

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, MAY 10, 2022; 6:00 P.M. CITY COUNCIL CHAMBERS



Louie Bonaguidi, Mayor

Linda Garcia, Councilor, Dist. 1

Michael Schaaf, Councilor, Dist. 2

Sarah Piano, Councilor, Dist. 3

Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager

Curtis Hayes, City Attorney

The meeting will be accessible through the City of Gallup's Facebook Page:

[City of Gallup, New Mexico Government - Home | Facebook](#)

Members of the public may submit comment on non-agenda items either in person or by telephone.

To submit comment by telephone, please call 863-1254 to 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. Presentation And Information Item

- 1. Presentation by Advanced Air - Levi Stockton, President, Advanced Air**

Documents:

[GUP PRESENTATION 05.10.22 - REV1.PDF](#)

D. Consent Agenda

These items are placed on the Consent Agenda so City Council can designate by unanimous consent those routine items they wish to be approved or acknowledged by

one motion. If any item does not meet the approval of all Council members or if a citizen so requests, it will be heard as a separate item.

Action Needed:

Motion to approve or acknowledge Items 1-8 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

Special Meeting and Regular Meeting of April 26, 2022

Fiscal Impact: None.
Recommendation: Approve the minutes.
Speaker's Name None.

Documents:

[DRAFT MINUTES APR 26 2022 SP MTG.PDF](#)
[DRAFT MINUTES APR 26 2022 REG MTG.PDF](#)

2. Approval Of Resolution R2022-12 For The US Department Of The Interior (DOI) Bureau Of Reclamation (USBR) WaterSMART Drought Response Program: Drought Resiliency Project Grant R22AS00020 Application Submission And Upon Award, Implementation Of Gallup Ground Water Well - Professional Services & Design.

This proposal requests Bureau of Reclamation funding for professional well design engineering services, construction and implementation of a new City of Gallup potable water well for a three-year time period.

The project will consist of professional fees for Geologist and Engineering, Well Design, Advertising for competitive construction bid, Construction Management and the cost for licensed/professional Well Contractor to build the new Gallup Ground Water Well. The project will take approximately 3 years to complete. This project is supported by the *"Gallup/NGWSP Water Commons Drought Contingency Plan"*

The City of Gallup Water & Sanitation Department in McKinley County, New Mexico, will construct a new water production well for the Navajo Gallup Water Supply Project interim conjunctive water supply. The new well will add approximately 2170 acre-feet per ten years of local, high-quality water to the City's and the regions drinking water supply. The additional water will replace rapidly depleting water production from other wells in the G-96 well field. The project will include professional services design and construction of a new water production well and appurtenances.

Fiscal Impact: None. Resolution is only for the application submittal and acceptance when awarded.
Recommendation: Staff recommends approval of Resolution R2022-12
Speaker's Name Tim Bodell - Water and Sanitation Director

Documents:

[R22AS00020_NEW_H2O WELL RESOLUTION_ 5-10-22.PDF](#)

3. Budget Adjustment For Services To The Navajo Gallup Water Supply Project

The Overall/Revegetation/Reseeding project line item is included in City of Gallup Financial Assistance Agreement with Bureau of Reclamation (BOR) in the amount of \$300,000.00. PL 111-11 mandates 2% (\$20,000,000.00) of the NGWSP budget to restoration of construction areas. This item is to be used after a project facility is constructed and additional reseeding is needed. In addition, this includes aerial photography for Reach 27.9. More aerial photography of Reach 27.9 will take place in July or August to compare re-vegetation growth. Reach 27.9 was selected as a test case for using aerial photography to determine new growth. If successful we anticipate the use of aerial photography on Reach Nos. 27.10, 27.11 and 27.7B, too.

Fiscal Impact: \$300,000 budget adjustment of revenues and expenditures, in Fund 306. Funding is reimbursable by the Bureau of Reclamation (BOR).

Recommendation: Staff recommends approval of the requested budget adjustment.

Speaker's Name Tim Bodell - Water and Sanitation Director

4. Transfer Between Projects To Finish Sunshine SCADA

When the Contractor was repairing wiring of SCADA Equipment in the Sunshine Substation they found a breaker switch that was chattering. The repair was not part of the original contract and we were notified by Finance that we were short of covering the repair in this project. Staff is requesting a \$10,435.00 transfer from Project No. JU1473 to Project No. JU2225 to cover the repair of this equipment.

Fiscal Impact: A budget transfer of \$10,435 from project No. JU1473 to Project No. JU2225.

Recommendation: Staff recommends approval of this transfer.

Speaker's Name John Wheeler

5. Budget Adjustment For El Morro Theatre Operations

This is a request for funds needed to get the El Morro Theatre through the end of the fiscal year. Since moving our theatre to a first-run theatre, we are seeing an influx in customers that are purchasing movie tickets and that means more funds are going to go towards the movie studios that we book with. We have also had to get some help with sound needs for a couple of live events being hosted in theatre by other organizations. Additionally, the cost of items for resale at the concessions counter has increased while sales volume increased. Customers are learning we are open, which is fantastic, but we need to support the demand of having more customers.

Request for budget adjustment in the following amounts:

Professional Services: \$5000

Purchases for resale: \$4000

Fiscal Impact: \$9,000 from the general fund balance for El Morro operations

Recommendation: Approval of \$9,000 budget adjustment

Speaker's Name Everett Homer/Jennifer Lazarz

6. Lodger's Tax Grant Recommendations Final FY22

The Lodger's Tax Committee met on April 14th and recommends the following grant awards to close out awards for Fiscal Year 2022:

End of FY 22

- Lions Club BBQ/Battle of the Bands: \$8000 (*Funded 2020 @ \$5,000*)
budget revised from initial \$7,080 request to include social media ads
- Red Rock Classic Roping \$11,000 (*Funded 2020 @ \$8,500*)
- NM Route 66 Showdown Team Roping \$4150 (*formerly was the Trailer Roping Event funded @ \$4,100*)

Total requested: \$23,150

Fiscal Impact: \$23,150 of available funding in FY22 grants budget

Recommendation: Approval of grant awards totaling \$23,150

Speaker's Name Jennifer Lazarz

Documents:

[FY22 END AND FY23 PART 1 REQUEST TOTALS.PDF](#)

[NM ROUTE 66 SHOWDOWN ROPING04132022.PDF](#)

[RED ROCK CLASSING ROPING04132022.PDF](#)

[LIONS BBQ HOEDOWN04132022.PDF](#)

[LODGERS MINUTES APRIL 14 2022.PDF](#)

7. Lodger's Tax Grant Recommendations Part 1 FY 23

The Lodger's Tax Committee met on 4/14/2022 to review the first round of applications for events taking place after July 1, 2022. The committee recommends the following awards:

FY23- Part 1

- Wildthing Championship: \$31,275 (*Funded 2021 @ \$22,500, 2019 @ \$35,000*)
- Kicker Arenacross: \$20,500 (*Funded 2021 @ \$15,000, Funded 2019 @ \$14,000*)
- Red Rock Rally Ride: \$1,750 (*NEW EVENT, in lieu of Desert Race?*)
- Route 66 Ride Flight Cruise: \$19,117 (*Funded 2019 @ \$11,698*) *budget updated from application to include shirts as a giveaway through Veterans Helping Veterans (not for resale) and cloudburst magazine*
- Turquoise Classic Roping: \$8,000 (*Funded FY22 at \$3,500*)

- Friends of Hubbell Rug Auction, Fall: \$5,300 (*Funded 2021 @\$4,111, Funded 2019 @ \$4,100*)
- Four Corners Invitational Football: \$21,000 (*Funded 2021 @ \$20,000, Funded 2019 @ \$20,000*) budget updated from application to include photography

Total requested today: \$106,942 (54% of annual grants budget)

Fiscal Impact: \$106,942 of FY23 allocated grant budget
 Recommendation: Approval of grant awards totaling \$106,942 for FY23
 Speaker's Name Jennifer Lazarz

Documents:

[FY22 END AND FY23 PART 1 REQUEST TOTALS.PDF](#)
[RR MOTORSPORTS APPLICATION.PDF](#)
[TDFL FOUR CORNERS.PDF](#)
[TURQUOISE ROPING04132022.PDF](#)
[WILDTHING 202203312022.PDF](#)
[FALL FRIENDS OF HUBBELL 2022_20220330.PDF](#)
[KICKER ARENACROSS.PDF](#)
[RIDE FLIGHT CRUISE 202204052022.PDF](#)
[LODGERS MINUTES APRIL 14 2022.PDF](#)

8. Levitt Amp Concert Series Funding Match

Gallup Mainstreet Arts & Cultural District received a grant award of \$25,000 to host the Levitt Amp Concert Series in downtown Gallup. This event will take place on Saturdays beginning May 21st in Courthouse Square with an alternate location at the El Morro Theatre for any dates that have program conflicts. The City has previously matched funds in the amount of \$17,500 for when the series was held indoors due to the pandemic.

The funds matched by the city are for marketing purposes to notify the public of the 10 concerts, their times, and that they are free to the public.

Fiscal Impact: \$25,000 in available funds from FY22 budget
 Recommendation: Approval of contract with Gallup Mainstreet
 Speaker's Name Jennifer Lazarz

Documents:

[LEVITT AMP 2022.PDF](#)

E. Discussion/Action Topics

1. Resolution No. R2022-16; National Economic Development Week

The Greater Gallup Economic Development Corporation (GGEDC) is requesting approval of Resolution No. R2022-16 recognizing the week of May 9-15, 2022 as "National Economic Development Week" in the City of Gallup.

Fiscal Impact: None.

Recommendation: GGEDC recommends approval of Resolution No. R2022-16.
Speaker's Name Bruce Armstrong, GGEDC

Documents:

[CITY OF GALLUP RESOLUTION FOR 2022 ECONOMIC DEVELOPMENT WEEK.PDF](#)

2. Request For Street Closures For The Gallup Lions Club Rodeo Parade To Be Held On Saturday, June 11, 2022

The Gallup Lions Club will present their request for the closure of Aztec Avenue from 8th Street to Puerco Drive for the route of the parade.

Fiscal Impact: TBD - City staff to provide support services for the parade and barbeque.
Recommendation: Gallup Lions Club recommends approval of the street closures.
Speaker's Name John Sakasitz, Gallup Lions Club

Documents:

[2022 GALLUP LIONS CLUB RODEO.PDF](#)

3. Resolution R2022-15; Approving FY 2023 Preliminary Budget

Each year, the City of Gallup prepares an annual budget for the upcoming fiscal year. The Department of Finance and Administration (DFA) requires Council to pass a resolution to adopt the 2022 Preliminary Budget. The approved budget along with documentation of approval is due to DFA by June 1, 2022.

Fiscal Impact: This budget will define anticipated revenue as well as spending parameters of the coming fiscal year for each fund.
Recommendation: Approval of Resolution R2022-15 for the Preliminary Budget Adoption
Speaker's Name Patty Holland

Documents:

[LEVEL 300 PRELIMINARY WITH NOTES.PDF](#)
[PRELIMINARY BUDGET 2023.PDF](#)
[BUDGET RESOLUTION FY23 PRELIMINARY ADOPTION.PDF](#)
[BUDGET FY23 PRELIMINARY.PDF](#)

4. Approve Ordinance No. S2022-2 Authorizing The Execution And Delivery Of A Loan Agreement And Intercept Agreement With NMFA And Budget Adjustment

We are requesting approval of Ordinance #S2022-2: AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF GALLUP, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY (THE "FINANCE AUTHORITY"), EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT

OF UP TO \$5,600,000, TOGETHER WITH INTEREST THEREON, FOR THE PURPOSE OF FINANCING THE COST OF DESIGNING, CONSTRUCTING AND EQUIPPING A WATER SUPPLY PIPE AND RELATED IMPROVEMENTS, INCLUDING ACQUIRING EQUIPMENT FOR SUCH PURPOSES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE ENVIRONMENTAL SURCHARGE IMPOSED BY THE CITY; DELEGATING AUTHORITY TO MAKE CERTAIN DETERMINATIONS CONCERNING THE TERMS OF THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

The proposed Wastewater Reclamation Mainline Project is designed to deliver up to 1.25 Million Gallons per day of treated sewage effluent from the existing wastewater treatment plant to the existing golf course through a newly constructed 12 inch diameter, 5 mile long transmission pipeline system.

The bond amount of up to \$5.6 million will require an annual debt service payment of approximately \$400,000 charged to the environmental surcharge fund with a repayment period of 20 years.

Fiscal Impact:	Revenue and Expenditure budget will be needed to recognize funding, issuance costs, transfer to projects and use of funds as well as required payments on the debt.
Recommendation:	Approval of Ordinance No. S2022-2 and related budget adjustments to revenue and expenditures
Speaker's Name	Patty Holland and Eric Harrigan, RBC Capital Markets, LLC

Documents:

[CITY OF GALLUP, NM - ENVIRONMENTAL SURCHARGE FUND LOAN.PDF](#)
[LOAN ORDINANCE \(W3438893X7A92D\).PDF](#)

5. Approval Of Agreement And Budget Adjustment Of The First Responders-Comprehensive Addiction And Recovery Act Grant (FR-CARA)

The Gallup Fire Department along with the Behavioral Health Department will be receiving a First Responders-Comprehensive Addiction and Recovery Act Grant (Short Title: FR-CARA). We will train and provide resources to first responders on carrying and administering Narcan (naloxone) for emergency reversal of known or suspected opioid overdose. The purpose of this program is to administer Narcan (naloxone) Nasal Spray for emergency reversal of known or suspected opioid overdose. We will also establish processes, protocols, mechanisms for referral to appropriate treatment and recovery support services, and safety around fentanyl, carfentanil, and other dangerous licit and illicit drugs.

Fiscal Impact:	FR-CARA Grant Agreement revenue and expenditures in the amount of \$32,500.
Recommendation:	Approval of Agreement and Budget Adjustment for FR-CARA
Speaker's Name	Jesus" Chuy" Morales- Fire Chief

Documents:

6. 3rd Amendment To The CDEC/ Gallup Power Supply Agreement

This amendment to the Continental Divide Electric Cooperative, Inc. (CDEC) and City of Gallup (City) power supply agreement will allow the City of Gallup to accept the Supplemental Power, provided by the Bureau of Reclamation (BOR) and Western Area Power Administration (WAPA), to supply power to the City's Water System during the interim of the Navajo Gallup Water Supply Project (NGWSP) not being able to supply water through that system for a period of years.

As incentive for CDEC to allow the reduction to their power supply contract, the City will reimburse CDEC at the rate of \$2,500 per month.

Fiscal Impact: The fiscal impact is actually a reduction in overall power supply cost in the approximate amount of \$442,600 in FY2023 of the agreement, extending to \$457,350 in FY2024 and \$470,100 in FY2025.

Recommendation: Staff is recommending accepting this 3rd amendment to the CDEC contract.

Speaker's Name John Wheeler

Documents:

[THIRD AMENDMENT TO PPA FINAL.PDF](#)

7. Approval Of Agreement And Budget Transfer For Airport Marketing

The New Mexico Department of Aviation has offered a 1:1 matching grant award for marketing airport service. They will match up to \$100,000 a year for two years.

Staff is recommending a match of \$50,000 per year for two years, for a total of \$100,000 for airport marketing.

Fiscal Impact: \$100,000 from lodgers tax fund balance (40% side for marketing)

Recommendation: Approval of agreement and budget adjustment

Speaker's Name Jennifer Lazarz

Documents:

[GUP-22-03 AIR SERVICE MARKETING ASSISTANCE \(1\).PDF](#)

F. Information/Discussion Item

1. Presentation On Drought Restrictions

Presentation on the current drought conditions in preparation for the possible restriction of fireworks.

Fiscal Impact: Presentation only.

Recommendation: Presentation only.
Speaker's Name Jon Pairett, Fire Marshal

Documents:

[2022 CITY COUNCIL DROUGHT CONDITIONS.PDF](#)

G. Comments By Public On Non-Agenda Items

Members of the public are invited to comment on matters not appearing on the meeting agenda.

H. Comments By Mayor And City Councilors

I. Comments By City Manager And City Attorney

Comments by City Manager: Restriction of the City Parking Lot at First Street and Aztec Avenue for only customers of businesses on Coal Avenue between First and Second Streets during construction.

J. 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.