

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, MAY 24, 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. Gallup New Deal Art Virtual Museum Prototype - Rose Eason

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 1-12 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

Regular Meeting of May 10, 2022

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

Documents:

[DRAFT MINUTES MAY 10 2022 REG MTG.PDF](#)

2. Appointment Of Joseph Sanchez And Councilor Linda Garcia To The Business Improvement District (BID) Board

Joseph Sanchez and Councilor Linda Garcia are recommended for appointment to the Business Improvement District (BID) Board. Please refer to the attached memorandum from Mayor Bonaguidi.

Fiscal Impact: None.
Recommendation: Appoint Councilor Linda Garcia and Joseph Sanchez to the BID Board.
Speaker's Name Mayor Louie Bonaguidi

Documents:

[APT J SANCHEZ AND L GARCIA TO BID BOARD.PDF](#)

3. Animal Control Budget Adjustment For Overtime And Fuel

The Planning and Development Department is requesting a Personnel budget adjustment in the amount of \$5,000.00, and an Operations budget adjustment for fuel in the amount of \$5,000.00. The budget adjustment requests are necessary in order to carry Animal Control through this fiscal year.

Animal Control recently became fully staffed after several months of being short staffed. Being that Animal Control is now fully staffed all four Animal Control units are being utilized for calls for service which has increased fuel usage, also more staff means more overtime costs related to working after hours and on call hours. Currently the overtime account balance is \$1,385.06 and the fuel account balance is -\$1,154.67. Rising fuel costs has contributed to the negative balance in the fuel account. Staff is requesting budget adjustments in the amount of \$5,000.00 for overtime and \$5,000.00 for fuel, to be taken from general fund balance, which will be enough to carry Animal Control through this fiscal year.

Fiscal Impact: Budget Adjustments in the amount of \$5,000.00 for the Animal Control Overtime Account and \$5,000.00 for the Animal Control Fuel Account, taken from General Fund Balance.
Recommendation: Staff recommends approval of the requested budget

adjustment amounts.

Speaker's Name C.B. Strain

4. Clean And Lien Budget Adjustment

The Planning and Development Department is requesting a budget adjustment in the amount of \$25,000.00 from 202 fund balance to account No.202-1525-474.45-90 (Contractual Services), Project No. EX2250. This line item and project number is utilized for the City's Clean and Lien Program. The current balance is \$566.51. This amount will not be enough to carry us through this fiscal year.

The significant increase in transient encampment cleanups compiled with regular code enforcement clean and lien cases and the increased cost of these cleanups has decreased the Clean and Lien budget at a faster rate than originally anticipated. The Planning and Development Department estimates the need for an additional \$25,000.00 to continue these cleanups through the end of this fiscal year.

Fiscal Impact: Budget adjustment of \$25,000.00 from 202 fund balance.

Recommendation: Staff recommends approval of said budget adjustment request.

Speaker's Name C.B. Strain

5. Planning & Development Budget Adjustment To Cover Geotechnical Services For The Alpine Property.

The Planning & Development Department is requesting a budget adjustment in the amount of \$12,000.00 from General Fund Balance to the Planning and Development Professional Services account. This request is to cover geotechnical engineering services provided by Terracon Consultants Inc. out of Albuquerque for the old Alpine Property in order to gather geotechnical data necessary for any proposed development to the site. Sites Southwest is in the process of developing a redevelopment plan for the site and this data is critical for any proposed development to the site.

Fiscal Impact: Budget adjustment in the amount of \$12,000.00 from General Fund Balance to the Planning and Development Department's professional services account.

Recommendation: Staff recommends approval of said budget adjustment request.

Speaker's Name C.B. Strain

Documents:

[P66225102 ALPINE LUMBER SITE REDEVELOPMENT GEO PROPOSAL SIGNED.PDF](#)

6. Award Of Contract To Bohannon Huston For Professional Services To Update The City Of Gallup Transportation Master Plan

Attached for the City Council's consideration and approval is a professional services fee proposal from Bohannon Huston of Albuquerque, New Mexico. Said services consist of updating the City of Gallup Transportation Master Plan.

Staff solicited a "Request for Proposals" (RFP) for the subject services on April 12, 2022. See attachment for RFP. RFP's were subsequently reviewed by a selected review committee. There was only one proposal submitted, that proposal was submitted by Bohannan Huston. Upon review, the review committee considered Bohannan Huston's proposal to be a fair and reasonable offer. See attached cost and price detail from Bohannan Huston. The Bid Tabulation sheet is also attached for your review.

Fiscal Impact: \$160,000.00 including GRT from Emergency Infrastructure Grant No. 20-E2755 approved by City Council in 2021 and budgeted in Project No. LA2155.

Recommendation: Recommend award of contract to Bohannan Huston to update the C.O.G. Transportation Master Plan

Speaker's Name C.B. Strain

Documents:

[RFP 2021.2022.11P TRANSPORTATION MASTER PLAN.PDF](#)
[TABULATION 2021.2022.11.P TRANSPORTATION MASTER PLAN.PDF](#)
[BOHANNAN HUSTON TRANSPORTAION MASTER PLAN FEE PROPOSAL.PDF](#)

7. Approval Of Resolution No. R2022-17 To Allow For Application To The NMDOT Transportation Project Fund For Phase III & IV Of The Nizhoni Blvd. Reconstruction Project

Staff is requesting approval of Resolution No. R2022-17 authorizing submittal of an application to the New Mexico Department of Transportation, Transportation Project Fund for a grant request in the amount of \$4,500,000.00 to complete Phase III & IV of the Nizhoni Boulevard reconstruction project. If approved the local match amount will be equal to 5% of the grant amount or \$225,000.00. City Council has already approved matching funds for this project for previous applications that were unsuccessful. Matching funds are still set aside for this project. This application is due by 5-30-22.

Fiscal Impact: None at this time, application only.

Recommendation: Staff recommends approval of Resolution No. R2022-17

Speaker's Name C.B. Strain

Documents:

[TPF APPLICATION RESOLUTION NO. R2022-17.PDF](#)
[TPF COVER LTR DTD 05182022.PDF](#)

8. Award Of Contract To Hinkle-Landers For Annual Financial Audit

Attached for City Council's consideration and approval is an audit proposal from Hinkle + Landers for financial audit work for the City of Gallup.

Staff solicited a "Request for Proposals" to obtain proposals for this work. RFP No. 2021/2022/12/P had three respondents that were subsequently reviewed by

a selected review committee. The selected proposal was submitted by Hinkle + Landers by the committee.

The City is required to submit a completed financial audit annually to the Office of the State Auditor. Hinkle + Landers is an approved by the Office of the State Auditor.

Fiscal Impact: Funds are in the Fy 23 budget for year one of the contract.
Recommendation: Approve contract for Hinkle + Landers for audit services for two (2) fiscal years
Speaker's Name Patty Holland

Documents:

[TABULATION 2021.2022.12.P ANNUAL FINANCIAL AUDIT SERVICES.PDF](#)

9. Budget Adjustment For The US Department Of The Interior (DOI) Bureau Of Reclamation (USBR) WaterSmart Grant Award

City Council recently approved Resolution R2022-12 for application submission and acceptance of grant when awarded.

The City of Gallup was awarded the grant in the amount of two (2) million dollars for well design engineering services, construction, and implementation of a new City of Gallup potable water well over the next three (3) years.

This grant award requires a 50/50 match of two (2) million dollars in which the City will utilize the State of New Mexico Department of Finance and Administration grant 21-ZF5031, that was awarded previously.

This is known as the SJ1491 Well project, Project # LA2202. Acct #391-1027-496.45-90

Fiscal Impact: Budget adjustment of revenue and expenditures in the amount of \$2 million in Fund 306. Funding match from DFA Grant 21-ZF5013 - Project # LA2202 listed above
Recommendation: Staff recommends approval of the requested budget adjustment.
Speaker's Name Tim Bodell - Water and Sanitation Director

Documents:

[NOA_AMENDMENT 001_R22AP00280.PDF](#)

10. Budget Adjustment To Project No. JU4966 In The Amount Of \$200,000

Staff is recommending approval of a budget adjustment in the amount of \$200,000 to supplement funds remaining in project JU4966 in the amount of \$135,622.75 from the street lighting loan from NMFA. These funds remaining and the supplemental funds from the Electric Department will allow for substantial upgrades to the lighting of the Red Rock Park rodeo grounds and surrounding areas. All upgrades will be LED type fixtures.

Fiscal Impact: Fiscal impact will be a transfer of \$200,000 from available cash funds in account 507 to the JU4966 project in Account No. 307-6061-442-48-99.

Recommendation: Staff recommends approval of the budget transfer.

Speaker's Name John Wheeler

Documents:

[RED ROCKS PROPOSAL - CITY OF GALLUP - LED - MARCH 2022.PDF](#)

11. Approval Of Utility Easement

Staff is recommending approval of an attached utility easement that Meech-Cash, LLC is granting to the City of Gallup.

Fiscal Impact: None

Recommendation: Approval of the attached unrestricted easement.

Speaker's Name John Wheeler

Documents:

[MEECH-CASH LLC EASEMENT.PDF](#)

12. Capital Projects Budget Transfers For Vehicle Purchases

Due to the unavailability of computer chips, to build out vehicles from the factory Stellantis Government fleet has cancelled our order for Three (3) Quad Cab Ram 1500 V6 E-torque 4X4 trucks. They have offered to fill the order with (3) 2022 Ram 1500 SSV Crew Cab V8 Hemi MDS VVT 4x4 with Ram box. To be delivered by the end of May 2022. This is an additional cost. We have money already approved for the year in other projects that we spent less than expected and would like to transfer the money from the completed projects to the truck projects. This is not a budget increase just a transfer between projects.

Fiscal Impact: None Transfer

Recommendation: To allow transfers between projects. The money will stay in the same accounts.

Speaker's Name Jon DeYoung

Documents:

[TRANSFER REQUEST 05102022.PDF](#)

E. Discussion/Action Topics

1. Approval For Resolution No. R2022-13 Declaring A Housing Emergency In The City Of Gallup And Urging Support To Address This Emergency

The City of Gallup participated in a private sector led Housing Summit on April 29, 2022 to discuss the housing crisis in Gallup and McKinley County. A request was made to the City of Gallup to pass a resolution declaring a housing emergency within the City of Gallup with a consensus from the attendees.

The purpose of the resolution is to urge our federal and state agency partners to

assist the city in its efforts to support construction of critically needed new housing. The resolution will also encourage and catalyze private developers to work with the city to develop new subdivisions and projects in areas supported by the City's Housing Plan, Metropolitan Redevelopment Area (MRA) plans and Growth Management Master Plan.

Fiscal Impact: None
Recommendation: Approve Resolution No. R2022-13.
Speaker's Name Maryann Ustick, City Manager

Documents:

[RESOLUTION NO R2022_13_HOUSING EMERGENCY.PDF](#)
[CITY OF GALLUP HOUSING PLAN_EXECUTIVE SUMMARY.PDF](#)

2. **Approval Of Interstate Passenger Air Service Agreement Between The City Of Gallup And Advanced Air**

The city has been awarded a grant from the New Mexico Department of Transportation Aviation Division Rural Air Service Enhancement (RASE) program for the purpose of supporting new scheduled air routes. Contract is in the amount of \$3,850,000 for two years.

Advanced Air was selected during the RFP process and will provide scheduled air services between Gallup and Phoenix for a two year service period beginning August 1, 2022.

Fiscal Impact: Funds currently budgeted.
Recommendation: Approval of contract with Advanced Air.
Speaker's Name Maryann Ustick, City Manager

Documents:

[AA-GUP AGREEMENT.PDF](#)

3. **Approval Of Downtown Summer Fun Series**

The mission of the Downtown Summer Nights series: Establish new events in the heart of Gallup that celebrate our diversity, target all ages, and improve our summer quality of life, setting the standard for locals & guests that Gallup's downtown is the place to be.

Programs include:

1. Family Fun Nights
2. Scootin' Under the Stars
3. Live Music Theme Nights (Jazz Jams/Standards Under the Stars, Youth Performers of the Northwest, Latin Music Live, World Music & Drum Circle, Hot Headliners)

Performers are a combination of local, Farmington, and Albuquerque area acts. There is a strategy in place (upon approval) to reach out to local community organizations such as the youth sports leagues, veterans, and other

organizations that create opportunities for family engagement in Gallup. Additionally, several city departments are on board to showcase activities that engage the community.

There are 15 total event dates over an 8-week period in June and July. This would complement the Saturday night Levitt Amp Concert Series and other downtown programs. Event times will be set upon approval of the event/funding.

- o Production Fees \$23,550
- o Artist Booking Fees \$22,000
- o Artist Hospitality \$2,450
- o Event Incidentals \$2,000

The total requested amount for event contract services: \$50,000

Costs not included above: marketing & security (utilizing existing budget)

Fiscal Impact: \$50,000 split in half between FY22 and FY23
Recommendation: Approval of Downtown Summer Nights Series and Funding
Speaker's Name Jennifer Lazarz, Jude Candelaria, Anthony Rosales

Documents:

[DOWNTOWN GALLUP- DOWN FOR FUN.PDF](#)

4. Request For A Special Dispenser's Permit For The Levitt AMP Gallup Music Series

Gallup Mainstreet Arts and Cultural District (GMACD) is requesting approval for the issuance of a Special Dispenser's Permit for a beer garden to be in place at this year's Levitt AMP Gallup Music Series. The concerts will take place during the summer months at the Courthouse Plaza. GMACD is requesting approval to have a beer garden on the following dates: May 28, 2022, June 4, 18 and 25, 2022, and July 2, 9, 16 and 23, 2022. If approved, GMACD will be required to have private security stationed at the beer garden during each concert.

Fiscal Impact: None.
Recommendation: GMACD recommends approval of a Special Dispensers Permit for a beer garden at each concert.
Speaker's Name Michael Bulloch, GMACD Interim Executive Director

Documents:

[EVENT PERMIT LEVITT AMP GALLUP MUSIC SERIES.PDF](#)

5. 3rd Amendment To The Purchase Power Agreement Between CDEC And The City Of Gallup

This amendment to the Continental Divide Electric Cooperative, Inc. (CDEC) and the City of Gallup (CITY) power supply agreement (PPA) will allow the City to accept the Supplemental Power under Contract No. 22-SLC-1099 which has

been previously approved by this Council. This supplemental power is being provided under special contract by the Bureau of Reclamation (BOR) and the Western Area Power Administration (WAPA) from a special allocation of power from the Colorado River Storage Projects (CRSP) which are managed by the Salt Lake City Area Integrated Projects (SLCAIP). This special allocation will provide electric power and energy to the City's water system during the interim of the Navajo Gallup Water Supply Project (NGWSP) not being able to supply water through the project system for a period of years. This special allocation is in the amount of 2,000 kw per month with an attendant 1,250,000 kWh per month. The average cost of this power is \$0.0207 per kWh. Of note is that this Special Allocation is afforded the City as part of a special reservation of CRSP power for the NGWSP.

As incentive for CDEC to allow the reduction to their power supply contract, through the scheduling of this supplemental power supply, the City will reimburse CDEC at the rate of \$2,500.00 per month.

Fiscal Impact:

The fiscal impact is a reduction in power supply cost in the amount of \$1,370,050 over the next three years. The City will be required to Pay CDEC \$2,500 per month as compensation for allowing the scheduling of WAPA power into the Gallup electric system. The net savings over three (3) years is \$1,280,050.

Fiscal Impact:	See fiscal impact in the summary.
Recommendation:	Staff recommends approval of this 3rd Amendment to the CDEC/ Gallup PPA.
Speaker's Name	John Wheeler

Documents:

[THIRD AMENDMENT TO PPA \(2\).PDF](#)

6. CDEC/City Of Gallup Settlement Agreement

Staff is recommending approval of the attached Settlement Agreement. This agreement is the result of a declaration of default on the part of CDEC, resulting in litigation being filed against the City, which resulted in a mediated settlement. The settlement absolves CDEC of wrong doing on its part for mismanaging the forecasting and scheduling of the power to be sold to the City of Gallup. This forecasting at times caused the City to purchase more power than it could use which forced it to sell the overage to PNM at a lower price than what it paid CDEC for it. The settlement allows for a partial reimbursement of power cost to the City in the amount of \$355,000.00.

Fiscal Impact:	The fiscal impact is a revenue to the Electric Department in the amount of \$355,000.00.
Recommendation:	Staff recommends approval of this Settlement Agreement.
Speaker's Name	John Wheeler

Documents:

[FINAL SETTLEMENT AGREEMENT AND RELEASE.PDF](#)

7. Ordinance No. C2022-3 Electric Rate Increase

Staff is recommending approval of the Attached Electric Rate Ordinance C2022-3 to be in effect with billings to customers after July 1, 2022. This ordinance will provide for an increase in rates of 1.89% to all customers of the Electric Department except those customers under approved contracts for service.

Under this new rate schedule, a customer using 400 kWh per month would see an increase of \$1.20 per month. Had the existing ordinance remained in place that bill would increase by \$6.39.

Fiscal Impact: The 1.89% rate increase will produce an estimated increase in revenue to the Electric Enterprise of \$460,215 for Fiscal Year 2023. This applying the 1.89% increase to the FY2022 approved budget revenue of \$24,350,000.

Recommendation: Staff recommends approval of Ordinance C2022-3.

Speaker's Name John Wheeler

Documents:

[ELECTRIC RATE ORDINANCE C2022-3.PDF](#)

8. Ordinance No. C2022-2; Water Rate Increase

On April 26th, the City Council held a special meeting to discuss the financial state of the Water Enterprise Fund.

The City's financial advisors, RBC - Albuquerque Office/Branch presented a financial analysis of the Water Enterprise Fund (Fund 506) for consideration by the City Council during this workshop. Based upon the information in the presentation, the Council considered adjusting water utility rates.

Based upon the analysis provided by RBC, a 22.5% across the board increase in wastewater utility rates is required to increase cash flow to support achieving a minimum cash balance of 180 days cash on hand as well as ongoing operational needs.

The attached ordinance presents a proposed increase of 22.5% to current rates for fiscal year 2023 followed by a 22.5% increase in fiscal year 2024 and a 5% increase in fiscal year 2025. The model projects achieving the target of 180 days cash on hand in FY 25 or 26.

Fiscal Impact: If approved, the Water fund will be able to achieve a forecasted 153 days cash on hand in FY 23.

Recommendation: Approval of Ordinance No. C2022-2

Speaker's Name Tim Bodell

Documents:

9. Public Hearing: Proclamation Declaring Extreme Drought Conditions, Restricting Fireworks

The Gallup will present a Proclamation declaring extreme or severe drought and restricting certain aerial and ground audible fireworks within the boundaries of the City of Gallup.

In addition, the fire department request Mayor & Council approval to waive the "Discharge Permit" requirement as outlined in the City Code Fireworks Ordinance. Discharge permit fee is \$15.00, approximately 60 permits sold in 2021.

4-8-10: PERMIT REQUIRED FOR DISCHARGE/DETONATION: (Section from City Code Fireworks Ordinance)

A. Any person or entity who desires to shoot permissible fireworks in the city limits of the city of Gallup is required to obtain a permit from the city of Gallup for the discharge/launching of fireworks. The Gallup city council shall set the costs of such permits by resolution after consultation with the Gallup fire department.

B. Any person who detonates fireworks within the city of Gallup in violation of this section shall be fined no less than two hundred fifty dollars (\$250.00) and no more than five hundred dollars (\$500.00). (Ord. 2013-10, 12-10-2013)

Staff recommends approval of a Proclamation Declaring Extreme or Sever Drought and the Restriction of Certain Aerial and Ground Audible Fireworks.

Staff recommends waving fireworks discharge permit requirement for Year 2022.

Fiscal Impact:	No fiscal impact
Recommendation:	Staff requests approval.
Speaker's Name	Jesus "Chuy" Morales, Fire Chief

Documents:

[2022 FIREWORK DRAFT PROCLAMATION \(1\).PDF](#)

F. Comments By Public On Non-Agenda Items

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

