

City Council hears updates on fiscal year budget

Written by By Cody Begaye Sun Correspondent
Friday, 10 May 2019 07:45



Projected amounts for rec centers, fire, police operations

The Gallup City Council recently held a special meeting to hear from numerous city departments about their proposed budgets for the upcoming fiscal year.

A chart included in the April 25 presentation showed the 2018 actual fund expenditures came to about \$31 million, an increase over the 2017 expenditures of over \$25 million. The projected budget for 2019 was listed at about \$28 million.

The presentation also included highlights of the General Fund Expenditures, which include:

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\$183,000 for Red Rock Park Utilities

Health insurance cost increase budgeted at 12 percent and dental insurance at 5 percent for FY2020 budget draft

\$150,000 for council special project funds

Decreases to the fire and police operations from the General Fund, which are in turn funded by separate funds; the fire operation decrease was for \$75,000, and the police operation decrease was for approximately \$587,000

City Manager Maryann Ustick said the Fire Protection Fund will be able to fund the overall operation, but not salaries.

“[The fund] is not a blank check. There are certain things we can’t fund,” she said.

Ustick suggested a number of new fire trucks be considered for Fire Protection Fund expenditures, because some trucks need to be replaced.

About \$1.6 million of general fund expenditures is slated for vehicles and equipment along with capital projects. General services, IT, police department, planning, and public works are set to receive a total of \$432,000 for either new vehicles or computer equipment.

Capital projects include \$75,000 for reflooring the main library along with the new region library building; \$380,000 for Indian Hills Park, which includes lighting replacement and picnic shelters reconstruction; \$350,000 for the whole block sidewalk reconstruction program; about \$200,000 for the various recreation centers; and about \$100,000 for Red Rock Park replacements and repairs.

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Changes to the Larry Brian Mitchell Recreation Center include a walk-in fee of \$2 for adults and \$0.50 for youth. Paying guests will be able to use the center's features like the basketball court and weight room.

There will also be a free after-school program for children, adult programs in the evenings for \$10 a month, and numerous youth camps during the summer.

The Gallup Aquatic Center's projects include a pool rehabilitation and the addition of ADA pool lifts. The center will also aim to hire 13 seasonal employees for the summer.

Mayor Jackie McKinney praised the efforts of the aquatic center staff since its opening.

"[The center] is immaculate, the staff does a great job in keeping it going," he said.

The presentation then covered the special activities funding for the new fiscal year. Amounts posted were as follows:

\$120,000 for the Business Improvement District

\$6,000 for Boys and Girls Club

\$25,000 for The Community Pantry

\$40,000 for Gallup Main Street Arts & Cultural District

\$85,000 for Gallup Rural Transit

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\$10,000 for GallupArts

\$5,000 for Junior Public Safety Academy

\$44,000 for New Mexico Municipal League

\$65,000 for Northwest New Mexico Council of Governments

\$750,000 for prisoner care

\$20,000 for Southwest Indian Foundation

\$6,000 for Veterans Committee

These amounts will be covered by the general fund, according to the council. They added that there will be no cuts for these activities this year, but they will likely have to be considered for the next fiscal year.

According to the presentation, the City of Gallup is able to absorb the increases from the state phasing out hold harmless subsidies of about \$200,000 per year for 15 years for a total of \$3.2 million.

The hold harmless tax break was created during Bill Richardson's term as governor. The first portion that allowed for abatement of taxes on food was enacted in 2004 and the second, relating to health care expenses was enacted in 2007. The Hold Harmless amount for FY2020 is currently \$1 million.

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When asked about the increase of general fund expenditures from 2017 to 2018, Patty Holland, chief financial officer for the City of Gallup, had several explanations.

“Across the board, there are buildings and projects being put into place now,” she said. “There are also a lot more requirements from all state agencies, which is why the finance department expenditures are up.”

By Cody Begaye
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