

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico held virtually at Gallup City Hall, 110 W. Aztec Avenue, at 6:00 p.m. on Tuesday, February 23, 2021.

The meeting was called to order by Mayor Louie Bonaguidi. He provided instruction to the public viewing the meeting through Facebook Live on how to provide comment on non-agenda items.

Upon roll call, the following were present:

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| Mayor: | Louie Bonaguidi |
| Councilors: | Linda Garcia Michael Schaaf Yogah 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 on February 9, 2021.

Councilor Schaaf made the motion to approve the Minutes of the Regular Meeting of February 9, 2021. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Kumar, Garcia and Mayor Bonaguidi all voted yes.

Presented to the Mayor and Councilors was the following Presentation and Information item:

1. Navajo Gallup Water Supply Project (NGWSP) San Juan Generating Station (SJGS) Alternative and Project Delay – Patrick Page, P.E., U.S. Bureau of Reclamation Four Corners Construction and Engineer Manager

Mr. Page presented the proposal consisting of measures that have been taken and are being explored to help reduce potential impacts to the City as a result of extending the completion deadline of the Navajo Gallup Water Supply Project (NGWSP), which is necessary as a result of their analysis. Mr. Page recommended selection of the San Juan Generating Station intake alternative on the San Juan River and incorporate into the project as the raw water supply for the San Juan lateral. Correspondence regarding the U.S. Bureau of Reclamation's position to extend the Navajo Gallup Water Project's deadline is attached hereto, marked as Exhibit A and made a part of these official Minutes.

Discussion followed regarding results of the Ability to Pay Study, the project's commencement date and timeline, potential increase in water costs to residents, the

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35% cost cap currently in place and recent water well issues in addition to current maintenance costs for those wells.

Mr. Page provided information regarding a Project Issue Notice (PIN) used to memorialize decisions that are made on a project. Once signed by the City, the Bureau of Reclamation would cover costs for the final analysis.

Mr. Hayes mentioned the methodology used with regard to the Ability to Pay analysis and how it benefits the City in comparison to the Navajo Nation's Ability to Pay analysis.

Further discussion followed regarding the current working cost estimate levels, the authorized spending level by Congress, additional electrical power needed to offset the cost of pumping added wells, the inlet site location from the Colorado mine spill and the project budget increase. There was no action taken by the Mayor and Councilors.

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

1. Butler Brothers LLC, Request for Approval of Ordinance No. S2021-3 for the Vacation of a Twenty Foot (20') Public Utility Easement (PUE) – C.B. Strain, Planning and Development Director

Mr. Strain presented the request on behalf of Butler Brothers LLC, property owners, who petitioned the City for vacation of a 20' wide public utility easement (PUE) on property located at 226 Dee Ann Avenue. The purpose of the request is to develop a self-storage facility; however, the existing utility easement which was dedicated to accommodate utility poles and electric lines that have since been removed, would significantly limit the buildable area. Mr. Strain said the Gallup Task Force provided a positive recommendation and the Planning Zoning Commission, approved the request at their meeting held on February 10, 2021.

Councilor Schaaf made the motion to approve Ordinance No. S2021-3 for vacation of a 20' Public Utility Easement. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Garcia, Kumar and Mayor Bonaguidi all voted yes.

2. Acceptance of Department of Finance and Administration, CDBG Grant Agreement, Project No. 20-C-NR-I-01-G-10 – C.B. Strain, Planning and Development Director

Mr. Strain presented the grant agreement for award by the Department of Finance and Administration Local Government Division in the amount of \$1 million with a required 10% match of \$100,000 from the City. The match requirement can be covered with left

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over fund balance from the Whole Block Neighborhood Reconstruction Project. Mr. Strain said the grant is to fund a city street and pedestrian and utility infrastructure on West Logan Avenue from 7th Street to 9th Street. Mr. Strain provided a scope of work, including reconstruction of the roadway with a total 2,640 square yards of asphalt and will require removal and replacement of 1,140 linear feet of deteriorating curb and gutter. A total of 1,010 square yards of concrete will be needed for replacement of the sidewalks with expansion joints traversing to the curb and gutter, replacement of driveways and handicapped ramps with landings. Infrastructure improvements shall consist of the replacement of 720 linear feet each of 8" water and sewer lines and a total of 480 linear feet each of water and sewer service lines. Mr. Strain requested acceptance of the grant agreement and approval of Resolution No. R2021-6. He also requested approval of revenue and expenditure budget in the amount of \$1 million in addition to the 10% matching funds budget transfer and expenditure and revenue budget of \$100,000.

Discussion followed regarding the elimination of existing drainage issues in the area.

Councilor Palochak made the motion to approve the grant agreement, expenditure and revenue budgets. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Schaaf and Mayor Bonaguidi all voted yes.

3. Resolution No. R2021-4; Adopting Required Community Development Block Grant (CDBG) Certifications and Commitments – C.B. Strain, Planning and Development, Director

Mr. Strain presented the proposed resolution and further explained CDBG funding, whereas each local government must annually certify the following:

Citizenship Participation:

Developing a Citizen Participation Plan is a Federal requirement for grantees who receive CDBG funds. The Citizen Participation Plan states that citizens will be provided with reasonable notices and timely access to local meetings in order to solicit their input and project ideas for the CDBG program. Adoption by resolution is a requirement for CDBG projects.

Fair Housing:

Certifies the City of Gallup's commitment to the Fair Housing Act of 1968 to affirmatively further fair housing, which prohibits discrimination in the sale, rental, leasing and financing of housing or land to be used for the construction of housing on the basis of race, color, religion, sex, disability, familial status or national origin.

Residential Anti-Displacement & Relocation Assistance:

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Whenever Federal funds, such as CDBG, are used in a project involving the acquisition, rehabilitation, or demolition of real property, a Federal law known as the Uniform Relocation Assistance and Real Properties Acquisition Policies Act (URA) may apply. The purpose of the URA is to provide fair and equitable treatment for persons whose real property is acquired or for persons displaced as a result of a CDBG funded project or activity.

Section 3 Plan:

Section 3 is a provision of the HUD Act of 1968 that helps foster local economic development, neighborhood economic development and individual self-sufficiency. The Section 3 Program requires that recipients of certain HUD financial assistance – the greatest extent feasible – provide job training, employment and contracting opportunities for or very low income residents in connection with projects and activities in their community. Every CDBG grantee is required to adopt a “Section 3 Plan” by resolution for CDBG projects.

Procurement:

Certifies its compliance with Federal Procurement Code (24 CFR Part 85.36) and New Mexico Procurement Code (§13-1-120 NMSA 1978) by adopting a procurement policy for CDBG projects.

Councilor Palochak made the motion to approve Resolution No. R2021-4, Adopting Required Community Development Block Grant Certifications and Commitments. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

4. 2021 CDBG Fair Housing Proclamation – C.B. Strain, Planning and Development Director

Mr. Strain said as a requirement for CDBG funding, each local government must annually certify that it will affirmatively further fair housing.

Mayor Bonaguidi read the, “Fair Housing Proclamation,” which publicizes the City’s commitment to fair housing and proclaims, Friday, March 26, 2021 as Fair Housing Day in Gallup.

Councilor Kumar made the motion to approve the 2021 CDBG Fair Housing Proclamation. Seconded by Councilor Schaaf. Roll call: Councilors Kumar, Schaaf, Garcia, Palochak and Mayor Bonaguidi all voted yes.

5. Resolution No. R2021-5; East Nizhoni Blvd. Reconstruction MAP Resolution – C.B. Strain, Planning and Development Director

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Mr. Strain presented the Municipal Arterial Program (MAP) Application to fund the reconstruction of East Nizhoni Boulevard between South Second Street and College Drive. The work includes reconstruction of the roadway, pedestrian safety and storm drainage. Mr. Strain said the resolution of project support is required by the New Mexico Department of Transportation (NMDOT) and provided information regarding the project's 3 phases, total project cost and the 25% required match of the awarded amount.

Councilor Palochak pointed out the need for reconstruction. She expressed her support of the project and requested funding for it.

Councilor Kumar made the motion to approve Resolution No. R2021-5, East Nizhoni Boulevard Reconstruction MAP. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

6. Capital Improvement Item and Budget Adjustment for COVID-19 – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented the proposed budget adjustment for the installation of technical components to better facilitate socially distant meetings and trainings inside the El Morro Events Center. The total amount to complete the installation is \$18,088.41, which qualifies for submission to FEMA as a COVID-19 related expense and will be partially reimbursed at 75% pending FEMA approval. Ms. Lazarz provided details regarding the reimbursement process and requested a transfer of the total amount from General Fund Balance to Capital Expenditures.

Councilor Palochak made the motion to approve the budget adjustment for technology installation, in the amount of \$18,088.41, as presented. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

7. Budget Adjustment for Fox Run Golf Course – Matthew Alcala, Golf Course

Mr. Alcala presented the proposed budget adjustment in the amount of \$175,000 to cover operational expenses including utilities, seed/fertilizer, point of sale system, merchandise and to replenish funds in other accounts utilized to cover costs of a failed pump.

Councilor Kumar made the motion to approve the budget adjustment for Fox Run Course, in the amount of \$175,000. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Schaaf, Garcia and Mayor Bonaguidi all voted yes.

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8. Fire Fund Budget Adjustment – Jesus “Chuy” Morales, Fire Chief

Chief Morales requested approval to budget unallocated funds in the amount of \$70,020 for the future purchase of an aerial ladder truck. He also provided information regarding funds the Fire Department continues to save for this purchase.

Councilor Palochak commended Fire Department Staff for their financial planning.

Councilor Palochak made the motion to approve the Fire Fund budget adjustment in the amount of \$70,020, as presented. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

9. Budget Adjustment for Bond Refunding – Patty Holland, Chief Financial Officers

Ms. Holland said working with RBC Financial to refund the Series 2010A Bonds, saved a cash outlay of \$789,300 and provided a lower interest cost through the end of the debt, saving over \$950,000. However, steps to record the new debt and refunding, require a budget adjustment to properly post the movement of cash. Ms. Holland requested a budget increase of \$7,215,870 to record the principal payment of \$7,140,000 and an interest payment of \$75,870 to pay off the old loan.

Councilor Schaaf made the motion to approve the budget adjustment of \$7,215,870, as presented. Seconded by Councilor Kumar. Roll call: Councilors Schaaf, Kumar, Palochak, Garcia and Mayor Bonaguidi all voted yes.

10. Final Change Order – Wastewater Treatment Plant (WWTP) Capital Improvement Project – Dennis Romero, Water and Wastewater Director

Mr. Romero said the Capital Improvement Project was completed in the fall; however, certain adjustments had to be made with piping before the acceptance period testing could begin. System Improvements were placed in operation December 2020 and accepted by City Staff after all operation tests were completed and documented as satisfactory. Mr. Romero requested approval of the final change order in the amount of \$79,500, to increase the Purchase Order and pay the final invoice, considering the system is operational and acceptable for use. He clarified there is no net fiscal impact due to this change order because the amount is within the project budget and the terms of the Clean Water State Revolving Fund loan.

Councilor Palochak made the motion to approve the final change order for the Wastewater Treatment Plant Capital Improvement Project. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Kumar and Mayor Bonaguidi all voted yes.

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11. Designation of Terms of Business Improvement District Board Members – Curtis Hayes, City Attorney

Mr. Hayes provided information regarding the Business Improvement District ordinance, including the adoption of Ordinance No. C2018-15, which at the time, the Board consisted of nine voting members. However, an amendment made in February 2020, reduced the number of Board members to seven. Mr. Hayes said the Mayor and Councilors had not designated which two of the seven board positions will serve an initial term of three years and which five positions will serve an initial three-year term with an automatic two-year extension and provided two choices, in accordance with the ordinance:

- 1) Designate two of the current members' positions to have three year terms. The remaining four members' positions and the vacant position would then serve five year terms or
- 2) Designate one of the current member's position and the vacant position to have three year terms. The remaining five members' positions would then have five years.

Mr. Hayes noted there are no term limits for BID Board members, allowing positions that are selected to have an initial term of three years to be reappointed to a four-year term when the initial terms expire on December 31, 2021.

Mayor Bonaguidi suggested basing the selection of the two board members to a three-year term on meeting attendance and recommended James Rich and Steve Gurley to serve the three year terms.

Councilor Palochak expressed support of the recommendation and appreciation to Mr. Gurley and Mr. Rich.

Councilor Palochak made the motion to approve the designation of terms of Business Improvement District Board Members as recommended by the Mayor. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Kumar Garcia and Mayor Bonaguidi all voted yes.

Comments by Public on Non-Agenda Items

None.

Comments by Mayor and City Councilors

Councilor Palochak provided information regarding the Wellness Recovery Center, an adult substance abuse facility at RMCH and the Four Corners Recovery Center, a detox

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facility located at the old Juvenile Detention Center, which she recently toured. She expressed her support and appreciation of these organizations. She also encouraged everyone to get vaccinated, continue to wear a mask and practice social distancing.

Councilor Garcia also commented on the positive changes being made within the Wellness Recovery Center and the important role, treatment facilities such as these, play in a community by providing much needed services. She also read a letter from Gwen Wilson, commending the Library staff for all they have done to engage the community during the pandemic.

Councilor Kumar thanked City Staff for their efforts throughout the pandemic. He also shared his hopes for the continued improvement with regard to the pandemic and encouraged everyone to get vaccinated.

Councilor Schaaf responded to questions he received regarding new construction in Gallup, including a Maverick fuel station at the corner of Toltec Drive and East Historic Highway 66, a Dollar Tree near Family Dollar on the east side of town and the demolition of Smokey's Restaurant for the construction of a Maverick fuel station in its place.

Comments by City Manager and City Attorney

Ms. Ustick recognized Jon Pairett, Fire Marshal, Michael Gleason, Assistant Fire Chief and the Gallup Fire Department Prevention Staff who were presented appreciation plaques by the Gallup McKinley County School Board for their help in getting schools reopened. She also announced a Special Meeting scheduled Tuesday, March 2, 2021 at 10:30 am for the purpose of discussing a resolution to support New Mexico House Bill 270 pertaining to autonomous vehicles.

Mr. Hayes commented on substance abuse as it relates to the criminal justice system and the resources needed to help with these issues. He also expressed excitement in the valuable services both treatment facilities are providing and the importance of having medically monitored detox services available.

Mayor Bonaguidi highlighted the positive things happening in the community, including an award of the entire requested amount of \$1 million for CDBG. He expressed his appreciation to the State of New Mexico for recognizing the need for funding in the community.

There being no further business, Councilor Schaaf made the motion to adjourn. Seconded by Councilor Palochak. Roll call: Councilor Schaaf, Palochak, Kumar, Garcia and Mayor Bonaguidi all voted yes

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Louie Bonaguidi, Mayor

ATTEST:

Alicia Palacios, Deputy City Clerk