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NORTHWEST NEW MEXICO COUNCIL OF GOVERNMENTS

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Snapshot of the Legislative Session 2012



The 2012 Legislative Session started in mid-January with the surprising announcement of House Speaker Ben Lujan's battle with cancer. The end of the session would also mark the end of his long standing position as Speaker and member of the New Mexico State Legislature. He was honored with ceremonies for his service to the State of New Mexico. The upcoming election will see 17 sitting Representatives not seek reelection, creating a void and potential power shifts in both the House & Senate.

Senior Planner, Evan Williams, worked on the ground in Santa Fe and worked tirelessly to stay on top of all projects and issues affecting member governments.

The following are the Top 10 Successes in the 2012 Legislative Session:

- Working on opposing bills with Indian Affairs, Legislative Delegation, and Navajo Nation to protect **Tribal Infrastructure Fund** and tribal gas deductions.
- Part of a good showing for **NM Association of Counties** priorities:

- Senator Smith's 2 bills stepping back the hold harmless protections for local government, and doing away with gross receipts and compensating tax altogether, did not get out of the Senate Finance Committee. These bills were messages to local governments that the hold harmless payments continue to be of real concern to the state budget in the current slow economic recovery. We were sitting in the front rows of the committee room, with the Municipal League when he reminded us of that. He wanted our attention and he got it!
- Senate Bill 52 (Munoz), which allows poll workers to keep

their PERA benefits when they work elections, passed both houses unanimously and was signed by the Governor.

- Senate Bill 145, Senator Eichenberg's tax lightning fix, passed the Senate 24-9 after a 40 minute debate (it passed unanimously last year), but was never heard in the House Tax Committee. The County Assessors did an excellent job of providing legislators, committee analysts, and the Speaker's office, with hard numbers on the effect of the bill on county finances and on taxpayers. Kudos to San County's Clyde Ward, Colfax, Torrance, and Sandoval County Assessors office in particular (and Larry Horan, the Sandoval lobbyist); and to our Awesome Assessors Affiliate in General.
- Senate Joint Memorial 41 (Lopez), which would have initiated a study by NMAC and the Administrative Office of the Courts and others, on decriminalizing minor traffic offenses failed to pass the Senate after 4 or 5 days on the calendar, but NMAC Risk Manager & General Counsel Steve Kopelman is committed to working on this issue through the NMAC Detention Reform Multidisciplinary committee this year.
- And finally, a non-priority item, House Bill 188 (Park) passed the Senate on the last morning, and is also headed to the Governor. This is permissive legislation, that will allow Boards of County Commissioners to give up to a 15% raise to (all) county elected officials, effective January 1, 2013. Primary credit for this one goes to Paul Gutierrez, NMAC Executive Director, for his energetic efforts to ensure (the local option for) a salary increase that the legislature has not authorized since 2006. Ultimately, vetoed.

Gallup Day at the Legislature—the most successful event during the Session and we were successful at getting meetings with the Governor, Cabinet Secretaries, Legislative leaders, and our Delegation.

- Passage of Motor Vehicle Fund to **Road Fund** (Lundstrom-HB290): redirects excise taxes back into State Road Fund, which increases road funding by about \$12 million statewide for critical maintenance. Mandates that each district of the NM Department of Transportation gets an equal amount. Ultimately, vetoed.
- Passage of Federal Water Projects Gross Receipts (Lundstrom/Munoz HB277/SB289): allows Gallup a mechanism to pay for its share of the **Navajo-Gallup Water Supply Project**, which will provide a long-term water supply. Gallup in committed to their portion of the matching costs and this legislation affords them a way to make it possible. Was signed by Governor.
- Scripting and spearheading work on several legislative initiatives and memorials.
- Supporting **House Bill 2** appropriations for local initiatives like Gallup Indian Ceremoniatl, Community Pantry and Adventure Gallup & Beyond.
- Securing **capital outlay funding** for "county roads" projects, to match with Tribal Infrastructure Funds, including \$200,00 for County Road 19.
- Capital Outlay funding and **reauthorization of Allison Road Project** funding and special meeting with Secretary Alvin Dominguez and the Transportation Commission to spur on the next design phase with City staff.
- Assistance provided to all of our **regional Delegation** to help with constituent issues, capital outlay requests and reauthorizations, policy initiatives, and to act as liaison when requested.

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EVAN WILLIAMS: NEW DEPUTY DIRECTOR

The Council of Governments proudly announces, with the consensus and encouragement of the Board of Directors, Executive Director, Jeff Kiely appointed the COG's Senior Planner, Evan Williams, to the position of Deputy Director, effective March 1, 2012. This promotion reflects 10 years of excellent work with the COG organization and only serves to enhance both the Council of Governments and the quality of its services to regional communities. Please join us in congratulating Evan on this new and well-deserved promotion.



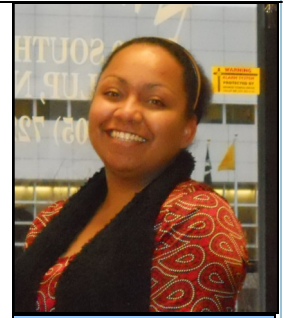
Deputy Director, Evan Williams

TERESA MECALE: MOVING ON UP

The Council of Governments is pleased to announce the well deserved promotion of Teresa Mecale from Interim Finance Manager to Finance Manager. Teresa's promotion was officially announced and well received at the Quarterly COG Board meeting in November.

Teresa has worked for the COG since 2009 & in 2011,

she rose to the challenge of Interim Finance Manager, a position in which she demonstrated excellent performance and capability. Teresa plans to ensure COG Audits are completed with zero findings, and compliance with both EPA and the IRS.



Teresa Mecale, well deserved promotion to Finance Manager

Zuni Mountains Restoration Project Receives Grant

The Zuni Mountain Collaborative Forest Landscape Restoration project was awarded a \$400,000 grant by USDA for the restoration of 56,000 acres of forest land.

The project aims to:

- 1.) restore the Zuni Mountains forested ecosystem by protecting large and old growth trees, removing smaller excess trees, and performing controlled burns to reduce the risk of wildfires or wildfires that may become out of control,
- 2.) stabilize the forest restoration-based businesses through a long term

wood supply and return logging to the Zuni Mountains

- 3.) improving the watershed by reducing the sublimation of the snowfall, increase water infiltration, and attenuate snow melt driven runoff, and,
- 4.) protect wildlife, the Zuni bluehead sucker in particular and improve its habitat conditions.

The project will also bring more than 90 jobs to the area. Outreach efforts with local non-profits and Youth Conservation crews will be conducted as well.

The grant is part of a larger 10-year project which is expected to cost \$6.75 million.

Further, the project was one of 26 finalists who applied for the funding. It is also a collaborative effort by the National Forest Guild, National Turkey Federation, New Mexico Forest and Watershed Restoration Institute, Zuni Pueblo, Acoma Pueblo, Ramah Navajo Chapter, Mount Taylor Manufacturing, Cibola and McKinley Counties, the New Mexico Environment Department and numerous others.

Scenic By Way Grant Applications

Scenic Byway applications were submitted for:

- a) Trail of the Ancients Interpretive Kiosks at the Grants and Manuelito Visitor Centers. If funded, the grant will also provide for a website with mobile phone application technology to allow for greater interactive usage. We recently received news that the interpretive kiosks for the Trail of the Ancients byway may receive funding soon for about \$15,000.



- b) For pedestrian safety improvements for the downtown Route 66 scenic byway corridor in Gallup, NM.





McKinley County-Gallup Day 2012 at the Roundhouse

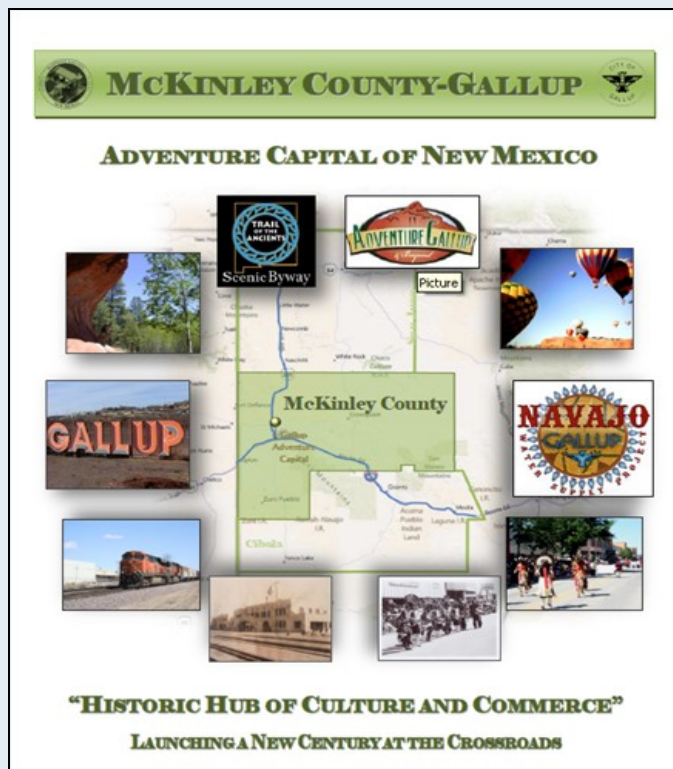


The City of Gallup and McKinley County enjoyed one of the most successful events at the 2012 State of New Mexico Legislature. January 26, 2012 was designated as McKinley County-Gallup Day and allows to honor and showcase the unique character and challenges of McKinley County and the City of Gallup.

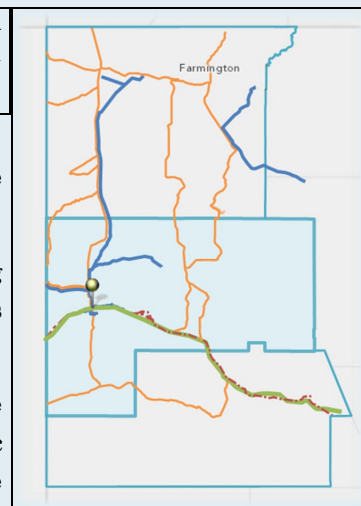
Officials from McKinley County, the City of Gallup, Gallup-McKinley Chamber of Commerce, Gallup-McKinley County Schools, and others began collaboration in the Fall of 2011 to highlight the important issues and potential solutions with members of both the House and Senate of the New Mexico Legislature and the Executive Branch of the state government. At McKinley County-Gallup Day, Mayor McKinney, McKinley County Commissioners, Gallup-McKinley County Schools and other important community leaders met with Legislative Delegation, Governor Susanna Martinez and her staff in hopes of ensuring assistance with many of the issues and projects in McKinley County and the City of Gallup area. The day ended with a widely attended reception held at the El Dorado Hotel in Santa Fe.

Issues addressed at the McKinley County-Gallup day included:

- Support for a legislative proposal to allow a mechanism for local repayment of the match needed for the very important Navajo-Gallup Water Supply Project;
- Transportation in both the City of Gallup and rural McKinley County, including the much needed completion of Highway 491 and improvement of school bus routes and transportation;
- Tourism promotion and support by the State of New Mexico with highlights for the City of Gallup as "Adventure Capital of New Mexico" as well as a theme of "Historic Hub of Culture and Commerce" and "Ribbons of Commerce," which note Interstate 40, BNSF Railway, Highway 491 and the Navajo-Gallup Water Supply Project as significant contributors to our economic well-being as a region;
- Economic Development from a "Right to Work" policy and Incentives/Relief of Burden perspective, New Mexico based enterprises find relief from regulatory and tax burdens imposed by the State
- Education as the foundation for developing a skilled and qualified workforce from early childhood through college and adult education. We also highlighted the importance of attracting quality employers to the area.




Ribbons of Commerce: Interstate-40, Highway 491, BNSF Railway, and Navajo-Gallup Water Supply Project



"Wheels on the Bus"

Insights into Northwest Regional Planning Organization & Regional Transportation News

The annual **RTIPR**  (**Regional Transportation Improvement Program Recommendations**) was completed in February 2012, incorporating and prioritizing new projects with ongoing projects for funding consideration.

A total of **30 new projects** were submitted – of these, **8 were updates** of projects already in the RTIPR.

New projects and updates included 11 safety applications, 11 road projects, 3 public lands road projects, 2 planning projects, 2 enhancement projects, and 1 bridge project from Navajo, Gallup, Grants, Ramah, Laguna and McKinley.

While the RTIPR is being edited and finalized at this time, a ball park total for the seven categories of projects (roadway, planning & studies, enhancement, bridge, public lands, scenic byways, safety) is just over **\$255 million**.

During the past quarter, we also had a round of Safety funding (including in RTIPR listing), federal discretionary funding, byway funding, and the annual N.M. Indian Affairs Dept. Tribal Infrastructure Fund application – many of which are for road projects.

Training: the NM-DOT Local Technical Assistant Program provided an intensive National Environmental Policy Act (NEPA) training in December 2011. Northwest New Mexico was well represented by individuals from the Navajo Nation, Ramah-Navajo, Cibola County, McKinley County, City of Grants and Pueblo of Acoma. We anticipate an intensive training on project management covering every phase of road development coming in late Summer 2012. Participants expressed much appreciation for the highly informative training.

NWRPO Policy and Technical Committees are now combined: the NWRPO Policy Committee at the Nov. 16, 2011 COG Board meeting took action to combine the Technical and Policy Committees, on

behalf of the member governments of the NWRPO – this better serves participating governments by reducing time and travel demands on high level government officials.

Other major projects and news for our region:

Navajo Nation: The Navajo Nation Division of Transportation (NNDOT) will have a **grand opening** for their **new office complex facility** located in Tse Bonito (near Window Rock), New Mexico on **March 20, 2012**.



(San Juan County) Major work continues on the US-491 corridor. A study of the US-64 corridor, with particular focus on the Shiprock School Zone. Funding for Safety improvements is expected from New Mexico Department of Transportation. Lastly, the new Navajo Casino, Northern Edge Casino, now located just off Navajo Route-36 is operational and may prompt corridor improvements.

McKinley County: McKinley County, the City of Gallup, community of Rehoboth and the Navajo Nation, including the Navajo Fire Rock Casino, share a mutual interest in further development of NM-118 Rehoboth – Church Rock corridor. The group will be building collaborative momentum to push for improvements and development with the New Mexico Department of Transportation.

Gallup: Construction continues on the South 2nd Street pedestrian project and efforts are underway to fund the next phase of the Allison Corridor arterial project.



McKinley County Road #27: A new model in collaboration

Regional Tourism Initiatives:

Four Corners Geo-tourism Project:

This project involves collaboration with public and private sectors and leaders of the tourism field. Representatives from all four states of Arizona (primarily the Navajo Nation), Utah, Colorado and New Mexico are working with the National Geographic Society with the goal of becoming a "world class destination" site and marketed as such by National Geographic. Our region will be known as a region where unique and authentic history and culture can still be experienced at a deeper level; thereby attracting visitors who stay in the region for a longer period of time, and making a much larger investment in the local economy. The hard copy geo-tourism maps are out for the Four Corners region and a meeting is anticipated in March 2012, with the Geo-tourism Stewardship Council.

These maps will be distributed across the Four Corners region. In the mean time, a National Geographic website continues to build and grow, marketing our region to visitors from the world over. This project is an excellent example of "regional niche" collaboration with the goal of supporting mutual ("cross-pollinating") economic development between the four participating states, and inherent communities and counties.



Sheepsprings Tourism Welcome Center:

There is great anticipation in making the Sheepsprings Tourism Welcome Center fully operational, particularly with renewed support by leaders in the Navajo Nation Economic Development Division. The Center is scheduled to be fully opened and operational, with 16, including 4 food vendor booths by Summer 2012. The opening of the Welcome Center creates a business incubator opportunity for the Sheepsprings Chapter community. Tohatchi Area of Opportunity & Service, Inc. (TAOS, Inc.) will contract with the Navajo Nation Division of Economic Development-Tourism Office to manage and operate the facility. Concurrently, TAOS, Inc., will be training the local Chapter community to eventually take over management and operation activities. TAOS, Inc. will also provide entrepreneurial & business development training to local entrepreneurs, who wish to operate out of the vender booths.

COG meets with Congressman's Reps

Congressman Steve Pearce's staff scheduled meetings in mid-February with numerous COGs across the State of New Mexico in an effort to **review and discuss priorities for local governments and communities** in his district. COG Executive Director, **Jeff Kiely**, and Regional Planner, **Michael Sage**, and representatives from the Village of Milan, City of Grants, and Cibola County met with Congressman Pearce's staff, including **Ron Morsbach**, **former COG Board Chairperson**, in Milan, Cibola County, New Mexico.

Economic Development, Transportation, Community Planning & Development (including funding cuts with CDBG grants for rural New Mexico communities), **Natural Resources, and Energy** were discussed with Congressman Pearce's staff. Requests and recommendations by the COG include: 1.) Opposition of HR 3090 & S. 1869, the EDA Elimination Act. 2.) An increase in the EDA budget for Planning Grants. 3.) The mandate of cooperation with rural transportation planning organizations and support of 5-year authorization (HR7). 4.) The re-prioritization of CDBG investments in local community infrastructure, and the imperative restoration of NM CDBG funding. 5.) The Navajo Gallup-Water Supply Project, 6.) Zuni Mountains Trails & Collaborative Restoration Project, 7.) Uranium Legacy Clean-up.

2012 CDBG Funding: Cause for Concern

For FY 2012, the State of New Mexico received a dramatic 35% reduction (down \$4.5 million from \$13 million to \$8.4 million) in its Community Development Block Grant (CDBG) Non-Entitlement/Small Cities allocation from the U.S. Department of Housing & Urban Development (HUD).

A review of the last three fiscal periods, FY 2010 to FY 2012, for both the State of New Mexico's CDBG Non-Entitlement (Small Cities) and Entitlement (Big Cities) funding showcases a disturbing trend: a shift in CDBG funding away from rural New Mexico and into urban New Mexico.

NM - CDBG Allocations				
	FY 09	FY 10	FY 11	FY 12
NM Small Cities CDBG Allocation	\$ 14,228,822	\$ 15,504,021	\$ 13,018,340	\$ 8,440,071
Albuquerque	\$ 4,423,936	\$ 4,783,080	\$ 3,996,223	\$ 3,775,545
Farmington	\$ 430,751	\$ 465,654	\$ 389,368	\$ 352,185
Las Cruces	\$ 1,010,375	\$ 1,096,221	\$ 916,360	\$ 745,651
Rio Rancho	\$ 322,949	\$ 356,401	\$ 301,481	\$ 344,655
Santa Fe	\$ 582,208	\$ 625,163	\$ 524,976	\$ 507,262
CDBG Allocation - Change in Dollars				
	FY 10	FY 11	FY 12	
NM Small Cities CDBG Allocation	\$ 1,275,199	\$ (2,485,681)	\$ (4,578,269)	
Albuquerque	\$ 359,144	\$ (786,857)	\$ (220,678)	
Farmington	\$ 34,903	\$ (76,286)	\$ (37,183)	
Las Cruces	\$ 85,846	\$ (179,861)	\$ (170,709)	
Rio Rancho	\$ 33,452	\$ (54,920)	\$ 43,174	
Santa Fe	\$ 42,955	\$ (100,187)	\$ (17,714)	
CDBG Allocation - Change in Percentage				
	FY 10	FY 11	FY 12	
NM Small Cities CDBG Allocation	9%	-16%	-35%	
Albuquerque	8%	-16%	-6%	
Farmington	8%	-16%	-10%	
Las Cruces	8%	-16%	-19%	
Rio Rancho	10%	-15%	14%	
Santa Fe	7%	-16%	-3%	

COG Calendar — Important Dates:

<i>Meeting</i>	<i>Date</i>	<i>Time</i>	<i>Place</i>
National Association of Counties (NACo)	March 3-7, 2012	—	Washington, DC
NWRPO Meeting	April 11, 2012	10:00 am	Gallup, NM
NADO 2012 Washington Policy Conference	March 19-21, 2012	—	Washington, DC
APA National Planning Conference	April 14-17, 2012	—	Los Angeles, CA
New MARC	April 18, 2012	12:00 pm	Las Vegas, NM
Rural Economic Forum	April 19, 2012		Las Vegas, NM
2012 National Rural Transportation Conference	April 25-27, 2012	—	Burlington, VT

Notes from the Director...

The Winter season has found the COG engaged on a number of fronts.

Legislature

As is our custom, we dispatched Senior Planner, Evan Williams to Santa Fé for this year's 30-day Session of the State Legislature, while our other COG staff weighed in from back home in the region to help the information flow on initiatives of interest to our Members. In addition to helping "connect the dots" on a number of local initiatives, Evan and staff assisted local officials, legislators and our sister COGs on a number of projects and issues.

Unlike the past couple of years, local capital outlay was on the legislators' table this year, with millions of dollars being proposed under House Bill 191 for investment of Severance Tax Bond funds in locally proposed projects. Evan and COG staff assisted as liaisons with local and State players in formulating, communicating and compiling projects from our region. The Governor has indicated she will take a veto knife to those projects not deemed strategic or appropriate for STB investments.

The COG has been an active leader in our statewide association, the New Mexico Association of Regional Councils (NewMARC), in drafting and presenting to legislative and executive leadership a white paper on capital outlay reform. In addition to reforms supported by many of our colleagues across the State, the COGs believe it is time to acknowledge and validate the importance of regional coordination in planning and financing capital improvements, and the COGs are well positioned to be of strategic assistance to both State and Local government.

Gallup was successful, pending Governor's signature, in passage of HB 277, the Federal Water Projects Gross Receipts Fund, which will enable local voters to approve a special gross receipts tax to be totally dedicated to repayment of the City's long-term obligations on the \$1 billion Navajo-Gallup Water Supply Project. If this becomes law, and if a dedicated GRT is supported by Gallup voters, the City will have an affordable avenue for meeting these obligations without "breaking the backs" of local water rate payers.

At the invitation of McKinley County, the COG served as facilitator and co-host for this year's "McKinley County-

Gallup Day at the Legislature," held in Santa Fé on January 26th. The day included exhibits in the Capitol Rotunda area and several events, including recognition of local citizens on the Floors of the House and Senate, a visit by the McKinley County-Gallup entourage with Governor Martinez and her staff, and a "gala" reception at the Eldorado Hotel – replete with traditional music and dance by the world-renowned Fernando Cellicion Traditional Dancers from Zuni and a Native American Fashion Show by award-winning designer Virginia Ballenger of Navajo Spirit in Gallup. The reception was attended by over 200 people, including a substantial number of legislators and Cabinet officials.

Federal Budget

As COG Director, I remained in constant contact with the National Association of Development Organizations (NADO) and NADO's excellent analyses and updates on the Federal budget. Suffice it to say that the "fighting has just begun" regarding where to cut and how much. In programs of particular interest to the COG:

The **Economic Development Administration (EDA)** sustained deep cuts in the President's FY 2013 budget, which will primarily impact how project funds are awarded to local and regional communities. It is probable that funding investments will align even more tightly with national criteria emphasizing high-technology and innovation, and trending toward a more urban focus.

The **Community Development Block Grant (CDBG)** program sustained cuts as well, with New Mexico singled out for the deepest cuts—particularly in the "Small Cities" program that most of our Members are eligible for. We met with Congressman Pearce's staff this month and have been assured of direct involvement by the Congressman's staff in investigating the discrepancies and seeking reform of the draft budget.

NOTE: Congratulations to the Village of Milan, who held their grand opening of the CDBG-funded Milan Multi-purpose Center, which Local Government Division Deputy Director Sam Ojinaga called "a perfect example of why CDBG is so important to our communities in New Mexico."

The "highway bill" being drafted as the successor to "SAFETEA-LU" has been debated in both the House and Senate, with different twists emerging on either side. At primary issue for the COG are: (a) whether the House language will hold the day in terms of the role of local elected officials in transportation planning and decision-

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making (we're supporting a strong role at the level of "Cooperation"); and (b) whether and how "small MPOs" like Farmington will be allowed to continue to exist, under provisions that raise the population threshold from the current 50,000 to 100,000 and higher.

Regional Demographics

We're enjoying our work in the area of statistics, demographics and the strategic use of data in forming plans and assisting our Members and Partners. We're in final drafting stages of an updated regional **Factbook**, and we will then continue to expand our work in gathering, analyzing and reporting data in the most useful ways we can for economic and community development purposes.

Economic Development

The COG applauds the emerging new vision and strength in each of our Counties – Cibola, McKinley and San Juan – and we look forward to joining forces with local leaders and developers in developing the regional economy in these "interesting times."

In Cibola County, we welcome Eileen Yarbrough, new Director of the Cibola Communities Economic Development Foundation.

In McKinley County, we welcome former COG Director Patty Lundstrom, recently hired as Director of the new, privately-driven Gallup Business Development enterprise.

And in San Juan County, I have personally enjoyed and learned from my participation in the developmental work of San Juan Economic Development Service (SJEDS), the privately led and funded "E>P" think tank, and the emerging "Four Corners Economic Development" organization currently in formation.

The emergence of these strategic driving forces bodes well for the economic future of our region.

Best wishes to all for a healthy & productive Spring,

Jeff

Jeff Kiely,

Executive Director

