

## AGENDA

### GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, JUNE 11, 2019; 6:00 P.M. CITY COUNCIL CHAMBERS



Jackie McKinney, Mayor

Linda Garcia, Councilor, Dist. 1     Allan Landavazo, Councilor, Dist. 2  
Yogash Kumar, Councilor, Dist. 3     Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager  
Curtis Hayes, City Attorney

**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**

Regular Meeting of May 28, 2019

(Draft minutes will be disseminated by Monday, June 10th)

**D. Presentation And Information Items**

**1. Presentation By Marathon Petroleum**

V.J. Smith and Scott Hanks of Marathon Petroleum will provide an overview of the company including the transition of the local Giant Convenience Stores to Speedway Convenience Stores.

Fiscal Impact:            Not Applicable - Presentation Only.

Recommendation:       Not Applicable - Presentation Only.

Speaker's Name         V.J. Smith and Scott Hanks

**2. Gallup MainStreet Arts And Cultural District Annual Update**

Emerald Tanner and Kara Smith of Gallup MainStreet/Arts and Cultural District

will present their annual report.

Fiscal Impact: Not Applicable - Presentation Only.  
Recommendation: Not Applicable - Presentation Only.  
Speaker's Name Emerald Tanner and Kara Smith

Documents:

[GMSACD-PARTNERSHIP MODEL.PDF](#)  
[GALLUP MS REINVESTMENT STATS 2013-2018.PDF](#)  
[2018 INDIVIDUAL COMMUNITY ANNUAL SERVICE DELIVERY REPORTS - 1.30.19 GALLUP.PDF](#)  
[GMSACD-AR-FY19.PDF](#)

## E. Discussion/Action Topics

### 1. Gallup MainStreet Arts & Cultural District Memorandum of Understanding And Professional Services Agreement

Summary: Through this Memorandum of Understanding and Professional Services Agreement the Gallup MainStreet Arts & Cultural District will:

1. Provide a unified management and coordination for the revitalization and economic development activities in the central business district of Gallup.
2. Continue to develop and update a consistent promotion and marketing program for the downtown Commercial District.
3. Continue to engage community members, businesses, property owners, local government and other stakeholder in design and implementation of projects for the downtown district.
4. Continue to strengthen the existing economic assets of the downtown area while diversifying its economic base.
5. City support is essential to maintaining this State designated District.

Attachments:

1. Biennial Memorandum of Understanding Extension, July 1, 2017- June 30, 2020
2. Professional Services Agreement

Recommendation: Approve Biennial Memorandum of Understanding (MOU) Extension July 1, 2017—June 30, 2020, between New Mexico Main Street Program, the City of Gallup and Gallup Main Street Arts and Cultural District and the Professional Services Agreement with Gallup Main Street Arts and Cultural District in the amount of \$40,000 for fiscal year 2020.

Fiscal Impact: \$40,000  
Recommendation: please see above  
Speaker's Name Maryann Ustick

Documents:

[NMMS\\_MOU EXTENSION AGREEMENT\\_GALLUP MAINSTREET ARTS AND CULTURAL DISTRICT.PDF](#)

**2. Resolution No. R2019-26; Fiscal Year 2020 Final Budget Adoption**

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 2020 Final Budget.

Fiscal Impact: This budget will define anticipated revenue as well as spending parameters for the coming fiscal year for each fund

Recommendation: Staff recommends approval of the proposed final budget for Fiscal Year 2020.

Speaker's Name Patty Holland

Documents:

[R2019-26 FINAL BUDGET ADOPTION FY 20.PDF](#)  
[2020 BUDGET FINAL.PDF](#)  
[2020 BUDGET FINAL.PDF](#)  
[FY 2020 FINAL BUDGET PRESENTATION.PDF](#)

**3. Contract Award For Economic Development Services For The City Of Gallup**

The City of Gallup solicited through the Request for Proposal process for professional services to provide Economic Development Services to the City. Two proposals were received, one from Greater Gallup Economic Development Corporation (GGEDC) and one from Hatchform, LLC, both were evaluated by the evaluation committee and GGEDC was found to be the responsive offer. Services to be provided by the contractor include developing and maintaining a website devoted to economic development, creating and updating a strategic marketing plan for the Gallup-McKinley County area, provide director and staff to promote Gallup, act as a liaison between the City and prospective companies seeking to relocate, and develop and promote economic development opportunities in the City of Gallup. The proposed contract between GGEDC and the City would be for a term of three years. The budget for this contract will be subject to approval by City Council annually

Fiscal Impact: \$20,833.00 Fixed Fee per Month totaling \$249,996.00 per Year

Recommendation: Staff recommends award of contract to the Greater Gallup Economic Development Corporation

Speaker's Name Frances Rodriguez, Purchasing Director

Documents:

[ECONOMIC DEVELOPMENT SERVICES AGREEMENT.PDF](#)  
[TAB 2018201902P ECONOMIC DEVELOPMENT SVCS.PDF](#)

**4. Ordinance No. S2019-3; Authorizing The Execution And Delivery Of A Loan Agreement Between The City Of Gallup And The New Mexico Finance Authority In The Amount Of \$2,942,500 For Street Light Improvements**

The City of Gallup Electric Director is requesting approval of Ordinance authorizing the execution and delivery of a loan agreement by the City of Gallup and the New Mexico Finance Authority (NMFA) to pay a principal amount of

\$2,942,500, together with interest (1.8%) thereon, for the purposes of financing the acquisition and installation of energy efficiency equipment for the governmental units's electric utility system.

Annual savings of \$34,000 in energy and labor cost over a 9-year payoff period is \$341,326.00.

Energy efficient street lights are guaranteed for 5-years with a life expectancy of 23 years. Current lights used are 2-4 years @ a cost between \$350-\$500 each.

Labor cost savings will be reallocated daily to maintenance and repairs of the cities electric utility grid.

Please reference page 4 of RBC Pricing Book Series for exact yearly payment schedule an annual interest payments.

Fiscal Impact: Ordinance approval of Energy Performance Bond repayment over 10 years \$2,942,500, with interest (1.8%). Savings is \$341,326.00 to the City. Total interest paid over entire loan is \$337,001.07 paid in annual installments 6/2/2020 to 6/01/2030.

Recommendation: Staff recommends approval of ordinance approving loan between the City of Gallup and and NMFA.

Speaker's Name Eric G. Babcock

Documents:

[LOAN AGREEMENT \(W3440456X7A92D\).PDF](#)

[LOAN ORDINANCE \(W3438893X7A92D\).PDF](#)

[CITY OF GALLUP STREETLIGHT GUARANTEED UTILITY SAVINGS CONTRACT.PDF](#)

[PRICING BOOK SERIES 2019 ELECTRIC UTILITY LOAN CITY OF GALLUP \(2\).PDF](#)

#### **5. Requesting Budget Adjustment In Order To Cover The Utilities Account For Electric**

The City of Gallup Electric Director Eric Babcock is requesting budget adjustment of \$120,000 out of 507 cash balance to transfer into Electric Utilities 507-6061-442-47-16 to pay all City Electric Utility Bills for the months of May & June 2019.

Fiscal Impact: Expenditures of \$120,000 out of 507 cash balance to pay all electric utilities for May and June 2019.

Recommendation: Staff recommends budget adjustment to pay electric utilities.

Speaker's Name Eric G. Babcock

#### **6. Request For Approval To Serve Alcoholic Beverages At Fox Run Golf Course**

Tournament representatives have expressed an interest in providing/serving alcohol at their upcoming events. The tournaments are Chamber of Commerce July 13th, Big Brothers Big Sisters August 18/25th, Miyamura Booster July 20th, and RMCH in September. Attendance for these events will consist golfers who would pre-register or register the day of the tournament. The alcohol sales will

only be available to participants in the tournament, and alcohol sales will cease at the conclusion of the tournament. Fox Run is requesting that City Council permit the sale/service of alcoholic beverages for these tournaments.

Fiscal Impact:	None
Recommendation:	Approve the request to permit the sale/service of alcoholic beverages at Fox Run Golf Course
Speaker's Name	Matthew Alcala

## 7. **G-80 Water Rights Settlement Agreement** **Background:**

In 1981, Gallup filed Application No. G-80 and SJ-1491 to appropriate 5,600 acre-feet per year (AFY) of groundwater, which water is intended to be produced from the Dakota Sandstone and/or Westwater Canyon Member of the Morrison Formation. At the same time, the City submitted City Application No. G-79 to appropriate 2,000 AFY of groundwater, which water is intended to be produced from the Entrada Sandstone. Both the Navajo Nation and Bureau of Indian Affairs protested the application shortly thereafter.

As part of the G-22 Application and Settlement Agreements, the City has withdrawn the G-79 water rights application. However, the G-80 water rights application and its protests were never withdrawn.

### **Recent Developments:**

As part of its efforts to supply drinking water to its residents, the Navajo Nation met with City Staff and inquired as to the possibility of purchasing ground water for its residents prior to the Navajo Gallup Water Supply Project (NGWSP) being completed in 2024. In response to this development, the City and Navajo Nation have agreed to providing groundwater from the City's Regional System to the Navajo Nation via a set of agreements already in place. The Navajo Nation then agreed to examine the potential to drop their protest of the G-80 water rights application.

Over the past several months, attorneys representing the City and Navajo Nation have negotiated the attached agreement. The terms of the agreement are based upon those listed in the G-22 Water Rights Settlement Agreement approved by both the City and the Navajo Nation.

With an executed settlement agreement, the last protestant would be the BIA, which is currently considering withdrawing its protest.

Approval of the G-80 water rights application would remove existing administrative caps on water produced from existing City wells, thereby eliminating any capital costs associated with drilling and developing new wells, as well as ensure a long-term water supply for the City.

Fiscal Impact:	No fiscal impact at this time. If it becomes necessary to present a case before the Office of the State Engineer during the hearing process, the Water and Sanitation Department will return to City Council to request funding for that task.
Recommendation:	Staff recommends approval of G-80 Water Rights Settlement Agreement
Speaker's Name	Dennis Romero

Documents:

[2018-05-28 SETTLEMENT AGREEMENT BETWEEN GALLUP AND NAVAJO RE G-80.PDF](#)

**8. Acceptance Of FY20 NM Tourism Department Cooperative Marketing Grant And Budget Adjustments**

The City of Gallup Tourism and Marketing Department has been awarded \$13,525 through the Cooperative Marketing Grant Program for TripAdvisor Content, updating local business information on Google DMO, and updating our website SEO.

The City of Gallup will be matching in the amount of \$11,500 per the grant agreement. Of that amount \$2,025 is reimbursement based and requires a budget adjustment for our fiscal records.

Fiscal Impact:	Increase revenue and expenditures \$2,025.00
Recommendation:	Approve FY20 Tourism Grant and Budget Increase
Speaker's Name	Maryann Ustick

Documents:

[AWARDLATTERGALLUPCITYOF.PDF](#)  
[GALLUPCITYOFAGREEMENT.PDF](#)  
[GRANTCHART\\_20190529\\_155331\\_000053.PDF](#)

**F. Comments By Public On Non-Agenda Items**

The public is invited to comment on items 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**

Auxiliary aides for the disabled are available upon request. Please contact Alfred Abeita, City Clerk, at 505-863-1254 at least (1) week prior to the meeting or as soon as possible in advance of the meeting to make any necessary arrangements.

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.