

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 West Aztec Avenue at 6:00 p.m. on Tuesday, December 13, 2022.

The meeting was called to order by Mayor Bonaguidi.

Upon roll call, the following were present:

Mayor: Louie Bonaguidi

Councilors: Linda Garcia
Michael Schaaf
Fran Palochak
Sarah Piano

Also present: Maryann Ustick, City Manager
Curtis Hayes, City Attorney

Presented to the Mayor and Councilors were the following Consent Agenda Items:

1. Approval of Minutes from the Work Session and Regular Meeting on October 25, 2022, Regular Meeting on November 8, 2022 and Special Meeting on November 15, 2022.
2. Budget Adjustment for FY 2023 Fire Grant Award
3. Approval of Budget Adjustment and Bid Award to Apple Mountain Constructors, LLC for the City of Gallup Airport and Sky City Pressure Reducing Station Improvements 2023-Formal Bid No 2221
4. Resolution No. R2022-50; A Resolution Confirming the Financial Operating Commitment Contained in the Joint Powers Agreement (JPA) for the Northwest New Mexico Regional Solid Waste Authority (NWNMRSWA)
5. Resolution No. R2022-51; Approval of Appointing UAMPS Member Representative
6. Resolution R2022-49; Accepting State of New Mexico Department of Finance and Administration Fund 89200 Capital Appropriation Project Grant Agreement 22-G2903 to Construct, Improve, Equip and Furnish the Building Housing the Gallup Cultural Center
7. Award of Contract for Roof Replacement at Vehicle Shop
8. Approval and Budget Adjustment of the Preventing Alcohol Related Deaths

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9. Approval of Amendment to Gallup Detoxification Center Administration and Operations Agreement
10. Approval of Amendment and Adjustment to NCI Gallup Social Detox and Expanded Shelter and Treatment Services
11. Budget Adjustment in the Amount of \$11,000 from Fund Balance for Vehicle Shop Trailer Replacement
12. Resolution No. R2022-46; Adopting Rules of Procedure Regarding Public Comment

Councilor Piano requested Item 4 be removed from the Consent Agenda for additional discussion.

Ms. Ustick requested Consent Agenda Item 12 removed from the Consent Agenda and placed after Discussion Action Topic 3.

Councilor Schaaf made the motion to approve Items 1-3 and Items 5-11 of the Consent Agenda. Seconded by Councilor Piano. Roll call: Councilors Schaaf, Piano, Garcia, Palochak and Mayor Bonaguidi all voted yes.

4. Resolution No. R2022-50; A Resolution Confirming the Financial Operating Commitment Contained in the Joint Powers Agreement (JPA) for the Northwest New Mexico Regional Solid Waste Authority (NWNMRSWA) – Arian Marrufo Solid Waste, Water and Solid Waste Director

Councilor Piano requested clarification regarding the estimated cost to re-establish the contribution included in the JPA, starting May FY 2022 and continuing through FY 2023

Billy Moore, Executive Director, NWNMRSWA, provided information regarding the conception of the Board and the JPA, explained the change in distribution of the tax, requested funding forwarded back to the Authority and recognized board members Councilor Garcia and Adrian Marrufo, Acting Water/Wastewater and Solid Waste Director.

Councilor Piano made a motion to approve Resolution No. R2022-50. Seconded by Councilor Schaaf. Roll call: Councilors Piano, Schaaf, Palochak, Garcia and Mayor Bonaguidi all voted yes.

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

1. Budget adjustment and Award of Contract of Tantalus Systems, Inc. for Advanced Metering Infrastructure (AMI) – Church Nourse, Deputy Electric Director and Andrew Mitchell, Tantalus Director

Mr. Nourse said the City of Gallup has been investigating the advantages of moving from the Automated Meter Reading (AMR) to the Automated Meter Infrastructure (AMI) for the last couple of years, however a moratorium was placed, in response to the pandemic allowing residents to stay home, halted the disconnection of electric and water meters and did not allow for tenants to be evicted from their home for non-payment. He said the moratorium was lifted March 2022 and was followed by a labor shortage making it difficult to fill Customer Service positions making AMI a top priority. Mr. Nourse explained cost, implementation time, advantages, logistics, programming and recording.

Andrew Mitchell, Tantalus Director of Utility Solutions, presented a PowerPoint presentation including their legal disclaimer, business overview, digitization of the distribution grid using assets already in place and extending the asset life by building out a communications network using TUNet Communications Network, TRUedge devices and Tantalus Control Center Enterprise Software and continuously running all the collected data through Next Metering and Analytics. Mr. Mitchell provided a list of accomplishing goals, capacity to leverage one network for multiple applications, granular data and the software's capabilities including live data, tracking usage abnormalities, line conditions and interruptions. He also presented the TUNet Insight screen to view customer meters for the purpose of disconnects and reconnects and the benefits of real time tracking.

Discussion followed regarding customer water leak detection and the method of notification, inclusion of electric and water meters, reclassification of current meter reader positions, total number of electric and water meters, program management, annual costs, timeframe for full implementation and increased accuracy while eliminating estimating.

Councilor Schaaf made the motion to approve budget adjustment and Tantalus contract. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.

2. Ordinance No. C2022-4; Enacting Water Commodity Rates and Meter Charges – Patty Holland CFO, Erick Harrigan RBC Capital Markets and Arian Marrufo Solid Waste, Water and Solid Waste Director

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Ms. Holland presented the current proposal based on Council's recommendation at the last meeting, comprised of a 15% rate increase followed by a 1% decrease each succeeding year. She said the original budget proposed is significantly different, therefore provided the current Water Department budget and projections for better forecasting. Ms. Holland explained if passed, staff will work on a \$6.5 million bond to initiate the first group of projects but maintenance of debt service will eliminate any bonding for additional capital projects until about FY 2028.

Erik Harrigan, RBC Capital Markets, provided the average number of days of cash-on-hand in comparison to other New Mexico cities for 2019 and 2021 and suggested the city maintain a reasonable number of days of cash-on-hand with consideration to the aging infrastructure.

Discussion followed regarding Los Lunas's 123 days cash-on-hand and the growing investment into their utilities, issues Gallup experiences and Los Lunas does not, a decrease in total operating revenue for FY 2022 to 2023, overall activity variables, specific effects of the 15% increase, the state audit release date, proposed total debt service for FY 2024, bonding payments and electrical expenses included in the proposal.

Kurt Spolar, DePauli Engineering, presented a handout labeled Water Production and Delivery Operation and Maintenance Costs. He clarified a cost-of-service study or rate study were not completed, further explaining three major components of those studies including determination of revenue requirements, a financial model, which were both completed and allocation determined by the Council. Mr. Spolar provided details regarding the cost study done in 2014 in preparation for the Navajo Gallup Water Supply Project and directives provided by the Council at the time.

Ms. Ustick clarified the rate study determines how much revenue is needed to cover the operation maintenance costs and replacement and debt service, how the cost is allocated among user's accounts, noting it does not change the revenue needed.

Mr. Spolar responded to questions regarding revenue requirements and noted the years 2017 through 2021 provided were audited and approved budgets, while 2022 was a projected amount and can be updated in July 2023. He also provided an explanation for the increase from 2021 to 2022 and the base rate for residential and commercial rates.

Mr. Marrufo highlighted the initial projected amount compared to the current projected amount, explained the selected projects using the \$6.5 million bond went from more than 20 projects down to 6 projects; including the most critical at this time however, noted that can always change. He said some of the projects have been listed for some time but have been pushed back and borrowed from to take care of unscheduled

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projects that took priority. He stressed there will be no capital projects from FY 2025 until funding can be acquired through the \$5 million bond in FY 2028, which will require the use of cash-on-hand and stressed the lack of investment has taken its toll on the employees which will lead to the hiring of outside contractors, costing twice as much. He said the Water Department needs the funding and at the current rate will only work for the next two years.

Discussion continued regarding the cost-of-living increase, certain projects that have been removed from the list, potential opportunity to get funding through alternative resources and current issues, clarification regarding the effluent line funding, bonding capacity based on total revenues and cash availability.

Further discussion followed regarding available options to consider, concerns with being in the same position in the next 5 years, consequences of doing nothing, inability to do certain replacements and only provide repairs without the necessary funding, the current cash on hand of 126 days, the effects on the Navajo Gallup Water Supply Project, state and federal funding, and difficulty securing funds for replacement compounding within the bill and labor increases throughout the water industry.

Bill Lee, Chief Executive Officer, Gallup Chamber of Commerce, expressed appreciation to the Mayor and Councilors for the difficult position they are in. He expressed concerns with the overall increase by the end of the 5 years, expressed understanding that an increase is necessary to fix the infrastructure and advocated for a one-time rate increase. He also encouraged City staff to conduct a rate study.

Ms. Holland clarified the first two components of the rate study are determining how much is needed to maintain operations and the last part is determining how the load is distributed. The overall amount needed has been determined. The rate study would take 6 months minimum and would only provide the Council the opportunity to change the allocation between business and residential accounts. She also said the operation costs are updated.

Ms. Ustick highlighted implementation of a one-year increase will eliminate the bonding opportunity for lack of adequate revenue to pay the debt service on the bond.

Ms. Holland responded to questions regarding implementation of the rate increase by January 1, 2023, the potential to implement the increase by July 1, 2023 and the added delay a rate study would cause.

Pat Sheely provided comment regarding her concerns with water leaks. She thanked the Water Department for helping her understand the issue, encouraged the Council to

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pass the ordinance to raise the rates and then again in July to improve the water infrastructure.

Sammy Chioda expressed gratitude to Adrian Marrufo for all his work. He commented on the delinquency rate for utilities, the imposition of minimum wage increases and the stimulus funding provided under the Obama Administration. He encouraged the Council to get funding from the State by contacting our legislators in Santa Fe to avoid putting the burden on residents and to ask for more funding at the legislative sessions.

Ms. Holland summarized the options for passing the ordinance and to implement the increase by January 1, 2023. If the Council does not approve the ordinance, staff will wait for direction during budget hearings and will come up with a proposal to implement the increase at a later date.

Councilor Schaaf expressed concern with doubled costs in 8 years.

Councilor Palochak made a motion to approve Ordinance No. C2022-4. The motion died for lack of a second.

3. Ordinance No. C2022-5; Amending Title, Chapter 6 of the Gallup Code – Curtis Hayes, City Attorney

Mr. Hayes proposed an amendment, at the Council's request, to Gallup City Code §1-6-8(H) which currently requires unanimous consent to allow a citizen to address the Council during a meeting by only requiring the citizen to simply obtain the permission of the Chair before speaking. Details of this process is included in the proposed resolution in the next item. He said in reading the section he found other items in violation of the Charter and requested removal of the Mayor's veto power, the Mayor's authority to appoint special police, an ordinance electing a Mayor Pro Tem in the Mayor's absence and a provision to appoint a City Clerk Pro Tem in the City Clerk's absence.

Councilor Schaaf made the motion to approve Ordinance No. C2022-5. Seconded by Councilor Garcia. Roll call: Councilors Schaaf, Garcia, Piano, Palochak and Mayor Bonaguidi all voted yes.

4. Resolution No. R2022-46; Adopting Rules of Procedure Regarding Public Comment – Curtis Hayes, City Attorney

Mr. Hayes presented the proposed resolution, repealing Resolution No. R2021-24 and replacing it with a new resolution, which adds a section regarding public comment at Council Meetings on agenda items and non-agenda items, rules of respectful behavior, the Chair's authority to maintain order, a provision allowing a member of the public to

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request a consent agenda item be removed for further discussion and an established order of priority of rules and procedure.

Discussion followed regarding a time limit for public comment, a note included on the agenda stating the public has the right to address the Council on agenda and non-agenda items and the Chair's authority to limit public comment which can be overruled by a motion and majority vote.

Councilor Garcia made a motion to approve Resolution No. R2022-46. Seconded by Councilor Piano. Roll call: Councilor Garcia, Piano, Palochak, Schaaf and Mayor Bonaguidi all voted yes.

4. Ordinance No. C2022-6; Amending the Special Event Permit Ordinance – Curtis Hayes, City Attorney and Maryann Ustick, City Manager

Mr. Hayes presented the proposed amendments to clarify the criteria for denying a permit, imposing restrictions on specific events, implementing venue regulations which can be presented to Council upon completion at a later date.

Discussion followed regarding the authority to tow away vehicles and extending it to special events by including it in the ordinance and charging violators with a misdemeanor offense.

Councilor Schaaf made the motion to approve Ordinance No. C2022-6. Seconded by Councilor Garcia. Roll call: Councilors Schaaf, Garcia, Piano, Palochak and Mayor Bonaguidi all voted yes.

5. Budget Adjustment Approval for New Mexico Taxation and Revenue Department's Fee on Cannabis Excise Tax – Patty Holland, Chief Financial Officer

Ms. Holland presented the budget adjustment in the amount of \$1,000 to properly account for Taxation and Revenue's monthly withholding fee for Cannabis Excise Tax and will present use of the funds at a later date. She explained the Department of Finance must approve use before funding is spent.

Councilor Piano made a motion to approve the budget adjustment. Seconded by Councilor Schaaf. Roll call: Councilors Piano, Schaaf, Palochak, Garcia and Mayor Bonaguidi all voted yes.

6. Request for Additional Position at Municipal Court – Erin Gutierrez, Court Administrator and Judge Janell Griego

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Ms. Gutierrez requested approval of an additional position to serve as a probation officer, supervising defendants placed on probation for DWI related crimes in an effort to better serve the community and defendants. She provided information regarding past success with regard to in house supervision. Reimplementation of the provisions would encourage growth, assist defendants to become positive, active members of the community, lower the recidivism rate, ensure defendants remain compliant with probation and complete mandatory penalties required by law. Ms. Gutierrez said the operating salary for six (6) months is \$29,125 and \$1,800 for operating expenses.

Discussion followed regarding the efficiency of handling 2nd and 3rd DWI offenders, the positive improvements Judge Griego has made at the courts, easing the Magistrate Court's heavy case load, more effectively handling these cases at the Municipal Court, a necessary ordinance amendment before implementation and necessary personnel.

Judge Griego clarified the County and the City would handle cases simultaneously, providing law enforcement, however the dismissal rate is currently 75% and Magistrate Court allows for a jury trial, whereas Municipal Court does not provide that option.

Mr. Hayes noted Magistrate Court will have jurisdiction over cases outside the city limits.

Councilor Garcia made the motion to approve the additional position. Seconded by Councilor Schaaf. Roll call: Councilors Garcia, Schaaf, Palochak, Piano, and Mayor Bonaguidi all voted yes.

Comments By Public on Non-Agenda Items:

Dr. Kevin Foley, NCI Executive Director, announced this New Year's Sobriety Gourd Dance and Pow Wow event at Miyamura High School, which started in 1996 to honor individuals in recovery. He invited Mayor Bonaguidi to provide a welcome speech. Dr. Foley also provided details about the event.

Comments By Mayor and City Councilors:

Mayor Bonaguidi announced current events such as the Balloon Rally, Christmas Parade and the well-attended Christmas Tree Festival. He wished everyone a happy, healthy and prosperous New Year.

Councilor Palochak announced the upcoming Wreaths Across America on December 17th, commencing with a ceremony at Court House Square, followed by delivery of wreaths to place on sponsored veteran's graves. She encouraged everyone to sponsor a wreath for \$15 and wished everyone a Merry Christmas.

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Councilor Schaaf mentioned the recent passing of Hiroshi Miyamura, Medal of Honor recipient and the memorial service. Councilor Schaaf also commented on the City of Gallup's Employee Recognition Dinner and thanked all City employees for all they do for the City. He wished everyone a Merry Christmas and a Happy New Year. He also thanked Mr. Hayes for all he has done for the City during his tenure.

Councilor Garcia announced Shop with a Cop event this Saturday. She thanked Chee and Timaris Montano for supporting this and many other events in the city. She also expressed appreciation to all police officers and Mr. and Mrs. Claus who will be in attendance.

Councilor Piano also provided information regarding Shop with a Cop and expressed her gratitude to participating law enforcement agencies, as well as Fire Department and EMS staff. She wished everyone a Merry Christmas and Happy Holidays.

Comments By City Manager and City Attorney:

Ms. Ustick commented on the Employee Recognition Dinner and expressed her appreciation to all City employees. She wished everyone a Merry Christmas and Happy New Year.

Councilor Schaaf made a motion to adjourn. Seconded by Councilor Piano. Roll call: Councilors Schaaf, Piano, Garcia, Palochak and Mayor Bonaguidi all voted yes.

Louie Bonaguidi, Mayor

ATTEST:

Alicia Palacios, Deputy City Clerk