

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, May 28, 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 and Special Meetings of May 14, 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.

The Mayor and Councilors presented a Proclamation declaring May 28, 2019 as Harrison Dehiya Day. Mr. Dehiya thanked the Mayor and Councilors and expressed appreciation to his staff for the honor of being presented the proclamation.

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

1. Request for Street Closures for Rico Auto Complex 100 Year Anniversary Celebration to be held on June 7 & 8, 2019

The Mayor and Councilors reviewed the event permit for street closures on 5th Street between Coal and Aztec Avenues.

The Mayor and Councilors commended the Menapace family for their constant support of events throughout the City, thanked them for their professionalism and congratulated them on their 100th Anniversary.

Councilor Garcia made the motion to approve the request for street closures for the Rico Auto Complex 100 Year Anniversary Celebration to be held on June 7 & 8, 2019. Seconded by Councilor Kumar. Roll Call: Councilors Garcia, Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

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2. Ordinance No. C2019-5; An Ordinance Increasing the Rates for Electric Service – Erick Babcock, Acting Electrical Director

Mr. Babcock provided a PowerPoint presentation entitled “Electric Rate Ordinance Proposal,” which illustrates how an increase would affect customers including customer demographics, rate comparisons, outdoor light fixtures and effective dates of the proposed rate change.

Erik Harrigan, RBC Capital Markets, presented an overview of the Electric Utility Finance Plan designed to provide sufficient net revenues to meet the capital needs of the Utility and to maintain sufficient target cash balances for the future. To avoid large random increases, the rate required to meet the cash flow model is a 6.15% increase in revenue for FY 2020 to 2022, 5% for FY 2023 to FY 2024 and 2.5% from FY 2025 to FY 2026 across all classes. The average cash on hand for utilities of a similar size ranges from 220 to 250 days. Currently, the Utility’s cash on hand is 342 days and according to the model would decline to 206 days by 2026.

Discussion followed regarding the percentage rate and the possibility of changing it according to utility class, the average dollar amount per resident, challenges faced by residents on a fixed income, the discontinuation of budget billing and programs available to customers and the impact an increase would have on businesses.

Further discussion followed regarding the necessary improvements to the City’s electric system, the total dollar amount in cash reserves, the amount of cash reserves used to fund the CIP for FY20, economic development concerns and a higher increase in the future if not approved.

Mr. Harrigan responded to questions regarding the total revenue base and purchase power.

Mr. Babcock concluded the PowerPoint presentation and recommended approval of the rate increase for one year at which point the matter will be brought back to the Mayor and Councilors.

Discussion followed regarding the importance of maintaining affordable rates for current customers, the potential to offer economic incentives to businesses planning to expand, the cost increase for power from Continental Divide Electric Cooperative thru 2024 versus the amount accrued from the increase.

Mayor McKinney commented on the \$18 million cash reserve in the enterprise fund and the detrimental effects of the phase-out of the State’s hold harmless provisions have had on the General Fund.

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Brief discussion followed regarding the proposed street light replacement project and the impact it will have financially.

Councilor Landavazo made the motion to disapprove Ordinance No. C2019-5; Increasing the Rates for Electric Service. Seconded by Councilor Kumar. Roll Call: Councilors Landavazo, Kumar, Palochak, Garcia and Mayor McKinney all voted yes.

Mayor McKinney requested a review and update of industrial utility account contracts with the City.

3. Public Safety Building Programmatic Study Report and Site Selection – Stanley Henderson, Public Works Director

Mr. Henderson said a change was made to the language of the bill during the Legislative Session, which was, “to plan, design, construct and acquire property” for the new Public Safety Building. The final language of the approved legislation now reads “to plan, design and construct a building for the Police Department”; therefore, funding cannot be used to acquire new property for the building.

Joe Gallegos, Architect, Huitt-Zollars Advance Design, provided a PowerPoint presentation illustrating the need for a new building and criteria used to conduct the site assessments.

Larry McDonald, Architect, Huitt-Zollars Advance Design, reviewed the advantages and disadvantages of the prospective sites considering program needs, land use, size, access, development costs and future growth. The sites considered are as follows:

- Boardman Dr. – South of Boyd Avenue
- Boardman Dr. – North of Boyd Avenue
- Joseph Montoya Blvd.
- Larry Brian Mitchell Center
- NM 602 – North
- NM 602 – South
- NM 602 – Alternate

Mr. McDonald answered questions posed by the Mayor and Councilors regarding square footage, feasibility and he clarified the new building design would include square footage for the Police Department and Municipal Court staff.

Discussion followed regarding the effects of the recent approval of a new McKinley County Adult Detention Center on Hasler Valley Road, traffic control across the Miyamura Overpass and Boardman Avenue, benefits of moving to Hasler Valley Road,

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the convenience of staying on Boardman Drive and the possibility of negotiating a property trade of the Boardman Avenue site for one of the sites on NM Highway 602.

Mayor McKinney said a meeting is scheduled with the Department of Finance (DFA) where they will discuss the language passed by legislature.

Mr. McDonald continued the presentation including a breakdown of the site by function, programming synopsis, the requested and adjusted net square footage (NSF) totaling 35,367 square-feet and a conceptual building design with an average total project cost between \$12 million and \$15 million.

Brief discussion followed regarding an accurate total cost amount for the project upon completion of the site selection and design of the project and the demolition of the current building or the potential of rehabilitating it.

The Mayor and Councilors expressed their thoughts and concerns about the selected sites.

Councilor Landavazo made the motion to approve the Public Safety Building Programmatic Study Report and Site Selection using the Boardman Avenue site as the continued site for the Police Department. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

Mayor McKinney requested architectural drawings with options including, one and two floors as well as drawings including the Municipal Court and putting the Court across the street.

4. Approval of Annual Chamber of Commerce Tourism Contract – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented the proposed annual contract with Gallup McKinley County Chamber of Commerce for services including the 2020 Visitor's Guide design, production and distribution, the Visitor's Center continued staffing and maintenance and advertising and promotion in the total amount of \$185,000.

Discussion followed regarding the quantity of Visitor's Guides distributed this year and the projected amount next year, formatting, distribution locations and the administrative cost for the services provided.

Councilor Kumar made the motion to approve the Annual Chamber of Commerce Tourism Contract. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Palochak, Landavazo and Mayor McKinney all voted yes.

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5. Approval of Annual Contract for the Summer Nightly Indian Dances – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented the proposed annual contract in the amount of \$65,000 to identify, hire, schedule and pay Native American dancers and dance groups to perform at the Courthouse Square.

Mr. Lee expressed his appreciation to the City for the continued support of the event.

Brief discussion followed regarding the success of the event, Teri Frazier's continued assistance and security at the events.

Mayor McKinney requested that the MC's working the event encourage attendants to take advantage of amenities available, within the community and surrounding areas over the loud speaker.

Councilor Palochak made the motion to approve the Annual Contract for the Summer Nightly Indian Dances. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Landavazo, Garcia and Mayor McKinney all voted yes.

6. Fiscal Year 2020 Interim Budget for Metro Dispatch Authority – Georgene Dimas, Communications Director, Metro Dispatch Authority

Ms. Dimas provided an overview of the proposed interim budget as of March 31, 2019. Discussion followed regarding the use of carry over cash to balance the budget due to projects currently in progress. In response to Councilor Kumar, Ms. Dimas provided an explanation regarding an increase in out-of-town training.

Councilor Palochak made the motion to approve Fiscal Year 2020 Interim Budget for Metro Dispatch Authority. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Landavazo, Kumar and Mayor McKinney all voted yes.

7. Fiscal Year 2020 Interim Budget for McKinley County Adult Detention Center/Jail Treatment Program – Tony Boyd, Adult Detention Center Warden and Erika Hayes, Jail Treatment Program Manager

Mr. Boyd provided an overview of the proposed interim budget for the Adult Detention Center for FY 20. Discussion followed regarding the number of inmates recruited this year verses last year, the types of services included in the professional services line item and the elimination of funding reserved for the doctor and the addition of the healthcare program.

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Mayor McKinney highlighted a possible savings of about \$190,000 of the initial \$610,000 budgeted by the City. However, based on the FY 2020 budget the cost will go up \$200,000 due to the loss in prisoner care services. Brief discussion followed regarding the cost of healthcare and the effect the number of inmates will have on the total.

Mrs. Hayes provided information on the Gallup McKinley County Adult Detention Center Jail Treatment Program, including the number of inmates who applied, accepted and graduated. Ms. Hayes presented a balanced budget from April 1, 2018 through February 28, 2019, with a total expense of \$300,000.

Mayor McKinney noted \$150,000 was provided by Liquor Excise Tax while the remaining \$150,000 was covered by McKinley County.

Brief discussion followed regarding the success rate of those who have graduated from the program and the implementation of a tracking mechanism to monitor those who return.

Councilor Palochak made the motion to approve the Fiscal Year 2020 Interim Budget for McKinley County Adult Detention Center/Jail Treatment Program. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Landavazo, Garcia and Mayor McKinney all voted yes.

8. Request Approval to Transfer \$44,519. from FY19 Budget 504 Capital Vehicle Account and \$29,500 From Solid Waste Enterprise Fund Balance to Fund 305 Capital Buildings & Structures Account – Adrian Marrufo, Solid Waste Director

Mr. Marrufo presented the proposed transfer of \$44,519 and an additional \$29,500 to cover the costs associated with change orders related to the Solid Waste facility that is currently under construction, including security fencing around the property in the amount of \$47,768.95 and a natural gas line extension from Hasler Valley Road in the amount of \$26,193.21. The Solid Waste Department submitted an application to New Mexico Gas Company for the Emera Matching Fund Program (EMRA) which allows for funding of up to 67%. If approved, funding from the program will total \$14,425.

Mayor McKinney noted the \$29,500 would come out of the Solid Waste Enterprise Fund Balance and not the General Fund.

Brief discussion followed regarding the cost and length of the gas line and the expected approval of the EMRA application.

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Councilor Landavazo made the motion to approve the budget transfer of \$44,519 from the Fiscal Year 19 budget, Capital Vehicle Account (#504) and \$29,193.21 from the Solid Waste Enterprise Fund into Capital Building & Structures Account (#305). Seconded by Councilor Garcia. Roll call: Councilors Landavazo, Garcia, Palochak, Kumar and Mayor McKinney all voted yes.

9. Resolution No. R2019-24; Grant Approval for New Public Safety Building – Stanley Henderson, Public Works Director

Mr. Henderson recommended approval of the State Grant, the change in designated points of contact to himself and Patty Holland, Chief Financial Officer, the proposed Resolution and budget adjustment to include the State Grant into the City's budget.

Councilor Garcia made the motion to approve Resolution No. R2019-24; Grant Approval for new Public Safety Building, State Grant for \$6,000.000, the designation of Stan Henderson, Public Works Director and Patty Holland, Chief Financial Officer as the grantee points of contact and the budget adjustment including the State Grant into the City's budget. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.

10. Approval of Northwest New Mexico Council of Governments (NWNMCOG) Contract – Maryann Ustick, City Manager

Ms. Ustick presented the Annual Membership Agreement for Fiscal Year 2020 in the amount of \$65,000 and requested approval of the continuation of service which is outlined in the two-year service agreement. She also requested to reaffirm the City's existing representatives on the Board of Directors, which includes Councilor Allan Landavazo, Councilor Fran Palochak, Louis Bonaguidi and Maryann Ustick. She thanked Evan Williams, Executive Director of the NWNMCOG, for his help with the Senior Capital Outlay Application, Youth Conservation Corp (YCC) Grant and the CDBG Program.

Mayor McKinney congratulated Mr. Williams on his newly appointed position of Executive Director at the NWNMCOG.

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

11. Resolution No. R2019-23; Authorizing Submission of a New Mexico Finance Authority (NMFA) Planning Grant Application – Maryann Ustick, City Manager

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Ms. Ustick presented the proposed resolution, in partnership with Greater Gallup Economic Development Corporation, to request approval to submit an application in the amount of \$50,000 to New Mexico Finance Authority (NMFA) for a grant to fund the development and implantation of an Economic Market Analysis for retail goods, services and lodging. This analysis will provide strategies to improve the competitiveness and growth of the commercial sector, identify specific targets for recruitment and recommend the most effective strategies to market the community to prospective commercial business.

Councilor Palochak made the motion to approve Resolution No. R2019-23; Authorizing Submission of a NMFA Planning Grant Application. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Landavazo, Garcia and Mayor McKinney all voted yes.

12. Acceptance of License from Gallup Land Partners (GLP) for Fireworks Display

Mr. Hayes presented the license granting the City of Gallup permission to utilize a location on the west side of New Mexico Highway 602 to light the 2019 4th of July fireworks display, with the option to renew annually. The license states the City assumes all liability.

Councilor Garcia made the motion to approve the acceptance of License from GLP for the fireworks display. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

13. Budget Adjustment for Hazardous Materials Emergency Preparedness (HMEP) Grant – Jesus Morales, Interim Fire Chief

Acting Chief Morales presented the request for a budget adjustment to accept a grant issued by the State of New Mexico Department of Homeland Security & Emergency Management (HMEP), in the amount of \$18,480.62 for the purpose of Hazmat training with a sub-recipient cost match of \$4,620.16, which was budgeted out of the Fire Fund, totaling \$23,100.77.

Councilor Landavazo made the motion to approve the budget adjustment for the HMEP Grant in the amount of \$18,480.62 with a match of \$4,620.16 for a total expenditure of \$23,100.77. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar, Garcia and Mayor McKinney all voted yes.

The following Presentation and Information item was presented to the Mayor and Councilors:

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1. Presentation on 2019 Fireworks Season – Jacob LaCroix, Fire Marshal

Fire Marshal LaCroix said with the much improved drought conditions from last year, there will be no firework restrictions this year. Firework sales will be from June 20, 2019 through July 6, 2019, with approximately five vendors throughout the City. He also provided information concerning the required residential permits for \$15 and display permits for \$25. The Fire Department will be fully staffed and making stops throughout the city to ensure necessary safety measures are present.

Brief discussion followed regarding the regulation of firework vendors and the types of fireworks being sold.

Comments by Public on Non-Agenda Items

None

Comments by Mayor and City Councilors

Councilor Palochak expressed her appreciation for the dedication of the State Veteran's Cemetery and other Memorial Day events in the City and hope everyone had a good Memorial Day.

Councilor Landavazo also commented on the Memorial Day events and commended Vince Alonzo, Park Director and his crew for all the work they did, especially with the addition made at Hillcrest Cemetery. He also expressed his appreciation to Mayor McKinney for his extraordinary efforts in getting the State Veteran's Cemetery here in the City.

Councilor Kumar echoed Councilors Palochak and Landavazo's sentiments.

Councilor Garcia commended the Veterans on the tremendous job they did honoring their own. She also expressed condolences to the Pinto Family on the recent passing of Senator John Pinto. She also announced the North Side Community Clean-up to be held on June 1, 2019 from the Allison housing area to the Miyamura Overpass. World Changers will be here the week of June 25, 2019 with applications available at the First Baptist Church or from Ben Welch, Community Services Coordinator. Councilor Garcia will hold a neighborhood meeting at the Northside Senior Center on May 30, 2019 at 6:30 p.m. with State Rep. Wonda Johnson and Mr. Henderson as her guests. She also thanked Rep. Johnson for her approval of a \$75,000 appropriation for a picnic shelter. She also provided details on the clean-up project that took place in her district, which was organized by Bill Camarota of the Immediate Action Group. She commended the group for the outstanding job they did. Lastly, she congratulated Officer Darius Johnson on the Letter of Commendation he recently received.

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Mayor McKinney thanked Mr. Alonzo, Mr. Welch and City staff for their effort at the multiple events held during the Memorial Day weekend. He also pointed out a misprint in the newspaper regarding the State Veteran's Cemetery and the presence of two fulltime employees. There will actually be four fulltime State employees, including a director and three fulltime employees to handle internments, maintenance and upkeep, of the cemetery in which they plan to have fully staffed by July 1, 2019.

Comments by City Manager and City Attorney

Ms. Ustick requested an update from Dennis Romero, Director, Gallup Water and Sanitation Department, on the project located at Verdi Drive and Historic Highway 66. Mr. Romero said New Mexico Department of Transportation has been responsive since calls made to State Rep. Patty Lundstrom and State Senator George Munoz; however, due to an issue with the concrete structure, work was delayed at the location. Mr. Romero said a review of the work was completed, supplies have been ordered and the project should be completed in about two weeks from Thursday, May 30, 2019.

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.



Mayor Jackie McKinney



ATTEST:



Alicia Palacios, Deputy City Clerk

Approved 6/11/2019