

GGEDC hosts Economic Roundtable: 'The True Cost of Debt'

Written by By Bernie Dotson Sun Correspondent
Friday, 05 February 2016 04:23



SANTA FE – The Greater Gallup Economic Development Corporation welcomed top New Mexico policy experts together with community business leaders, elected officials, state and federal stakeholders and residents of Gallup and McKinley County Jan. 29 at the Lodge at Santa Fe for an economic roundtable discussion entitled, “The True Cost of Debt.”

The purpose of the five-hour meeting was to match attendees with policy experts to engage in dialogue regarding the impact of tax policy upon local economic development efforts. How recent changes in New Mexico tax policy creates local conditions that impact gross receipts and property taxes was discussed, too.

“Every six months the local agencies in Gallup and McKinley County, the city, the county, chamber of commerce, the Business Improvement District, the Northwest New Mexico Council of Governments, the University of New Mexico-Gallup, officials at Rehoboth McKinley Christian Hospital and the GGEDC come together for a day to look at key issues that face our county area,” GGEDC Executive Director Patricia Lundstrom said.

Lundstrom, D-Gallup, has served the New Mexico House of Representatives since 2001.

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“In (January) our focus was the true cost of debt.”

At the meeting, the New Mexico Tax and Research Institute provided a white paper outlining the challenges placed on small businesses by the state tax code. Tom Clifford, cabinet secretary for the state Department of Finance and Administration, served as keynote speaker at the meeting and highlighted challenges presented to state legislative efforts to provide a balanced budget in the wake of the continued decline in oil prices and its expected negative impact on local government revenues.

Gallup Mayor Jackie McKinney opened the meeting, saying “everyone has a stake in the economic situation of the state. Each one of you has a place in this,” McKinney said.

McKinney mentioned that phasing out of “Hold Harmless” tax exemption will have a detrimental impact on Gallup as the city stands to lose more than \$3.2 million in revenue over the next 15 years.

“We’re in no position to raise taxes,” he said.

In 2005, Hold Harmless was implemented during Gov. Bill Richardson’s administration. Consumers no longer had to pay taxes on some medical services and food expenses. The state made up for by injecting communities with the extra cash to make up for the shortfall.

Joining the discussion on numerous topics, were Taxation & Revenue Director Demesia Padilla; Economic Development Department Deputy Cabinet Secretary Barbara Brazil; Finance Authority Chief Lending Officer Zach Dillenback; RBC Capital Markets Managing Director Paul Cassidy; New Mexico Association of Counties Executive Director Steve Kopelman; and New Mexico Hospital Association President & CEO Jeff Dye.

Locally, the meeting was attended by McKinley County Manager Bill Lee; UNM-G Executive Director Dr. Chris Dyer; Gallup City Councilman Yogash Kumar; Gallup City Manager Mary Ann

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Ustick; Gallup Director of General Services Rick Snider; Gallup Electric Director Richard Matzke; RMCHCS Chief Development Officer Ina Burmeister; NWNMCOG Executive Director Jeff Kiely; John Badal of Sacred Wind; Ian Johnson of BNSF, and a board member of the GGEDC board member Rick Murphy of Murphy Builders; and Sarah Piano of Big Brothers Big Sisters, among others.