, GUTTER, n SIDEWALK REPAIRS
Proposed Plan Of Action

A. City Council approval to centralize Curb n Gutter and Sidewalk Program funding for "whole block" reconstruction and eliminate constituent cost participation.

B. Based on "preliminary" Asset Management Plan condition data, DES is preparing a single construction contract:

1) Bid Lot 1 (District 1) – Strong/Lincoln Ave fr N 1st Street to E Adams Ave.
2) Bid Lot 2 (District 2) – Church Rock St fr Toltec Dr to Vanden Bosch Pkwy.
3) Bid Lot 3 (District 3) – Country Club Dr Ph 2 fr Philipin Ave to E Logan Ave.
4) Bid Lot 4 (District 4) – Saguaro Dr fr Day St to Red Bluff Court.
5) Additive Bid Item – Red Rock Dr fr Country Club Dr to Edith Ave.

CURB, GUTTER, n SIDEWALK REPAIRS
Proposed Plan Of Action (Continued)

C. DES is also preparing a second construction contract:

6) Downtown – Coal Avenue fr 1st Street to 3rd Street.

D. Second contract is necessary for the downtown area because of

- Existing monolithic concrete roadway section.
- Laydown curb IAW Metropolitan Redevelopment Area Plan.

E. Plan advertising first contract NLT May with City Council award NLT June.

RECOMMENDED PROJECTS FOR JU|ELECTRIC DEPARTMENT

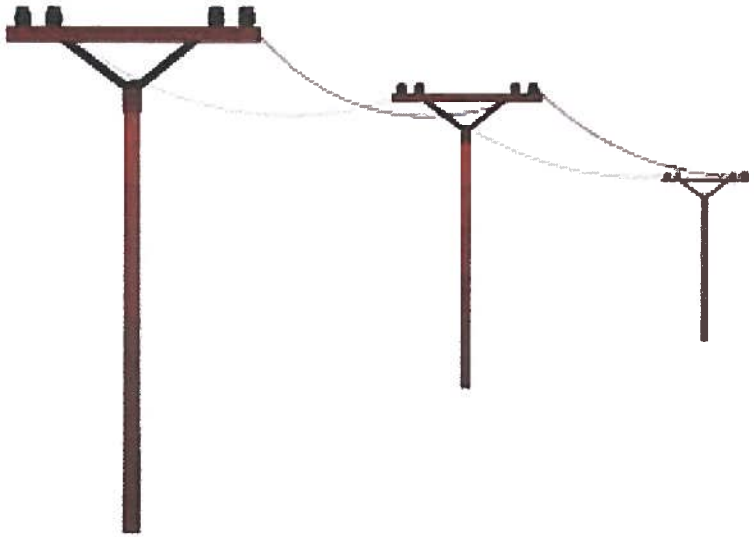
1. High Voltage Cable Fault Tester = **$ 27,000 (EQ)**
2. Two Reel Wire Trailer = **$ 16,250 (EQ)**
3. Single Reel Wire Trailer = **$ 13,000 (EQ)**
4. Digger Derrick Truck = **$352,000 (VH)**
5. Single Person Bucket Truck = **$152,000 (VH)**
6. LED Street Light Upgrades = **$ 30,000++**
7. SCADA System Upgrades = **$ 51,250++**
8. Transformer Upgrade Requirements = **$123,000++**

RECOMMENDED PROJECTS FOR JU|ELECTRIC DEPARTMENT (Continued)

9. Allison Substation Upgrade = **$300,000 (Dsgn)**
10. Capital Service Line Extensions = **$164,000++**
11. System Power Factor Improvements = **$15,000+**
12. Fiber Optic System Construction = **$75,000++**
13. Mentmore Feeder Loop Construction = **$50,000+**
14. New Equipment Bays n Material Storage = **$90,000 (Dsgn)**
15. Noe Substation Upgrade = **$105,000**
16. Reroute Underground Feeders #74 n #75 = **$150,000+**

RECOMMENDED PROJECTS FOR JU|ELECTRIC DEPARTMENT (Continued)

17. Well Field Feeder #75 Line Reconstruction = **$ 10,250+**
18. Electrical Distribution System Improvements = **$102,500+**

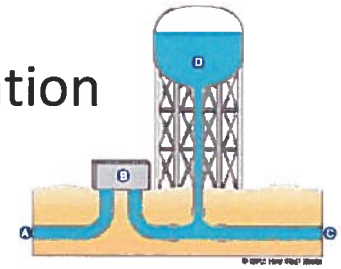


RECOMMENDED PROJECTS FOR JU|SOLID WASTE DIVISION

1. SW|Front Loader Refuse Truck = **$300,000+ (VH)**
2. SW|Side Loader Refuse Truck = **$300,000+ (VH)**
3. New Hasler Valley Solid Waste Facility = **$200,000+ (Dsgn)**

RECOMMENDED PROJECTS FOR JU|WATER n WASTEWATER DIVISION

1. Service Unit Replacement For Unit #267 = **$ 42,000 (VH)**
2. Grandview Water Tank Rehabilitation Ph 1 = **$3,470,000**
3. Sewer Collection System Improvements = **$ 260,000++**
4. Water Distribution System Rehabilitation = **$ 260,000++**
5. Water Well #11 Rehabilitation = **$ 510,000**
6. Water Well #12 Rehabilitation = **$ 30,000 (Dsgn)**
7. Southwest Water Tank Rehabilitation = **$ 37,500 (Dsgn)**



2016-2017 YEAR ONE FUNDING

- City General Funds = **$ 723,600**
- City Special/Bond Funds = **$ 2,670,100**
- City Enterprise/Bond Funds = **$ 7,768,250**
- 3rd Party/Outside Funding = **$ 6,429,260**

TOTAL FUNDING = $17,591,210

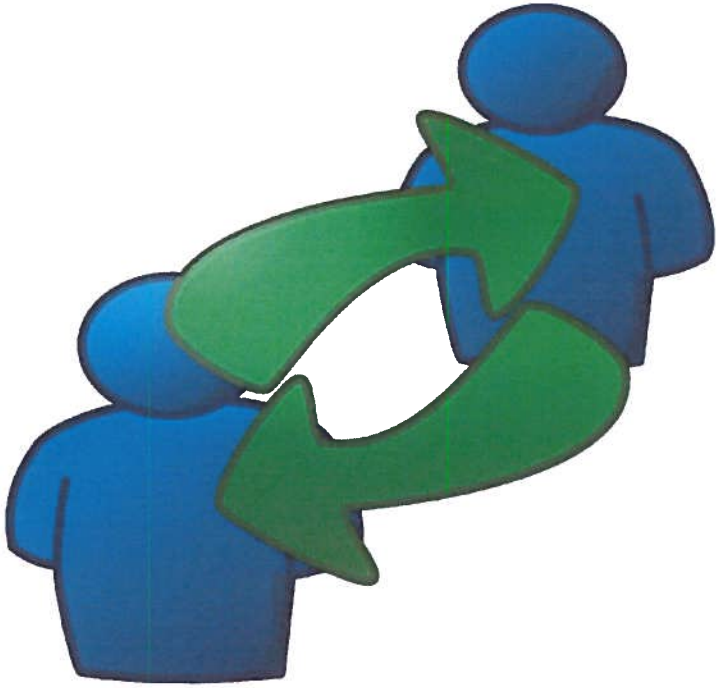
FY 2017-18-19-20-2021
"FIVE YEAR" FUNDING NEED

- City General Funds = **$ 32,706,975**
- City Special Funds = **$ 33,988,325**
- City Enterprise Funds = **$ 48,253,948**
- 3rd Party/Outside Funding = **$ 39,994,260**

TOTAL FUNDING = $154,943,508

COMMUNITY IMPROVEMENT PLAN FEEDBACK

- Questions
- Discussion
- Guidance



CITY OF GALLUP

FY 2017 BUDGET PRESENTATION

EXHIBIT C

Total City Budget $87,850,283
FOCUS: GENERAL FUND

- Balanced General Fund Budget of: $28,449,181
- General Fund Cash Reserves: $5,885,289 (20.69%)

Proposed FY 2016 Budget Highlights

- Key Issue: Although we have seen a slight average increase in GRT Revenue Year to Date, the Hold Harmless increase of approximately $200,000 per year until it reaches 3.2 Million makes balancing the budget an ongoing and long term challenge.

1. General Fund:
   - A. No new full time positions
   - B. No new vehicles (except for 10 Police vehicles included in CIP and funded by $285,000 in Capital Outlay and $65.000 in Infrastructure GRT funds)
   - C. Building Maintenance funding has been centralized in Facilities Maintenance budget (with exception of grant funded programs and a small amount of funding for Emergency Maintenance)
   - D. Placed freeze on vacant Non-Public Safety Positions (including General Services Director, Mechanic and GIS Tech)
   - E. No funding for COLAS or Council Special Projects is included in draft budget but unallocated funds in the amount of $161,500 are available for Council direction.

Highlights cont'd

2. Enterprise Funds:

A. Cost allocation/transfer from Utilities Funds to General Fund remains at 8% pending a cost allocation plan to be developed during FY 2017

B. Long Range Financial Projections for Water, Wastewater and Solid Waste Funds are still in progress.

C. Funding for Economic Development in the amount of $250,000 is included in Electric and Water Budgets ($125,000 charged to each budget)

3. Special Activities Funding:

A. Level funding for Special Activities except for MainStreet/ACD, Metro Dispatch and Prisoner Care as follows:

*BID $120,000
*BOYS AND GIRLS CLUB $6,000
*COG $65,000
*GALLUP EXPRESS $85,000
*MAIN STREET/ACD $40,000 (INCREASED FROM $10,000)
*METRO DISPATCH $25,000 (NEW)
*NMML $40,000
*PRISONER CARE $350,000
*SWIF $20,000
*YCC $85,000 (GRANT NOT FUNDED BY STATE)

Highlights cont'd

Special Activities Funding (cont'd):

B. Received request from gallupARTS for $10,000 (Not Funded pending decision on County Funding.

4. Lodgers Tax:

A. Funding for budget unit for Tourism Manager: $104,247

B. Funding for current Red Rock Park Staff (Foreman and Two Laborers and Seasonal PT Positions): $133,973

C. Funding proposed for additional Red Rock Park Personnel (Red Rock Park Manager and PT Clerical Staff): $84,863

D. Total Red Rock Park Budget proposed for funding by Lodgers Tax (including Utilities of $166,000 and Staff Benefits and Overtime): $435,906

E. Review/reduce Red Rock Park fees to increase Park usage/revenues and reduce long term dependence on Lodger's Tax

F. Significant Lodgers Tax Fund balance for promotional activities must be expended (Over One Million from previous years. FY 2017 Proposed Budget reflects use of $239,184 in funds from previous years.

G. Will be restructuring Lodgers Tax budget for next FY to reflect promotional (40 percent) and Non-Promotional/Events and City Events Centers (60 percent) requirements by State Statute.

Highlights cont'd

Lodgers Tax cont'd

H. Currently all sub recipients funding has been included in Non-Promotional category which reduces the amount the City can use for Events/Events Center operations. Per State guidance, Tourism Manager will be developing contracts with all sub-recipients to ensure compliance with State Statute and Audit requirements.

5. Future Reductions/Revenue Generation Opportunities:

As Hold Harmless increases by approximately $200,000 each year to over 3 Million a year, there will have to be significant increases in revenues based on growth and/or significant reductions in Services and Personnel.

During FY 2017 we'll be focusing on:

A. Reductions in Fleet and Associated Costs
B. Attrition (Freeze/review of each Non-Public Safety Position)
C. Organizational Structure (Potential consolidations/reductions in overhead)
D. Energy efficiency audit results (Long term reductions in energy costs)
E. Create separate Municipal Facility Repair and Replacement Reserve Fund to ensure adequate funding to maintain facilities.

Highlights cont'd

Future Reductions cont'd

F. Explore potential billing for Fire Medical Transport

G. Expand Tourism Promotion/Events and Sports Tourism to increase Lodgers Tax and GRT Revenues

H. Focus on Downtown Redevelopment and Business Expansion to increase Property Tax and GRT Revenue

GENERAL FUND REVENUES

- **MAJOR SOURCES – RECURRING VS NON-RECURRING**
- Taxes

(Gross Receipts, Property, State Shared, Franchise)

- Service Charges

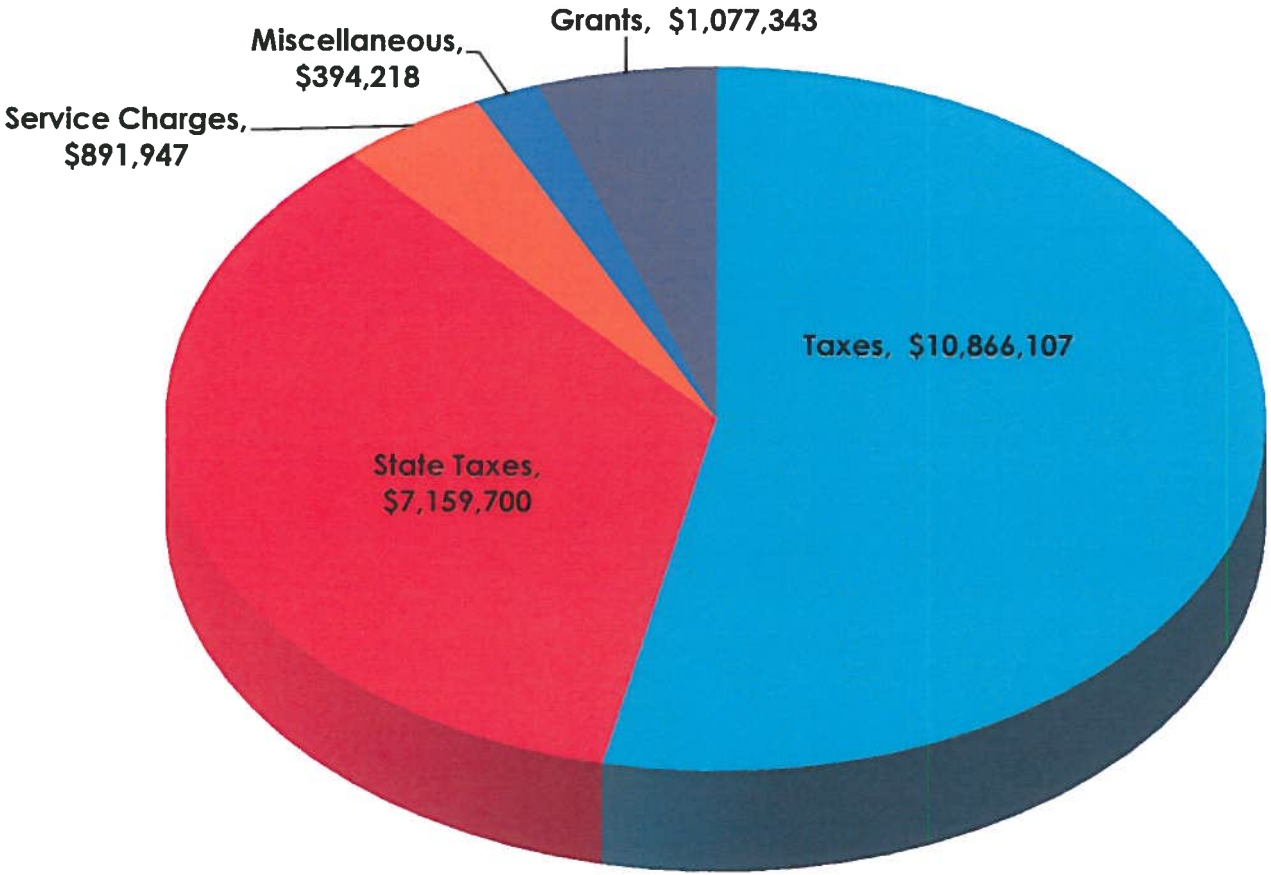
(Licenses, Registrations, Fines, Permits)

- Miscellaneous Income

(Rental, Discounts, Sale of Fixed Assets, Interest Income)

- Grants

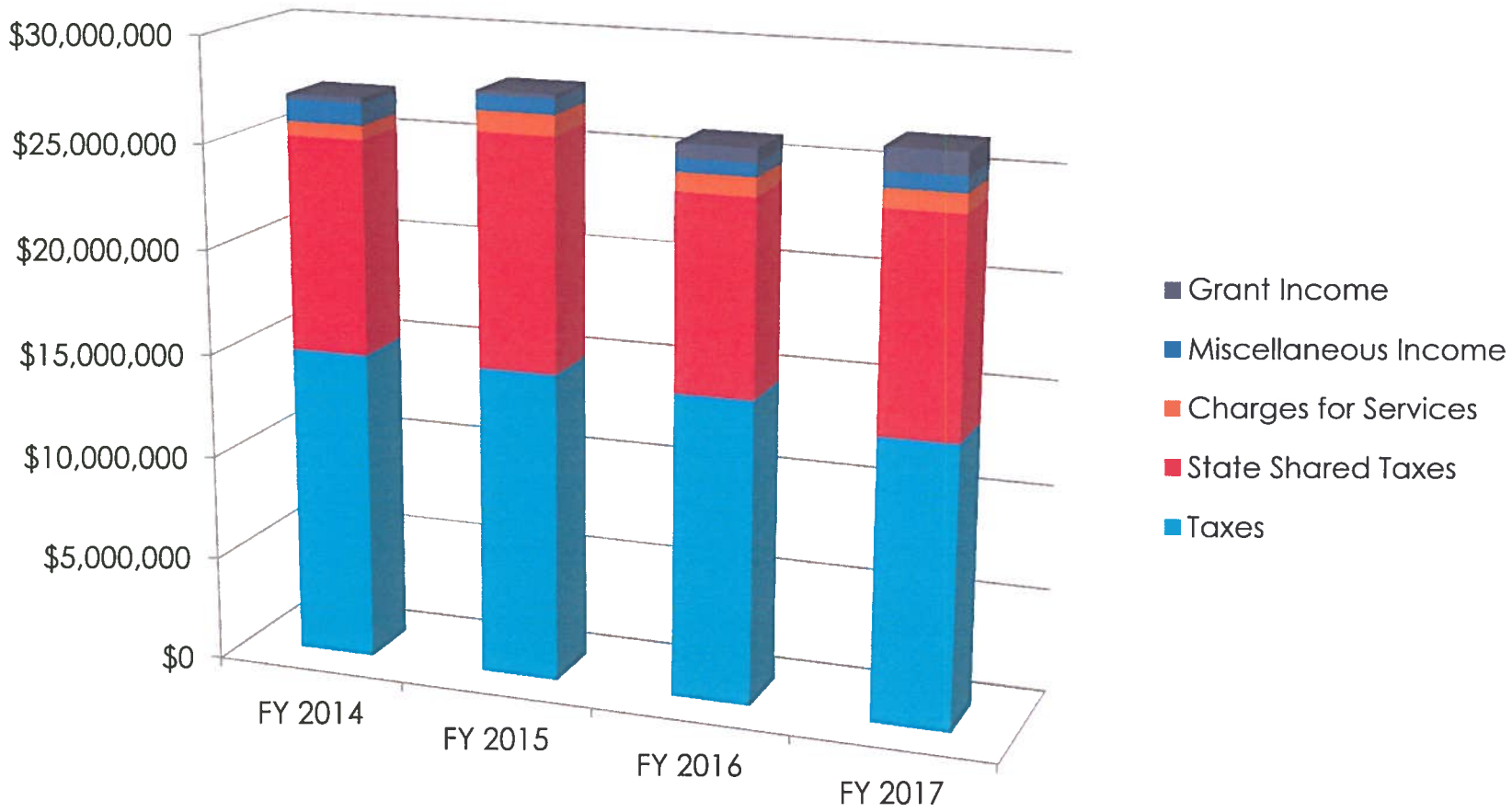
(Intergovernmental, JPAs, Lodgers' Tax)



General Fund Revenue Make Up

The City relies heavily on taxes. So a small decrease in actual tax distributions dramatically affects our overall budget.

GENERAL FUND REVENUE SOURCES



GENERAL FUND EXPENDITURES

- **MAJOR USES RECURRING VS NON-RECURRING**
- Personnel

(Salaries and Benefits)

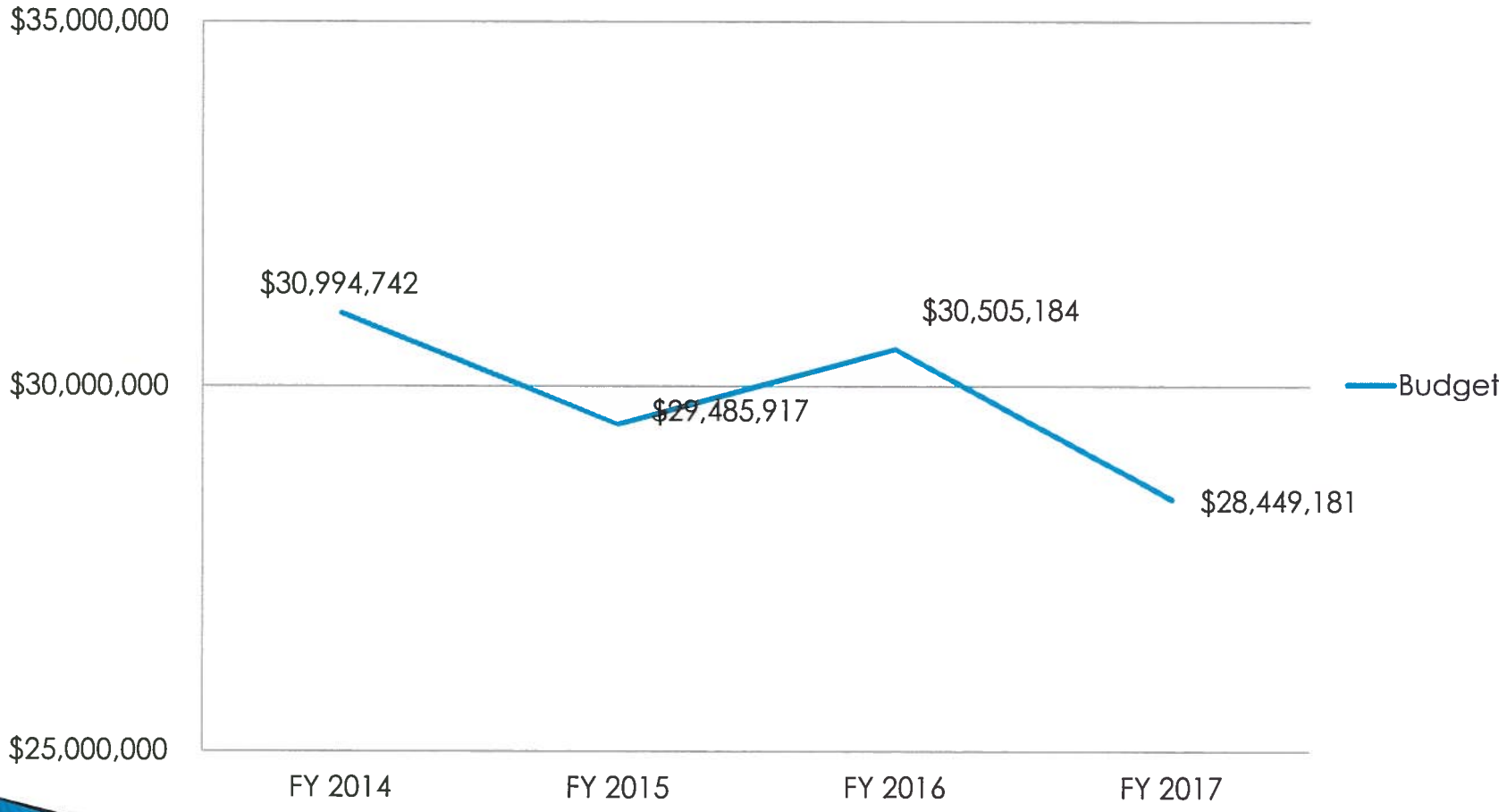
- Operating

(Professional Fees, Maintenance, Supplies, Travel, Rentals)

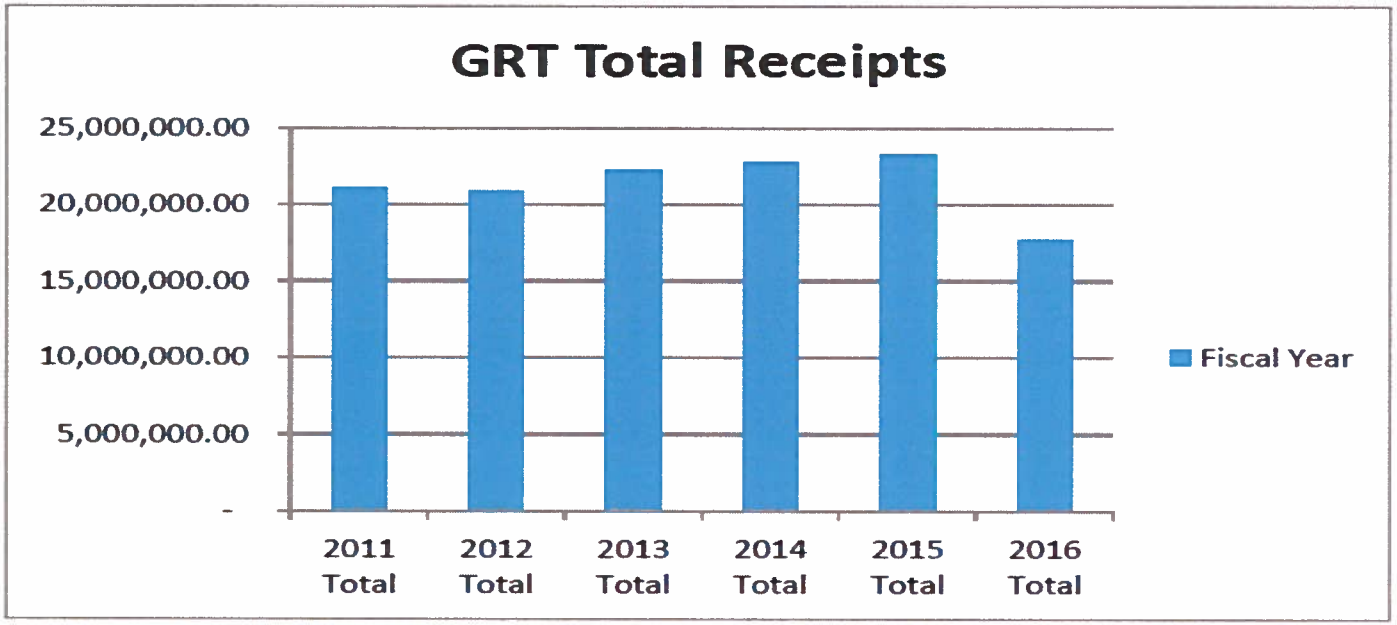
- Capital Outlay = Asset Purchase Over $5,000

(Buildings, Land, Improvements, Equipment, Vehicles)

GENERAL FUND BUDGETED EXPENDITURES



GRT Total Receipt History



Questions???