

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico held in the Council Chambers at Gallup City Hall, 110 W. Aztec Avenue, at 6:00 p.m. on Tuesday, December 10, 2019.

The meeting was called to order by Mayor McKinney.

Upon roll call, the following were present:

Mayor:	Jackie McKinney
Councilors:	Linda Garcia Allan Landavazo Yogash Kumar Fran Palochak
Also present:	Maryann Ustick, City Manager Curtis Hayes, City Attorney

Presented to the Mayor and Councilors for their approval were the Minutes of the Regular Meeting of November 12, 2019.

Councilor Palochak made the motion to approve the aforementioned minutes. Seconded by Councilor Garcia. Roll Call: Councilors Palochak, Garcia, Landavazo, Kumar and Mayor McKinney all voted yes.

Presented to the Mayor and Councilors for their approval were the following Discussion/Action Topics:

1. Presentation Only: 3<sup>rd</sup> Annual North Fest Update – Rose Eason, Gallup Arts Director

Ms. Eason presented a PowerPoint presentation outlining the 3<sup>rd</sup> annual event, held on Saturday, September 14, 2019 at the Larry Brian Mitchel Center. Ms. Eason highlighted key changes from previous years including growth and the change of location of the event. Ms. Eason thanked Councilor Garcia for sponsoring the event again.

2. Discussion and Direction Regarding Options for the Gallup Business Improvement District – Maryann Ustick, City Manager

Mayor McKinney said public comment would be permitted after Ms. Ustick's presentation, with a time limit and no interruptions.

In response to petitions received from Business Improvement District (BID) property owners to dissolve the Gallup Bid and in consideration of the Annual Report presented to Council on November 12, 2019 by the BID Board of Directors, Ms. Ustick provided

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Mayor and City Councilors three (3) options to consider for the future of the Gallup Bid including, but not limited to:

1. Dissolve the Bid
2. Revoke the appointments of the current BID Board members and temporarily transfer management of the BID to the city until another non-profit organization can be identified to assume BID oversight or a new board is appointed.
3. Continue management and oversight of the BID under the existing Board and amend the existing BID ordinance to mandate compliance with the specific requirements set forth in the New Mexico statute enabling the creation of BID Districts.

In addition to the information presented by the BID board on November 12<sup>th</sup>, Francis Bee, BID Executive Director, provided an additional report and documentation for consideration just prior to the meeting.

Ms. Ustick provided a list of requirements under State Statute the BID must adhere to, including:

- Provide a list of improvements to be provided by the BID District
- Provide the estimated amount of benefit to be conferred on each track or parcel of real property in the BID by the projects implemented by the BID
- Submit a budget annually for review and approval by the City Council
- Provide a report annually to City Council on the district's activities for the preceding fiscal year, which includes a complete financial statement and the benefits of the districts programs to the real property business owners of the district.

After researching the State Statute and current BID Ordinance, it was found that the BID is not in compliance with all requirements.

Louie Bonaguidi, Chairman, answered questions posed by Councilor Landavazo regarding the reasons for not satisfying State Statute requirements, the seemingly limited number of property owners who have benefited and how money is spent and who is involved in that process.

Councilor Palochak commented on the receipt of financials just before the meeting, a solution that will satisfy those who are in favor of dissolving the BID, the unavailability of an assessment detailing benefits of the entire district and the importance of fiscal responsibility when dealing with public money.

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In response to Councilor Garcia, Ms. Ustick clarified the BID is not currently in compliance with the State Statue and provided a brief explanation of how that could be fixed. Mr. Bonaguidi provided assurance that they would do what's necessary to be in compliant. Councilor Garcia noted 35 businesses who rescinded their signatures from the petition and expressed her support of the BID and the current board members while working to comply with State Statue.

Mr. Bonaguidi introduced all BID board members including Steve Gurley, Archie Baca, Anna Biava-Kozeliski, James Rich and Micky Menapace.

Mr. Gurley, who has been on the board since its conception, expressed his support of the BID and commented on the benefits and responsibilities of the organization; concerns with payments from the City and things the city could help with, therefore, freeing up funding.

Patty Holland, CFO, and Francis Bee, BID Director provided clarification regarding assessment payments made by the City to the BID.

Councilor Palochak asserted the BID acknowledge they are not in compliant and make efforts to become compliant, recommended what should have been included in the report and highlighted some of the positive things the BID has done.

Councilor Landavazo advised the board on developing a budget based on historical data when revenue isn't on hand and make adjustments as needed.

Ms. Biava, BID Treasurer and property owner, acknowledged where improvements need to be made and stressed the amount of time and effort spent ensuring all money is spent responsibly and with property owners and business owner's best interest. She also pointed out the collaborative efforts the BID has made and maintained the focus of the BID and all of the Board members has and will continue to be progress.

Mr. Bee explained the financial controls in place when expending funds and noted 3 members representing the City were in attendance at every board meeting, including the City Manager, Assistant City Manager and a Councilor which led to an assumption that the City was informed.

Mr. Baca, BID Member, expressed his support of the BID and the Director and his willingness to continue his work for the community.

Brief discussion followed regarding the City Manager and whether State Statue requirements were ever discussed with the BID Board and the rescinded signatures included in the provided documentation.

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Brett Newberry, Friend of the BID, provided a brief history regarding his participation in the BID, noting his appreciation to the Gurley and Menapace family's for their support of implementing the BID. Mr. Newberry provided reasons he believes the BID should be terminated including property evaluations, consumer traffic and the lack of accountability and made recommendations should the City decide to continue its support of the BID. Mr. Newberry commended Kara Smith and the Mainstreet program and suggested the City provide more funding to MainStreet instead of the continued support of the BID.

Bob Rosebrough, BID property owner, also spoke on behalf of terminating the BID due to the limited amount of tangible improvements made over the past 9 years and the failure to comply with the State Statue.

Rhonda Quintana, Mainstreet Board Member, expressed her concerns regarding the petition and misrepresentation by those who facilitated it.

Mayor McKinney provided clarification regarding the petition.

Dominic Biava, former BID Member, provided a list of things the BID was meant to accomplish including physical improvements, activity promotion and to promote businesses as well as investors. He encouraged everyone to work together.

Rose Eason, conveyed the importance of the downtown community with in a city, spoke on the State Statue and its exclusivity to fund only physical improvements and the positive effects events like ArtsCrawl have on downtown districts.

Mr. Sam Rasheed, BID property owner, expressed concerns he has with the BID, including lack of authority, not outsourcing projects, projects that do not cover the entire vicinity of the BID and the fact that he did not receive notification on a recently scheduled open house.

Discussion followed regarding the downtown light project to which Mayor McKinney requested a financial breakdown and the notifications sent out regarding the open house.

Mary Walker, BID Business Owner, recommended not dissolving the BID until a plan to replace it is in order.

Councilor Kumar made recommendations including amending the BID ordinance to reflect the State Statue; Board education for all members and a monthly report emailed to all business/property owners as well as Mayor, Councilors and ex-officials.

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Councilor Garcia echoed Councilor Kumar's recommendations in addition to the continuance of hosting open house events.

Discussion followed regarding potential structural and staffing issues and alley and sidewalk construction.

Councilor Landavazo made the motion to continue management and oversight of the BID under the existing Board and amend the existing BID ordinance to mandate compliance with the specific requirements set forth in the New Mexico statute enabling the creation of BID Districts. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

Ms. Ustick will work on a monthly communication and include those in the ordinance and provide Mayor and Councilors with a draft.

Mayor McKinney stressed the importance of holding the BID and the director accountable moving forward.

### 3. Resolution No. R2019-50; A Resolution in Support of the Coal Avenue Commons Main Street Funding – Maryann Ustick, City Manager

MainStreet Gallup, applied for \$800,000 in construction funds for the Coal Avenue Commons Project, which was tentatively approved by the New Mexico MainStreet Capital Outlay Funding Program. However, one of the conditions is that the City provide a Resolution of support. Ms. Ustick provided a brief explanation of the grant process, and said if approved the grant agreement would be brought back to Mayor and Councilors at a later date. She also introduced Kara Smith, Gallup MainStreet Director. Ms. Smith thanked everyone for their continued support.

Discussion followed regarding the funding of Phase 1 and what that consists of. Ms. Ustick mentioned the BID Board normally funds the operation of MainStreet which enables them to operate, however, that has not been done this year.

Mayor McKinney thanked Ms. Smith for her work in obtaining the grant.

Councilor Palochak made the motion to approve Resolution No. R2019-50; a resolution in support of Coal Avenue Commons Main Street funding. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Landavazo, Kumar and Mayor McKinney all voted yes.

### 4. Coal Ave Commons Construction Management Proposal Approval – Maryann Ustick, City Manager

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Due to the start of construction on the Coal Avenue Commons Project, approval of a construction management contract is needed, which will provide fulltime inspections in place that meet New Mexico Department of Transportation (NMDOT) requirements. Ms. Ustick stressed the importance of those requirements, the major impact on downtown and the need for a fulltime inspector. Project Funding is sufficient and will come from the Capital Outlay of \$677,00 and the Municipal Artillery Program

Councilor Landavazo made the motion to approve Coal Ave Commons Construction Management Proposal. Seconded by Councilor Kumar. Roll call: Councilors Landavazo, Kumar, Palochak, Garcia and Mayor McKinney all voted yes.

5. Appointment of John Hartog to the Gallup Housing Authority Board – Mayor McKinney

Mayor McKinney recommended the appointment of John Hartog to the Gallup Housing Authority Board.

Councilor Garcia made the motion to approve the appointment of John Hartog to the Gallup Housing Authority Board. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.

6. Ratification of Collective Bargaining Agreement with Gallup Police Officers Association (GPOA) – Patty Holland, Chief Financial Officer

Ms. Holland presented the agreement, noting the inclusion into the City's Safety Incentive Program where employees are rewarded financially for having good safety on the job, have completed necessary safety training and have no accidents on the job. Including the 49 police officers will cost the City \$11,515. The contract is a 3-year term, however, economic reopeners will take place in the Spring after the Legislative Sessions.

Councilor Kumar made the motion to approve the ratification of Collective Bargaining Agreement with Gallup Police Officers Association. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Palochak, Landavazo and Mayor McKinney all voted yes.

7. Allison Substation Transformer Purchase – John Wheeler, Electric Director

Mr. Wheeler presented the request for the approval to purchase a transformer for the rebuild process of the Allison Substation. The original engineers estimate was \$1.5 million. Upon receiving bids from 14 prospective vendors it was determined the only qualifying bid was from McKinley Sales of Albuquerque in the amount of \$808,678. the

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addition of Sales Tax brings the total to \$875,960. Funds are available in the Allison Substation project.

Discussion followed regarding the engineers estimate verses the Bid amount and the confidence in the company.

Councilor Palochak made the motion to approve the Allison Substation transformer purchase. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Landavazo, Garcia and Mayor McKinney all voted yes.

### 8. Electric Department ICIP Amendments and Budget Adjustment Request – John Wheeler, Electric Director

Electric Department staff conducted a review of projects and prioritized projects according to their strategic initiative. Mr. Wheeler provided a list of projects to be closed and or changed as well as a list of new projects. By closing out the listed projects, funding for those can be used on other imperative projects, including a system inventory. Mr. Wheeler also presented the budget adjustments of \$225,000 for the purchase of a URD Fault Locator and a multi-purpose wire/cable puller/ tensioner and another \$65,000 for a Cost of Service Study to be conducted after the strategic initiatives are complete.

Discussion followed on the importance of the pole testing with regard to cellular service and future FCC mandates and the equipment used when electric lines are placed underground.

Councilor Landavazo made the motion to approve Electric Department ICIP Amendments and Budget Adjustment Request. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

### 9. Resolution No. R2019-47; Appointment of UAMPS Member Representatives – John Wheeler, Electric Director

Mr. Wheeler presented the proposed resolution to appoint himself as the member representative to the Utah Association of Municipal Power Systems (UAMPS) and appoint Charles Nourse as the alternate. USAMPS is a political subdivision of the State of Utah that provides comprehensive wholesale electric energy, transmission and other energy services on a non-profit basis to community owned power systems throughout the intermountain west.

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Councilor Kumar made the motion to approve Resolution No. R2019-47; Appointment of UAMPS Representatives. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes.

### 10. Award of Contract for Comprehensive Housing Analysis for the Greater Gallup Area – C.B. Strain, Planning & Development Director

On August 27, 2019 Mayor and Councilors accepted the Legislative Appropriation in the amount of \$100,000. to conduct a comprehensive housing analysis for the greater Gallup area. The intent of study is to determine housing needs for the Gallup area, excluding LMI or subsidized housing units. The goal is to develop a plan that invites development in order to spur economic growth.

Requests for Proposals (RFP) went out and five firms responded. The RFP Evaluation Committee evaluated each proposal and met on November 25<sup>th</sup> to score proposals using criteria developed and included in the RFP. After thorough review and discussion, the Evaluation Committee selected Sites Southwest as the firm most qualified for the project. The reason for this selection is based on the extensive experience and expertise Sites Southwest has in performing housing studies of this type for cities comparable to Gallup. Sites Southwest came in at \$97,524. Including tax.

Brief discussion followed regarding the time frame for which the project must be done by and the June 30<sup>th</sup> deadline in order to receive the funds.

Mayor McKinney requested Mr. Strain attend a meeting with Mr. Jason Valentine scheduled for Tuesday at 9:00 a.m.

Councilor Garcia made the motion to approve the award of contract for comprehensive housing analysis for the Greater Gallup Area. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

### 11. Ordinance No. S2019-6; New Mexico Water Trust Board Loan/Grant Agreement WPF-4823, Navajo Gallup Water Supply Project Reach 27.10 Funding – Dennis Romero, Water Department Director

Mr. Romero presented the proposed ordinance authorizing the City to enter into a loan/grant agreement with the Water Trust Board in the grant amount of \$1,720,864 and loan amount of \$1,147,242 at an interest rate of 0% and annual administrative fee rate of .25% for Reach 27.10. The remainder of project funding, in the amount of \$5,158,732 will be provided by a Financial Assistance Agreement with the U.S. Bureau of Reclamation.



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Discussion followed regarding funding committed by the State of New Mexico. Mayor McKinney requested a total list of the City's obligations and an overview of what has been fulfilled by the State.

Councilor Palochak made the motion to approve New Mexico Water Trust Board Loan/Grant Agreement WPF-4823 Navajo Gallup Water Supply Project Reach 27.10 as presented. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar, Garcia and Mayor McKinney all voted yes.

### 12. Budget Adjustment for Rebuild of Red Rock Lift Station – Dennis Romero, Water Department Director

Mr. Romero said two pumps failed at the Red Rock Lift Station and have been operating for about 9 months with help from Jacobs and Waste Water staff using a manual pumping solution. The City budgeted \$80,000 in its FY20 ICIP budget, however, Jacobs submitted a proposal in the amount of \$86,461.54 to complete the project. Mr. Romero requested a \$7,000. budget adjustment to make up the difference and approval of amendment of the FY20 ICIP to show budgeted line item increase to \$87,000. for the Red Rock Lift Station Rebuild Project.

Discussion followed regarding the glove factory and its utilization of the lift station and the Waste Water Enterprise Fund.

Councilor Kumar made the motion to approve the budget adjustment for the rebuild of the Red Rock Lift Station in the amount of \$7,000. from Waste Water Enterprise Fund and to amend FY20 ICIP to show a budgeted line item increase from \$80,000 to \$87,000. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Palochak, Landavazo and Mayor McKinney all voted yes.

### 13. Budget Adjustment to Replace Existing Boiler at the Gallup Aquatic Center – Vince Alonzo, Parks Department Director

Mr. Alonzo presented a budget increase in the amount of \$26,991.59 to replace and install a new Raypak boiler at the Aquatic Center.

Discussion followed regarding shutdown time of the facility, who will complete the parts of the project Dallago's excluded from the Bid and the Joint Powers Agreement with McKinley County Schools.

Councilor Landavazo made the motion to approve budget adjustment to replace the existing boiler at the Gallup Aquatic Center in the amount of \$26,991.59. Seconded by

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Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

### 14. Resolution No. R2019-48; Acceptance of Reappropriation 19-D4056 for Veteran's Memorial Glass Panels – Vince Alonzo, Parks Department Director

As part of the 2019-2020 State budget, State Legislatures reappropriated the City \$50,000 to renovate and purchase glass panels for the existing pillar at the Veterans Memorial in the Courthouse Square. Mr. Alonzo requested approval to accept the grant, change the designated grantee points of contact to Mr. Alonzo and Ms. Holland, approve the resolution and budget increase in revenue and expenditures of \$50,000.

Discussion followed regarding a list of new names, maintenance and the process for correcting existing names.

Councilor Palochak made the motion to approve Resolution No. R2019-48; Acceptance of Reappropriation 19-D4057 for Veteran's Memorial Glass Panels in the amount of \$50,000 as presented. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Landavazo, Kumar and Mayor McKinney all voted yes.

### 15. Resolution No. R2019-49; Acceptance of Reappropriation 19-D4057 for Veteran's Memorial Glass Panels – Vince Alonzo, Parks Department Director

As part of the 2019-2020 State budget, State Legislature reappropriated the City \$25,000 to renovate and purchase glass panels for the existing pillars at the Veteran's Memorial in the Courthouse Square. Mr. Alonzo requested acceptance of the grant, change the designated grantee points of contact to Mr. Alonzo and Ms. Holland and approve the resolution and budget increase in revenue and expenditures of \$25,000.

Councilor Kumar made the motion to approve Resolution No. R2019-49; Acceptance of reappropriation 19-D4057 for Veteran's Memorial Glass Panels, accept the State Grant in the amount of \$25,000. and change the designated points of contact as presented. Seconded by Councilor Palochak. Roll call: Councilor Kumar, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

### 16. Budget Adjustment for the Grant Agreement Between the New Mexico Department of Transportation and the City of Gallup (Contract Number TSO4643) – Franklyn Boyd, Police Chief

Chief Boyd presented the grant award to the Gallup Police Department from the New Mexico Department of Transportation for a number of projects including End Driving

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While Impaired, \$38,318; Buckle Up /Click It or Tick, \$4,998 and Selective Traffic Enforcement Program/100 Days and Nights of Summer, \$14,994 totaling \$58,310.

Councilor Garcia made the motion to approve budget adjustment for the Grant Agreement between the New Mexico Department of Transportation and the City of Gallup Contract #TSO4643 in the amount of \$58,310. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

### **Comments By Public on Non-Agenda Items**

None

### **Comments By Mayor and City Councilors**

Councilor Landavazo thanked Vince Alonzo and staff for all they have done in decorating the City for the holiday season and wished everyone a Merry Christmas.

Councilor Kumar thanked all City staff and mentioned a recent accident that occurred and wished every a safe and happy holiday.

Councilor Garcia also thanked Vince Alonzo and Tammi Moe for their help with the Northfest Festival and wished everyone a Merry Christmas and a blessed New Year.

Mayor McKinney also thanked all City Staff and wished all a Merry Christmas and Happy New Year.

### **Comments By City Manager and City Attorney**

Mr. Hayes said McKinley County requested a presentation on the Navajo Gallup Water Project, therefore, Mr. Romero presented a PowerPoint presentation and did an outstanding job representing the City.

Ms. Ustick mentioned the start of the LED Street Light Project set to start in January and the Employee Recognition Event scheduled for this Saturday.

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There being no further business, Councilor Palochak made the motion to adjourn the meeting. Seconded by Councilor Garcia. Roll Call: Councilors Palochak, Garcia, Landavazo, Kumar and Mayor McKinney all voted yes.

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Jackie McKinney, Mayor

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Alicia Palacios, Deputy City Clerk