

## AGENDA

**GALLUP CITY COUNCIL  
REGULAR MEETING  
TUESDAY, SEPTEMBER 26, 2023; 6:00 P.M.  
CITY COUNCIL CHAMBERS  
GALLUP CITY HALL, 110 WEST AZTEC AVENUE**



Louie Bonaguidi, Mayor

Linda Garcia, Councilor, Dist. 1

Michael Schaaf, Councilor, Dist. 2

Sarah Piano, Councilor, Dist. 3

Ron Molina, Councilor, Dist. 4

Jon DeYoung, Interim City Manager

David Eason, City Attorney

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

[City of Gallup, New Mexico Government - Home | Facebook](https://www.facebook.com/CityofGallup)

**Members of the public may submit comment either in person or by telephone. To submit comment by telephone, please call 505-863-1254 to leave your name and a return phone number.**

**A. Roll Call**

**B. Pledge Of Allegiance**

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

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

Members of the public are invited to comment on matters not appearing on the meeting agenda. A time limit of two (2) minutes per person will be allowed.

**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 1-9 on the Consent Agenda by unanimous vote:

**1. Appointment Of A Mayor Pro Tempore**

Article II, Section 10 of the City of Gallup Charter provides for the following:

*“It (the Council) shall elect from its membership a standing Mayor Pro Tempore who, in the absence or incapacity of the Mayor, shall have the same power and duties as Mayor...”*

Mayor Louie Bonaguidi recommends the appointment of Councilor Michael Schaaf to serve as Mayor Pro Tem for a period of one year.

Fiscal Impact: None  
Recommendation: Appoint Councilor Michael Schaaf as Mayor Pro Tempore for a period of one year.  
Speaker's Name Mayor Louie Bonaguidi

**2. Appointment Of Aurelia Johnson-Ash To The Gallup Housing Authority Board Of Commissioners**

The Gallup Housing Authority Board of Commissioners has a vacancy on the board and recommends the appointment of Aurelia Johnson-Ash to fill the vacancy.

Recommendation:

Approve the appointment of Aurelia Johnson-Ash to the Gallup Housing Authority Board of Commissioners.

Fiscal Impact: None  
Recommendation: See recommendation in the summary.  
Speaker's Name Mayor Louie Bonaguidi

Documents:

[20230926\\_GHA BD APPT\\_AURELIA JOHNSON\\_ASH.PDF](#)  
[GHA BD RECOMMENDATION\\_AURELIA JOHNSON\\_ASH.PDF](#)

**3. Budget Adjustment For FY' 2024 EMS Fund Act Awards**

The New Mexico EMS Bureau has awarded the Gallup Fire Department the following funds for FY' 2024.

1. New Mexico EMS Fund Act award in the amount of \$19,686.00 for revenue and expenditures for 206 EMS Operations.

2. New Mexico EMS Special Projects Grant award in the amount of \$6,059.00 for revenue and expenditures for the purchase of an OB Training Simulator. This will be a capital purchase.

Fiscal Impact: Budget increase of \$25,745.00 in revenue and expenditure of EMS Fund 206. EMS Operations 206 in the amount of \$19,686.00 and EMS Capital 206 in the amount of \$6,059.00.

Recommendation: Staff recommends approval

Speaker's Name Fire Chief Jon C. Pairett

Documents:

[CITY OF GALLUP.PDF](#)

#### 4. Budget Adjustments For Electric Department

Electric Department is requesting (3) budget adjustments for the following accounts:

- o 507.6061.442-45.30
- o 507.6061.442-45-90
- o 507.6061.442-48.99

The first budget adjustment for account 507.6061.442-45.30 is to reimburse the costs associated with the System Impact Study performed for the Coles Grey project. This was supposed to be completed during the last fiscal year, but carried over into this fiscal year. The city has received the reimbursement from Coles Grey and a budget adjustment in the amount of \$36,839.58 needs to be received back into account 507.6061.442-45.30. I am asking to round this amount to \$40,000.

The second budget adjustment is for account 507.6061.442-45.90 for Blackstone Security. I initially had canceled this service during the budgeting session, but due to the mass shut-off we began back in early June, I have continued their services as an extra precaution until we were completely done. I have canceled the rest of the service with them and am requesting a budget adjustment for the months that we utilized their service in July, August, and part of September of the new fiscal year which totaled \$21,150.03. I am asking to round this amount to \$25,000.

The final budget adjustment is for account 507.6061.442-48.99 for the Maxwell Switchyard. We have been working on replacing the DC backup battery and had the task completed in May, but the invoice was not generated until September. The invoice for services has been received in the amount of \$7,100.02 and I am asking for a budget adjustment of \$7,500 to cover this expense.

Fiscal Impact: Budget adjustments totaling an amount of \$72,500 from the operating cash fund 507.

Recommendation: Approval of budget adjustments in the amount of \$72,500

Speaker's Name Chuck Nourse

#### 5. Budget Adjustments In FY24 Funding

Fund 311 has a T&R fee that was not budgeted in the preliminary FY 24 budget. This request is to ask approval of a budget adjustment in the amount of \$84,000

to cover the anticipated annual expense.

Fund 101 department 4042 has had a change in employee benefits that was unknown at the time of budget requests. This request is to ask approval of a budget adjustment to employee benefits in the amount of \$10,100 to cover the anticipated annual expense.

Fiscal Impact: Budget adjustment from reserves in fund 311 in the amount of \$84,000 and fund 101 in the amount of \$10,100  
Recommendation: Approve budget adjustments listed above  
Speaker's Name: Patty Holland

**6. Budget Adjustment To Cover Change Order No 1 - US Highway 491 American Heritage Plaza Water And Sewer Relocation**

The Water Enterprise Fund has received a change order for the stated subject: Funding for the entire project was approved by City Council in July 2022 in the amount of \$855,201.99 including contingency. Part of the contingency portion was also utilized for design services and therefore the budgeted amount is \$6,811 short to cover this change order.

The Scope of work for additional items are for the time, labor and equipment the contractor performed for this project. The contractor experienced additional potholing to find water service lines and had to do boring at some locations due to unforeseen large masses of concrete. C.O. No 1 - Additional work performed in the amount of \$12,013.77 with NMGRT @ 8.0625% in the amount of \$968.61 for a Total of \$12,982.38.

Fiscal Impact: \$6,811 from Operating Cash in the Water Enterprise Fund 506  
Recommendation: Approval of requested budget adjustment  
Speaker's Name: Clark Tallis - Director W/WW

Documents:

[HWY 491 CO 1.PDF](#)

**7. Budget Adjustment To Cover A Negative Balance For Utilities In Enterprise Fund 506**

The Water Department operations budget for Utilities has fallen into the negative due to some meter and billing issues that were discovered with the well and station facilities.

The Customer Service Department is currently working on correcting the billing issues, however, we cannot end the quarter with a negative balance. The adjustments will be corrected in the coming months.

Fiscal Impact: \$507,357 from the Water Enterprise Fund 506  
Recommendation: Approval of requested budget adjustment  
Speaker's Name: Clark Tallis - Director W/WW

**8. Request For Street Closures For 2023-2024 Arts Crawl Events**

The Business Improvement District is requesting the closure of the following

streets for the 2023-2024 Arts Crawl Events: Coal Avenue from 1st Street to 3rd Street and 2nd Street from Aztec Avenue to Highway 66.

Fiscal Impact: TBD - City staff to provide support services for each event.  
Recommendation: Business Improvement District recommends approval of the request.  
Speaker's Name Francis Bee, Executive Director, Gallup BID

Documents:

[EVENT PERMIT APP FOR 2023-2024 ARTS CRAWL EVENTS.PDF](#)

**9. Approval Of DFA Capital Appropriation Project To Purchase And Equip Police Vehicles And Budget Expenditures And Revenue**

The City of Gallup has received an appropriation from the DFA Capital Appropriation Project in the amount of Three Hundred Thousand dollars (3000,000.00) Funds unexpended by June 30th, 2025, will be reverted to the State of New Mexico's general fund.

APPROPRIATION NUMBER: 23-H3075

APPROPRIATION REIMBURSEMENT The appropriation funds will be disbursed through a reimbursement process. The Appropriation Recipient will submit to the Reimbursing Agency the Exhibit A: Request for Payment form along with supporting document(s) that evidence the expenses to be reimbursed. The Reimbursing Agency will review these documents to ensure all expenses to be reimbursed reflect the intent and purpose of the appropriation language. All expenditures for which the Appropriation Recipient requests reimbursement must occur prior to the reversion date.

Fiscal Impact: Increase budget and expenditures.  
Recommendation: To Approve Appropriation and Budget Fund 391  
Speaker's Name Erin Toadlena

Documents:

[23-H3075 CITY OF GALLUP\\_PD VEHICLES.PDF](#)

**E. Discussion/Action Topics**

**1. Ordinance No. S2023-8, Request By Daniel J. & Savannah A. Berg For Vacation Of A Public Utility Easement (PUE) On Their Property Located At 3204 Grey Hill Circle.**

**BACKGROUND**

Daniel J. & Savannah A. Berg, property owners, have petitioned the Gallup City Council to review a request for vacation of a five foot (5') wide, one hundred five foot (105') long public utility easement (P.U.E.) on the property located at 3204 Grey Hill Circle; more particularly described as Lot 30, Block 6, Mentmore East Subdivision Unit 4.

**DISCUSSION**

When the Mentmore East Subdivision Unit 4 was platted in 1976 there was a five

foot (5') public utility easement (P.U.E.) dedicated along the eastern property boundary line of lot 30. Utilities were never installed within this easement and there is no plan to install utilities within this easement anytime in the future. Said property lies within an established neighborhood and all properties within the subdivision are currently serviced with all city utilities therefore the existing five foot (5') public utility easement (P.U.E.) is not needed by the City of Gallup for any additional utility improvements.

After reviewing this request, the Gallup Task Force (GTF) has no issues with the proposed vacation of the public utility easement. GTF comments are included in your agenda packet for review.

### **FINDINGS**

It is the findings of staff based on Gallup Task Force (GTF) comments that there are no issues with vacation of the described five foot (5') wide one hundred five foot (105') long public utility easement (P.U.E.) along the eastern property boundary line of said property. The Gallup Planning and Zoning Commission reviewed this request at their regular meeting on September 13, 2023 and sends a positive recommendation for approval with Resolution of Recommendation No. RP2023-9

Staff recommends that City Council approves Ordinance No. S2023-8 to vacate the above described Public Utility Easement (PUE).

Fiscal Impact:	None
Recommendation:	Staff recommends approval of Ordinance No. S2023-8
Speaker's Name	C.B. Strain

Documents:

[S2023-8.PDF](#)  
[RP2023-9.PDF](#)  
[VACATION SURVEY.PDF](#)  
[GTF COMMENTS \(2\).PDF](#)

## **2. Resolution No. R2023-23; Directing Allocation And Distribution For Fiscal Year 2024 Liquor Excise Tax Revenue**

The Resolution, proposed for adoption both by the City and McKinley County, implements the recommendations of the City/County Revenue Receipt and Allocation Task Force (Task Force) respecting the Fiscal Year 2024 allocations and distributions of Liquor Excise Tax (LET) Revenues. The Task Force, created pursuant to a May 18, 2020 Joint Powers Agreement (JPA), met on July 13, 2023 to review the LET revenues available in the coming year to fund programs, activities and purposes contemplated by the Local Liquor Excise Tax Act (NMSA 7-24-8 - 16). As the result of that review, the Task Force determined that a total of \$2,135,000 was available, consisting of \$1,635,000 in projected revenues and \$500,000 in carryover revenues from prior years.

Of the \$2,135,000 total, the Task Force recommends allocation of \$1,085,000 to the City, \$835,000 to fund FY24 operations of the Gallup Detox Center (NCI), with the remaining \$250,000 available for other programs and activities to treat,

educate against, and otherwise prevent alcohol and/or drug abuse, including to compensate Public Service Officers (PSOs) for prevention and transportation services. The County's \$1,050,000 share will be split among multiple uses, including \$400,000.00 for operations at the Four Corners Detox Center.

In sum, the recommended allocations and distributions free up \$500,000 in LET reserves for purposes intended by the Act, thereby resulting in substantial increases in funding for needed services. Over \$500,000 in LET reserves will remain, providing a fallback in the event of a drop in future LET revenues.

Fiscal Impact: The City's budgeted LET funding will increase by approximately \$250,000.  
Recommendation: Staff recommends adoption of the proposed Resolution  
Speaker's Name JM DeYoung/David Eason

Documents:

[LET JOINT RESOLUTION - FINAL.PDF](#)

**3. Resolution No. R2023-28; Approval Of Resolution To Submit An Application To The New Mexico Finance Authority (NMFA) / Drinking Water Bureau (DWB) To Fund The Lead Service Line Replacement Project**

The Northwest New Mexico Council of Governments has assisted the City in submitting an application to the NMFA and DWB at the New Mexico Environment Department (NMED) for financial assistance for the investigation and replacement of lead service lines and to meet state and federal compliance requirements.

This application requires that the Governing Body approve a resolution authorizing the submission of an application to the NMFA for its review and to further proceed with arrangement for financing the project. The City of Gallup project is on the 1st Quarter SFY2024 Annual Fundable Lead Service Line Replacement Priority List (attached). The project was reviewed and ranked by NMED DWB's priority ranking criteria as #5. The application is for funding in the amount of \$1,000,000.00 with a \$500,000 subsidy and projected repayment amount of \$500,000.00. The final loan and repayment conditions are to be determined after review and board approval scheduled in December.

Recommendation: Approve Resolution No. R2023-28, authorizing submission of an application for financial assistance and project approval to the New Mexico Finance Authority for the lead service line replacement project.

Fiscal Impact: None at this time, application submission only. Fiscal impact to be determined once approved and depending on the structure of the financial assistance.  
Recommendation: See recommendation in the summary  
Speaker's Name JM DeYoung - Interim City Manager / Clark Tallis - W/WW Director

Documents:

[FY2023 DWSRF PRIORITY LIST WITH COMPREHENSIVE .XLSX.PDF](#)  
[AUTHORIZING RESOLUTION R2023-28 LEAD SERVICE LINES.PDF](#)

**4. Approval Of Grant Agreement With The Department Of Finance And Administration (DFA) For Repair And Replacement Of Water Supply Infrastructure And Related Budget Adjustment Of Revenue And**

## Expenditures

The City of Gallup has received an appropriation from the DFA House Bill 2 through support from Senator George Munoz in the amount of seven million five hundred thousand dollars (\$7,500,000) for water supply infrastructure in Gallup, including repairing and replacing lead pipes. Funds unexpended by June 30th, 2024, will be reverted to the State of New Mexico's general fund.

APPROPRIATION NUMBER: 23-ZH5042

APPROPRIATION REIMBURSEMENT The appropriation funds will be disbursed through a reimbursement process. The Appropriation Recipient will submit to the Reimbursing Agency the Exhibit A: Request for Payment form along with supporting document(s) that evidence the expenses to be reimbursed. The Reimbursing Agency will review these documents to ensure all expenses to be reimbursed reflect the intent and purpose of the appropriation language. All expenditures for which the Appropriation Recipient requests reimbursement must occur prior to the reversion date. The latest date the Appropriation Recipient may submit a Request for Payment is July 15th, 2024. With the submission of the final Exhibit A: Request for Payment, the Appropriation Recipient must include a completed Exhibit B: Final Report form in order to receive the final reimbursement.

The City of Gallup Water Department does have some projects that are fully designed and shovel ready as well as others that are being designed. Staff will work diligently to move forward with these projects and expend as much as possible within this short deadline to expend the funds.

Fiscal Impact:	Revenues and expenditures in Fund 391. Grant is fully reimbursable.
Recommendation:	Approval of grant agreement and related budget revenue and expenditures
Speaker's Name	Clark Tallis - Director W/WW

Documents:

[GALLUP 23-ZH5042.PDF](#)

### 5. **Grant Agreement With The State Of New Mexico Environment Department (NMED) For Replacement Of Water And Wastewater Lines And Resolution No. R2023-29; Authorization Of Assignment Of Authorized Officer(S) And Agent(S) And Related Budget Adjustment Of Revenue And Expenditures**

The NMED has awarded the City of Gallup a grant in the amount of \$500,000 to utilize towards the planning, designing, constructing, and replacement of cast iron water and wastewater lines in Gallup.

THIS AGREEMENT between the New Mexico Environment Department hereinafter called the "Department" or NMED, and City of Gallup, hereinafter called the "Grantee" becomes effective on the date signed by the NMED.

The project that is the subject of this Agreement is described as follows:

STATE OF NEW MEXICO DEPARTMENT OF ENVIRONMENT FUND 93100  
CAPITAL APPROPRIATION PROJECT GALLUP WATER & WWATER LINES



RPLC - SAP 23-H2441-GF

The \$500,000.00 APPROPRIATION Has a REVERSION DATE of: June 30, 2027.  
The Grantee's total reimbursements shall not exceed Five Hundred Thousand Dollars, \$500,000.00.

Recommendation:

City Council authorize the City Manager to sign off on the agreement.

Fiscal Impact: Revenues and expenditures in the Fund 391. Grant is fully reimbursable.

Recommendation: Approval of grant agreement, resolution and related budget expenditures. See above

Speaker's Name Clark Tallis - Director W/WW

Documents:

[GRANTAGREEMENT SAP 23 H2441 GF08 24 2023.PDF](#)

**6. Resolution No. R2023-30; Acceptance Of State Of New Mexico DFA Fund 93100 Capital Appropriation Project Grant Agreement For Walking Trails At Soccer Field In Mentmore Neighborhood**

The Parks & Recreation Department is requesting that City Council accept the State of New Mexico Department of Finance and Administration, Fund 93100 Capital Appropriation Project Grant Agreement 23-H3073 for \$150,000.00.

The project that is the subject of this agreement 23-H3073 for a total of \$150,000.00. Appropriation Reversion Date: 30-June-2027 Laws of 2023, Chapter 199, Section 28, Paragraph 319, One-Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) to plan, design, and construct walking trails utilizing a former soccer field in the Mentmore neighborhood in Gallup in McKinley County.

Staff is requesting that City Council accept the grant agreement and approve a revenue and expenditure budget in the amount of \$150,000.00 This is 100% reimbursable grant with not required matching funds.

Fiscal Impact: Revenue and expenditure budget in the amount of \$150,000.00 100% reimbursable with no required matching funds.

Recommendation: Approve Resolution No. R2023-30 and approve revenue and expenditure budget.

Speaker's Name Vince Alonzo, Parks & Recreation Director

Documents:

[23-H3073 CITY OF GALLUP\\_TRAILS AT SOCCER FIELD.PDF](#)  
[R2023-30 MENTMORE WALKING TRAILS - FINAL.PDF](#)

**7. Resolution No. R2023-31; Acceptance Of State Of New Mexico DFA Fund 93100 Capital Appropriation Project Grant Agreement For Artificial Turf And Drainage Infrastructure At Ford Canyon Park And The Gallup Sports Complex**

The Parks & Recreation Department is requesting that City Council accept the State of New Mexico Department of Finance and Administration, Fund 93100 Capital Appropriation Project Grant Agreement 23-H3074 for \$680,000.00.

The project that is the subject of this agreement 23-H3074 for a total of

\$680,000.00. Appropriation Reversion Date: 30-June-2027 Laws of 2023, Chapter 199, Section 28, Paragraph 320, Six-Hundred Eighty Thousand Dollars and Zero Cents (\$680,000.00) to plan, design, construct, and replace artificial turf fields, including drainage infrastructure, at Ford Canyon park and the Gallup sports complex in Gallup in McKinley County.

Staff is requesting that City Council accept the grant agreement and approve a revenue and expenditure budget in the amount of \$680,000.00 This is 100% reimbursable grant with not required matching funds.

Fiscal Impact: Revenue and expenditure budget in the amount of \$150,000.00 100% reimbursable with no required matching funds.

Recommendation: Approve Resolution No. R2023-31 and approve revenue and expenditure budget.

Speaker's Name Vince Alonzo, Parks & Recreation Director

Documents:

[23-H3074 CITY OF GALLUP\\_FORD CANYON.PDF](#)  
[R2023-31 FORD CANYON SPORTS COMPLEX TURF - FINAL.PDF](#)

**8. Resolution No. R2023-32; Acceptance Of State Of New Mexico DFA Fund 93100 Capital Appropriation Project Grant Agreement For A New Regional Animal Shelter**

The Planning and Development Department is requesting that City Council accept the State of New Mexico Department of Finance and Administration, Fund 93100 Capital Appropriation Project Grant Agreement 23-H3076 for \$400,000.00.

The project that is the subject of this agreement is 23-H3076 for a total of \$450,000.00, Appropriation Reversion Date: June 30, 2027, Laws of 2023, Chapter 199, Section 28, Paragraph 322, Four Hundred Thousand (\$400,000.00) to plan, design, construct, furnish and equip a new regional animal shelter in Gallup in McKinley County.

Staff is requesting that City Council accept the grant agreement and approve a revenue and expenditure budget in the amount of \$400,000.00. This is a 100% reimbursable grant with no required matching funds.

Fiscal Impact: Revenue and expenditure budget in the amount of \$400,000.00. 100% reimbursable with no required matching funds.

Recommendation: Approve Resolution No. R2023-32 and approve revenue and expenditure budget.

Speaker's Name C.B. Strain

Documents:

[23-H3076 CITY OF GALLUP.PDF](#)  
[R2023-32 REGIONAL ANIMAL SHELTER - FINAL.PDF](#)

## **F. Presentation And Information Item**

1. Presentation by The Retail Coach - Tammy Parker, Community & Housing Program Manager

## **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.