

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, APRIL 28, 2020; 6:00 P.M.



Jackie McKinney, Mayor

Linda Garcia, Councilor, Dist. 1 Michael Schaaf, Councilor, Dist. 2
Yogash Kumar, Councilor, Dist. 3 Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager
Curtis Hayes, City Attorney

PUBLIC NOTICE: In accordance with the public health order issued by the New Mexico Department of Health, the meeting will be physically closed to the public; however, it will be accessible to the public via the following technology service:

Facebook Live stream through the City of Gallup's Facebook Page:
<https://www.facebook.com/CityOfGallup/>

Members of the public may submit comments during the public hearing regarding the Fiscal Year 2020-2021 Budget or on non-agenda items toward the end of the meeting. Please call 863-1254 and leave your name and a return phone number.

A. Pledge Of Allegiance

The members of the body and the public are invited to recite the Pledge of Allegiance.

B. Roll Call

C. Approval Of Minutes

Special Meeting of March 16, 2020
Regular Meeting of March 24, 2020
Emergency Meeting of April 14, 2020

(Draft minutes of the April 14th Emergency Meeting will be available on Monday, April 27th).

Documents:

D. Work Session

1. Public Hearing: Proposed FY 2020-2021 Budget

This will be a discussion only on the proposed Fiscal Year 2021 budget.

Fiscal Impact: Discussion and feedback on Fiscal Year 2021 budget.
Recommendation: None, discussion only.
Speaker's Name: Patty Holland

Documents:

[PRELIMINARY BUDGET FY21 R1.PDF](#)
[20-2021-2025 CMNTY IMPRVMT PLAN RECOMMENDATIONS_20-04-23.PDF](#)
[BUDGET 300 2020 04 15 NOTES.PDF](#)
[BUDGET 300 2020 04 15 1.PDF](#)

E. Discussion/Action Topics

1. Resolution No. R2020-12; 3rd Quarter FY 2020 Budget Adjustments And Report Of Actuals

Each quarter, the Finance department reviews any changes to the budget and submits these changes to council for approval. The following areas are reviewed: personnel, operations, capital outlay and transfers in and out of each fund. The Department of Finance and Administration (DFA) requires Council to pass a resolution for all budget increases, decreases, and transfers between funds. DFA further requires approval of the report of actuals showing cumulative activity for the fiscal year. The report to DFA regarding budget revisions is due April 31, 2020.

This revision encompasses all budget changes processed January 1, 2020 thru March 31, 2020 (Quarter 3 of FY 2020).

Fiscal Impact: None
Recommendation: Staff recommends approval of the budget adjustments, report of actuals and Resolution R2020-xx
Speaker's Name: Patty Holland

Documents:

[BUDGET RESOLUTION FY20 Q3.PDF](#)
[REPORT RECAP - FISCAL YEAR 2019-2020 - GALLUP \(CITY\) FINAL.PDF](#)
[FY2020 3RD QTR REPORT.PDF](#)

2. Gallup Holding And Investment Corp Land Exchange And Donations

There are basically three transactions included in this agenda item. First is the exchange of two parcels of land from Gallup Holding and Investment Corp (GHIC) to the City where the golf course is encroaching on the GHIC land in exchange

for two city owned piece of the golf course of approximately equal size. The second is the donation of a 5.55 acre parcel abutting the golf course to the City. The second is the donation of a 27.29 acre tract in the area of the golf course to the City.

These transaction are to establish property ownership boundary lines prior to submission of a subdivision proposal by GHIC.

Fiscal Impact:	None
Recommendation:	Approval of the exchange agreement and acceptance of the two donated parcels
Speaker's Name	Curtis Hayes and C.B. Strain

Documents:

[FOX RUN GOLF COURSE SKETCH PLAT.PDF](#)
[GALLUP HOLDING AND INVESTMENT CORP LAND EXCHANGE AGREEMENT.PDF](#)
[SPECIAL WARRANTY DEED CITY TO GHIC TRANSFER TRACT 2_FINAL.PDF](#)
[SPECIAL WARRANTY DEED CITY TO GHIC TRANSFER TRACT 3_FINAL.PDF](#)
[SPECIAL WARRANTY DEED GJIC TO THE CITY TRANSFER 5.5495 ACRES_FINAL.PDF](#)
[SPECIAL WARRANTY DEED GJIC TO THE CITY TRANSFER 27.2942 ACRES_FINAL.PDF](#)
[SPECIAL WARRANTY DEED GJIC TO THE CITY TRANSFER TRACT 1_FINAL.PDF](#)
[SPECIAL WARRANTY DEED GJIC TO THE CITY TRANSFER TRACT 4_FINAL.PDF](#)

3. **Disposition Of Second Street Parcel**

When the City's dog park began development in 2012, it was built on land that had previously been donated to the City. A large portion was built on land that was donated to the City by the Gallup Catholic Diocese in 1991. The donated parcel included an "orphaned" portion that is on the west side of Little Puerco Wash that cannot be accessed from the dog park. While it abuts Second Street, the orphaned piece has little no or no commercial value because its shape and size would prevent a structure from being built in compliance with set back requirements. It also would not allow for legally mandated parking space. Due to its lack of value or use to the City, my predecessor negotiated a sale of the property to the adjoining landowner, George Athens at a value of \$2.00/sq. foot. It was not completed as there was some concern raised it might have trees that might serve as habitat for migrating vultures. By the time it was determined that the parcel does not extend to the wash where the trees are, Mr. Kozeliski was retired and the matter fell between the cracks at the City. Mr. Athens assumed that the sale had been consummated and did not follow up either until recently when the tenant on his property illegally placed a prefabricated building on the City-owned parcel.

The value of \$2/sq.ft. is within the range of the County Assessor's valuation of commercial properties in the surrounding area. The Procurement Code does not require putting the land up for public sale through a bidding process as the value is less than \$25,000.

The sales agreement signed by Mr. Athens is attached. The total purchase price is \$12,000, however Mr. Athens is also required to pay all of the costs associated with preparing a subdivision plat and obtaining approval through the

administrative subdivision approval process. The sketch plat prepared by DePauli Engineers is attached.

Fiscal Impact: \$12,000 increase to City revenues
Recommendation: Approval of the sales agreement
Speaker's Name: Curtis Hayes

Documents:

[ATHENS PURCHASE AGREEMENT SECOND STREET WITH SIGNATURE.PDF](#)
[DOG PARK SKETCH PLAT.PDF](#)
[SCREENSHOT_2020-04-22 GOOGLE MAPS.PDF](#)

4. **Renewal Of Local Liquor Excise Tax Agreement With McKinley County**

The City of Gallup and McKinley County have a Joint Powers Agreement which expires in June regarding the process for distributing the Local Liquor Excise Tax. This tax that is separate from the Liquor Excise Tax that is collected and distributed on a state-wide basis. This local option district tax must be re-approved by the voters every three years.

The attached agreement has been approved by the McKinley County Commission. It has a four year term with an expiration date of June 2024. The revenue is expended in the year following the year in which it was collected. For example, revenue collected in FY 20 will be expended in FY 21. FY24 expenditures would be from revenue collected in FY 23, which is the end of the next three year approval period so the contract is now in sync with the three year voter approval cycle.

The process by which the funding is approved is that the LET Task Force, comprised of five city and five county representatives, makes a recommendation to the City Council and County Commission based on the projected revenues for the upcoming fiscal year. Both the City Council and County Commission must approved the recommended distribution. The distribution can be adjusted once the final revenue figures become available from the Taxation and Revenue Department.

There is only one substantive difference from the existing agreement. The existing agreement states that the JPA will terminate if an expenditure approved by the City and the County is deemed by DFA to be not authorized under the state law establishing the Local LET. The current proposal provides that the LET Task Force will come up with a new recommendation on how to expend any distribution that is not approved by DFA.

Fiscal Impact: None
Recommendation: Approval of the new JPA
Speaker's Name: Curtis Hayes

Documents:

[LET JPA 2020.PDF](#)

5. **Budget Adjustment For COVID-19**

As a result of the COVID-19 virus, the City of Gallup has incurred numerous unplanned expenditures. Some of these expenditures including; gloves, mask, goggles, hand sanitizer, thermometers, decontamination cleaning of a few facilities and technology upgrades. Risk Management has shifted funds to cover

these unexpected bills. Risk Management is requesting a transfer from the Risk Management reserve fund balance in the amount \$150,000. This amount will be transferred to the Risk Management operational budget to cover current and future financial obligations for the department. All unspent money will roll back to Risk Management Reserves at the end of the fiscal year.

Fiscal Impact: \$150,000 transferred from Risk Management Reserves to Risk Management Operations

Recommendation: Approval of the budget adjustment of \$150,000 to the Risk Management Department

Speaker's Name Jon DeYoung

6. Bid Award To Laroc Inc. For HVAC Replacement At City Hall.

The city went out to bid to replace 4 HVAC units at city hall. These units are in need of replacement and will help with the air quality in the facility. Multiple bids were put in, with Laroc Inc. being the low bidder. We ask for the approval of award to Laroc Inc. in the amount of \$43,443.16 including taxes.

Fiscal Impact: There is no fiscal impact as money was budgeted for project in necessary line item.

Recommendation: Staff recommends approval of award to Laroc Inc.

Speaker's Name Jon DeYoung

Documents:

[EXHIBIT_A \(1\).PDF](#)
[TABULATION BID 2009.PDF](#)

7. Allison Substation Control Building Purchase

The Control house is an integral part of an electric substation. It houses all of the Supervisory Control and Data Acquisition (SCADA) systems that log data for outage management as well as providing data to power and transmission providers for billing purposes.

Fiscal Impact: There is no fiscal impact as the cost of this equipment has previously been provided for in Project No. C11771.

Recommendation: Staff recommends approval of award to KVA Incorporated of Greer, SC in the amount of \$335,748.93.

Speaker's Name John Wheeler

Documents:

[TABULATION BID 2005.PDF](#)

8. Budget Adjustment To Cover Utility Expenses

The Utilities account No. 507-6061-442-47-16 is in need of a budget adjustment to cover costs through the end of FY2020. The estimated shortfall is \$300,000.00. We also need to replenish the "Purchases for Resale" account no. 507-6061-442.47-10 to cover for transfers made from this account. We will need to increase account no. 507-6061-442.47-10 by \$50,000 from the available cash balance in Fund 507.

Fiscal Impact: The fiscal impact is a budget increase of \$300,000.00 from the available cash balance in Fund 507 into account 507-6061-442-47-16 and \$50,000 into account no. 507-6061-442.47-10.

Recommendation: Staff recommends approval of the increase.

Speaker's Name John Wheeler

9. Budget Adjustment For Wastewater - Vactor Truck Lease

With the advent of the COVID-19 crisis, the Wastewater Collections crew noted a significant increase in sewer line blockages due to a shortage of toilet paper and the public's increased use of flushable wipes and rags. Flushable wipes do not break down in the wastewater system and create debris blockages that inevitably lead to sanitary sewer overflows. In response to an increased wastewater collection line cleaning schedule, the Water and Sanitation Department rented an additional vactor truck in March and has had three wastewater crews continuously cleaning manholes and sewer lines to prevent blockages and overflows. The rental term for the month is almost complete, and WSD would like to extend the rental of this additional vactor truck by 30-60 days, and a cost of approximately \$13,000 per month.

Recommendation:

Staff recommends a budget adjustment of \$26,000 from Fund 508 to extend lease of vactor truck rental for an additional two months.

Fiscal Impact: Budget adjustment of \$26,000 in Fund 508 to be used to extend the rental period of the additional vactor truck.

Recommendation: Please see above.

Speaker's Name Dennis Romero

Documents:

[VACTOR 2100 RENTAL QUOTATION - GALLUP - MAR 30 2020.PDF](#)

10. Appointment Of Richard Kontz To The Indigenous Peoples Commission

Sonlatsa Jim-Martin resigned as a member of the Indigenous Peoples Commission. Richard Kontz is recommended to fill the vacancy on the Commission.

Fiscal Impact: None.

Recommendation: Approve the appointment of Richard Kontz to the Indigenous Peoples Commission.

Speaker's Name Mayor Jackie McKinney

Documents:

[APT OF RICHARD KONTZ TO IPC.PDF](#)

11. Cancelation Of Best Of The Best Promotional Contract And Rodeo

The Best of the Best Rodeo is scheduled to start June 23, 2020. Due to the Governor's extended health order for COVID-19, the City of Gallup will be canceling the 2020 Best of the Best Rodeo.

Fiscal Impact: Estimated about \$100,000 loss. \$55,000 from the general fund and \$45,000 from the lodgers tax fund.

Recommendation: Cancel the Best of the Best Rodeo for 2020 and appropriate budget adjustments

Speaker's Name Maryann Ustick

Documents:

[WALT EDDY -BEST OF THE BEST.PDF](#)

F. Comments By Public On Non-Agenda Items

The public is invited to comment on matters not appearing on the published meeting agenda.

G. Comments By Mayor And City Councilors

H. Comments By City Manager And City Attorney

I. Motion To Adjourn

Pursuant to the "Open Meetings Act", NMSA 1978, Section 10-15-1 through 10-15-4 of the State of New Mexico, this Agenda was posted at a place freely accessible to the public 72 hours in advance of the scheduled meeting.