

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, MARCH 8, 2016; 6:00 P.M. CITY COUNCIL CHAMBERS

Jackie McKinney, Mayor

Linda Garcia
Councilor, District #1

Allan Landavazo
Councilor, District #2

Yogash Kumar
Councilor, District #3

Fran Palochak
Councilor, District #4

Maryann Ustick, City Manager
George Kozeliski, City Attorney

A. Pledge of Allegiance

B. Roll Call

C. Approval of Minutes

Regular Meeting of February 23, 2016

D. Presentation of Commendations

Niles Thomas, Miyamura High School, New Mexico Class 5A Cross
Country/Track Champion

AJ Starkovich, Miyamura High School, New Mexico Class 5A Wrestling
Champion, 152-lb. Division

E. Discussion/Action Topics

1. **Public Hearing:** Proposed Issuance of a Restaurant (Beer and Wine) License to SMC Restaurants, LLC d/b/a Wise Pies, 820 North Highway 491 – George Kozeliski, City Attorney
2. Construction Contract Award for Downtown NM 118 Pedestrian Safety Improvements – Stan Henderson, Public Works Director
3. Appointment of Franklin Boyd, Acting Chief of Police, Gallup Police Department, to the McKinley County Metropolitan Dispatch Authority Board – Mayor Jackie McKinney

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Discussion/Action Topics, continued

4. Transfer of Surplus Equipment – Chief Eric Babcock, Gallup Fire Department
5. Ordinance No. C2016-4; An Ordinance Concerning an Increase to the Rates for Electric Service, Repealing and Replacing Title 8, Chapter 6, Section 6 of the Municipal Code of the City of Gallup in its Entirety – Richard Matzke, Director, Gallup Electric Department

F. Comments by Public on Non-Agenda Items

G. Comments by Mayor and City Councilors

H. Comments by City Manager and City Attorney

I. Motion to Adjourn

Auxiliary aides for the disabled are available upon request. Please contact Alfred Abeita, City Clerk, at 863-1254 at least one (1) week prior to the meeting or as soon as possible in advance of the meeting to make any necessary arrangements.

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.

Minutes

Regular Meeting of February 23, 2016

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec Avenue, at 6:00 p.m. on Tuesday, February 23, 2016.

The meeting was called to order by Mayor Jackie 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
George Kozeliski, City Attorney

Presented to the Mayor and Councilors were the Minutes of the Regular Meeting of February 9, 2016.

Councilor Palochak made the motion to approve the Minutes of the Regular Meeting of February 9, 2016. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Landavazo, and Mayor McKinney all voted yes. Councilor Kumar abstained. Motion carried.

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

1. Discussion Only: Update on the 2016 New Mexico Legislative Session – State Representative Patty Lundstrom

State Representative Patty Lundstrom presented a summary of the Bills that were passed during the thirty day 2016 Legislative Session which began January 19, 2016 through February 18, 2016. Rep. Lundstrom said there were 101 Bills passed including the budget. She said there was a compromise to bring New Mexico into compliance with the federal Real ID Act of 2005. There has been misinformation surrounding the compromise; however, she summarized the following concerning the Act:

First, the legislation created Real ID compliant driver's licenses that citizens and others in the country legally can get later this year. No one will be required to obtain the new license and even if you want one, you will not have to get one for several years. Once a plan is approved by the federal government, which is expected, you will be able to use your current driver's license to board airplanes until it expires or until October 1, 2020, whichever comes first. To obtain a Real ID driver's license, citizens must provide a birth certificate or passport and a social security card or a W-2 form along with other documents.

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Second, undocumented immigrants can get a driving authorization card, which will allow them to legally drive in the United States, but will not allow them to board airplanes or enter federal facilities. The driving authorization card is initially valid for two years, and can be renewed for four years. Undocumented immigrants must be fingerprinted and are ineligible if they have outstanding warrants or have used aliases to get documents.

Rep. Lundstrom said this session was all about the budget and the bills drawn pursuant to special messages from the Governor. This year was extremely difficult because of the shortfall in the budget. During the December Legislative Finance Committee (LFC) meeting the Committee had put together a budget, but by January the new revenue projections of \$200 million was gone. By the time the bill went from the House Appropriations to the Senate Finance Committee it lost another \$30 million in new money, plus an additional \$95 million. The decline in revenue is because the oil and natural gas prices continue to drop, along with the weaknesses in gross receipt tax revenue. Overall the budget is a \$6.2 billion spending plan for the upcoming Fiscal Year, with triggers within the budget, allows for flexibly between categories within each agency so the Cabinet Secretaries can move funding as needed. The Governor's office was given a 1% allowance for additional cuts if necessary. Rep. Lundstrom said that since it's the legislator's responsibility for the appropriation of money, they may have to return to a special session even with the special trigger points in place. There may not be enough funds available since there was a shortfall of over \$395 million in funds. The Legislators had to use a lot of non-recurring funds to cover recurring expenses. Rep. Lundstrom said she felt they had a good budget with a 5.6 percent in reserve funds. \$300 million was approved for public works projects based on \$123 million coming from the sale of the severance tax bonds, and \$185 million from General Obligation Bonds (GO) being voted on in November. GO bonds are primarily used for libraries and senior citizens. Under criminal law, there were a number of bills that were messaged by the Governor, primarily about increasing the DWI penalties. Doing criminal background checks on adults in emergency placement homes for children, and the "Brittany Alert" notification of an endangered person who is missing and their health or safety is at risk. Under public health safety; there is the Disaster Response Tax and Licensure Exemptions, to make it easier to provide for temporary exemptions to nonresident professionals in our state to help with disaster response. Other Bills passed were for alcoholic beverages to be sold on the grounds of ski areas, and for allowing 17 year olds to vote in a primary election as long as they will be 18 years old on the day of the general election.

Councilor Landavazo asked if the GO bonds could be used to build new libraries or to purchase books. Rep. Lundstrom said the GO bonds were generally used for school libraries and library books. Mary Ellen Pellington, Library Director, said GO bonds covered school libraries, university libraries, public libraries, books and

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technology, but could not be used to build libraries. The Mayor thanked Rep. Lundstrom for the updates and asked her to keep the City updated on any changes made to the budget.

2. Fiscal Year 2015 Audit Report – Patty Holland, Chief Financial Officer

Ms. Holland said each year the City undergoes a full audit required by the Office of the State Auditor. This year Kubiak Melton & Associates, LLC, conducted the city audit. Their representatives Jeff Romero and Danny Trujillo were present to answer questions about the independent auditors report. Mr. Romero asked the Mayor and Councilors to turn to page 148 of the audit report, where the findings were listed. Mr. Romero said there were two separate audits, one for the City and one for the Gallup Housing Authority. Mr. Romero said for the year 2015 the city received an unmodified opinion, which is the best possible opinion to receive, and probably the one that the City has been waiting for. The Gallup Housing Authority received a qualified opinion, because of the past issues. Mr. Romero said he was much more comfortable with the qualified opinion. However, the improvements made on their financial statements were very impressive. Both entities for their federal awards received unmodified opinions. Regarding the major finding issues, Mr. Romero noted that for a city the size of Gallup, there should be detailed policies and procedures in place. There were no federal award findings for the City; 90 percent of the federal award was in one program. Mr. Romero thanked Ms. Holland, her staff and Mr. Kozeliski for the great job and appreciated their hard work. The Housing Authority did get one major finding from the federal award on the low rent program, which consisted of some documentation issues. The financials did not have anything of relevance as far as the analytics was concerned, and the fixed asset list was satisfactory which helped them get to the qualified opinion. The only thing that was an auditor's entry was the GASB statement No. 68 which are some liabilities on the reporting for pensions and a requirement from the state.

The Councilors commended Ms. Holland and her staff for their hard work, and to the team of people who contributed. Councilor Palochak commended the Gallup Housing Authority for bringing up their audit and resolving a lot of findings and becoming a strong organization, under the leadership of Richard Kontz. The Mayor complimented the City and Gallup Housing Authority staffs for making great headways, and making everything transparent and above board. He also thanked Mr. Romero, Mr. Trujillo and the firm of Kubiak Melton and Associates, LLC.

Councilor Landavazo made the motion to approve the Fiscal Year 2015 Audit Report. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak Kumar, Garcia, and Mayor McKinney all voted yes.

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3. Ordinance No. C2016-2; An Ordinance Repealing the City of Gallup's Current Pawnbrokers Ordinance In Its Entirety and Enacting a New Pawnbrokers Ordinance – George Kozeliski, City Attorney

Mr. Kozeliski said in 2006 when the City was revising the entire City Code, time ran out and they did not finish. Mr. Kozeliski said he and the City Clerk wanted to streamline the pawnbroker's and the taxi cab ordinance because they are totally controlled by state and federal governments. The city pawnbroker's ordinance dates back to 1961 and simply followed what the state laws were including the federal truth and lending laws that were outdated. Staff recommends repealing the current pawnbroker's ordinance and to retain what is needed to comply with the Pawnbroker's Act of the State of New Mexico and all regulations thereunder. Pawnbrokers are required to keep a daily sheet of what is pawned so the police department can review it for stolen property. Pawnbrokers must continue to pay an annual license fee of \$250.00.

Councilor Garcia made the motion to approve Ordinance No. C2016-2; An Ordinance Repealing the City of Gallup's Current Pawnbrokers Ordinance In Its Entirety and Enacting a New Pawnbrokers Ordinance. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

4. Ordinance No. C2016-3; An Ordinance Repealing the City of Gallup's Current Taxicab Ordinance In Its Entirety and Enacting a New Taxicab Ordinance – George Kozeliski, City Attorney

Mr. Kozeliski said this ordinance was enacted in 1962 which is also outdated, and with the State of New Mexico passing the Transportation Network Company Services Act and with the advent of UBER and other such taxi type services being allowed, the City would like to streamline our ordinance and stay in compliance with state law. All taxicabs operated within the city shall comply with the Motor Carrier Act of the State of New Mexico and all regulations thereunder. Operators must continue to pay the City's annual license fee of \$50.00.

Councilor Palochak made the motion to approve Ordinance No. C2016-3; An Ordinance Repealing the City of Gallup's Current Taxicab Ordinance In Its Entirety and Enacting a New Taxicab Ordinance. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

5. Approval of Contract with New Mexico High School and Junior High School Rodeo Associations to Host the 2016 State Championships, May 25-30, 2016 – George Kozeliski, City Attorney

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Mr. Kozeliski said the City submitted a response to an RFP to Host the NM High School and Junior High School State Championship Rodeos. These rodeos are usually held separately two weeks apart. The City submitted a proposal to host these rodeos jointly with the idea coming from Mr. Walt Eddy. The response from the parents was very positive since because most parents have children competing in both rodeos, and with the rodeos being combined it would cut down on their travel expenses. The City will provide all the services available at Red Rock Park and all other facilities necessary for conducting the rodeo. The City will use \$25,000 in lodger's' tax funds for advertising and program production and an additional \$25,000 for payments to judges, the rodeo secretary, stock feed, barbeque, fajita contest and prizes. Mr. Kozeliski said that with the Memorial Day weekend the turnout crowds are expected to be very large and would be a big event for the City of Gallup and Red Rock Park.

Mayor McKinney said this event would generate business for local grocery stores, hotels and restaurants including the revenue coming in for the RV spaces and horse stalls. The Mayor also recognized and thanked Mr. Billy Moore and Mr. Walt Eddy for working diligently on all the rodeos and their service to the community.

Councilor Landavazo asked about the \$25,000 for the programs and if the City would be responsible for putting together the programs and ads. Mr. Kozeliski said no, the programs referenced were for the performance programs.

Councilor Landavazo made the motion to approval of the Contract with New Mexico High School and Junior High School Rodeo Associations to Host the 2016 State Championships, May 25-30, 2016. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, and Mayor McKinney all voted aye. Councilor Kumar abstained. Motion carried.

6. Extension of the Agreement with Na'Nizhoozhi Center, Inc. (NCI) for Administration and Operation of the Detox Center – George Kozeliski, City Attorney

Mr. Kozeliski, said the City put out a RFP for an emergency contract with the onset of the coming winter because the Navajo Nation had withdrawn from running the detox facility. The contract was awarded to NCI, with available funds to run the facility through February 29, 2016. The Mayor and Ms. Ustick have been working on getting additional funding, and based on the funding the term of this extension shall be for services to be provided for the period of March 1, 2016 through June 30, 2016. Before the extension ends, the City will put out a permanent RFP to award a long term contract for the facility.

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Mayor McKinney gave an update on the funding for the detox facility. The Mayor said as of today the City received a wire transfer for \$234,000 from the Indian Health Services. The funding was acquired through the hard work and efforts of Senators Martin Heinrich and Tom Udall. The balance of the funding was negotiated with Bill Lee, County Manager and Doug Decker, County Attorney through the Liquor Excise Tax with sufficient funding for the contract to the end of June, 2016. Mayor McKinney said during last year's legislative session Governor Martinez vetoed the funding for the Behavioral Health Investment Zones; however, she did make funds available through the Department of Health, in which the City has submitted an application for \$500,000 which looks real positive and funding should be coming in soon. Mayor McKinney said his contention has always been that the Indian Health Service should be responsible for the funding of the facility. The Mayor said the City needs to look into recurring funding for the facility as well as other services and programs. The Mayor asked the Councilors to approve a budget adjustment for the funds received earlier today should they approve the extension of the contract.

The Mayor thanked Dr. Foley and his staff for their services to the City. He said he will be sending his thanks to Senators Heinrich and Udall for their help in securing these funds.

Councilor Kumar thanked Dr. Foley for continuing this important program, and the Mayor and Mr. Kozeliski for securing the funds. He said it takes a lot of money including the services provided by the City.

Councilor Kumar made the motion to approve the Extension of the Agreement with Na'Nizhoozhi Center, Inc. (NCI) for Administration and Operation of the Detox Center and the Budget Adjustment. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Garcia, Landavazo, and Mayor McKinney all voted yes.

7. Resolution No. R2016-17; Recreational Trails Program (RTP) Grant Application – Clyde (C.B.) Strain, Planning Director

Mr. Strain said the City of Gallup and Red Rock Motor Sports (RRMS) are requesting approval to submit a grant application to the New Mexico Department of Transportation (NMDOT) Recreational Trails Program (RTP) for the Fiscal Year 2016 cycle. The requested funds are to be used for improvements to the City of Gallup ATV/OHV Park. Red Rock Motor Sports operates and maintains the park for the City under a contract. The amount requested is \$128,500 with a match of \$18,709.60 (14.56%). \$5,000 of the required match will come from in-kind

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services provided by Red Rock Motor Sports. The remaining match of \$13,709.60 will be a cash match by the City. The Recreational Trails Program is a reimbursement program requiring 100% upfront cost commitment by the City. The City will request reimbursements as the project progresses. The proposed improvements consist of a graveled parking lot, picnic tables with awnings, trail legends and a Sweco 480 trail dozer. The Northwest New Mexico Council of Governments (NWNMCOG) has agreed to write and submit the proposed grant application for the City. The breakdown for the fiscal impact is as follows: Recreational Trails Program Grant of \$109,709.40, the City's cash match of \$13,709.60, the City's in-kind match from RRMS of \$5,000, for a total estimated project cost of \$128,500.

Councilor Landavazo asked if there was one grant available from the state or if there was a pool of money available for multiple grants. His second question pertained to the improvements at the ATV/OHV Park and if the drainage problem caused by the heavy rains had been fixed before the base course for the graveled parking lot was put down.

Mr. Strain said the application is for the 2016 Fiscal Cycle and there is \$400,000 available for the entire state. The City's request is to see if we qualify for some of the funds. Greg Kirk from RRMS said the drainage problem had been fixed.

Councilor Palochak said that it seemed like a minor investment from the City for a positive thing for our community.

Mayor McKinney commended Greg Kirk and his group for having excellent facilities. The City has become recognized for having a first class, first rate motorcycling racing/ATV venue. The programs create a lot of activity and people come and spend money in our community. Any time the City can leverage \$13,000 to get \$109,000 to improve our properties is an excellent opportunity.

Councilor Garcia made the motion to approve Resolution No. 2016-17; Recreational Trails Program (RTP) Grant Application. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Palochak, Landavazo, and Mayor McKinney all voted yes

8. Curbside Recycling Program – Vince Tovar, Director, Gallup Water and Sanitation Department

Mr. Tovar said with instructions from the Mayor and Council the staff conducted a Curbside Recycling Feasibility Study. The Study was prepared and after well publicized and widespread public discussions, staff now brings forward the results

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of the final public survey and implementation recommendations. Mr. Tovar said he would like to highlight that these are staff recommendations. They are not recommendations that have been developed with concurrence with the Sustainable Gallup Board. Mr. Tovar presented a Power Point presentation on Recycling in Gallup, Opportunities, Challenges, February 19, 2016 Recommendations. Included in the presentation were the survey results, the current existing recycling program, cost to implement curbside recycling and the staff recommendations. Mr. Tovar went over the survey results showing that 59% would participate and 41% would not participate. The survey also showed that 46% did not wish to pay, while 17% would be willing to pay \$2.00 per month, 15% would pay \$3.00 per month, and 21% would pay \$5.00 per month. The survey revealed that 53% of the respondents would be willing to pay from \$2.00 to \$5.00 for curbside recycling. Mr. Tovar said the City currently has an existing recycling program since 2012 but that it was not very user friendly. The City does not receive any revenue from the materials that are recycled, but rather offsets the cost of the tipping fees. The overall cost of the recycling for the most recent year was \$44,841 less the savings on the tipping fees; the total cost to the City was \$34,341 for Fiscal Year 2016. Mr. Tovar said the current recycling center is handled by the Regional Solid Waste Authority with a net cost of \$19,000 per year. Mr. Tovar went over some of the recommendations from the McKinley County Recycling Council and the Sustainable Gallup Board to improve the existing recycling program in place. The suggestions included having attendants at the bin locations, posting easier to read signage, and posting the times of operation at each location, which includes the Larry Brian Mitchell Center, Cultural Center and the RSWA recycling transfer station. Mr. Tovar said there was a need to educate the public and the youth on how and what to recycle. The City has not done a good job on reaching out to the public to inform them of what is available and to make recycling easier for our community. The initial implementation costs for a recycling program according to the feasibility study will cost the City \$1,272,000, and staff does not agree that this should be taken out of the Environmental Surcharge Tax Fund. The City has a long list of projects that should logically belong to that fund. A backlog of priorities needs to be addressed before the City looks into funding this recycling program. If the City had decided to implement the curbside recycling program the estimated monthly charge per resident would be \$3.00 per month. Listed below are the staff recommendations:

1. Defer implementation of a full-blown recycling program.
2. Implement recommendations made by SGB, and MC Recycling Council
 - Staffing with minimum of 2 personnel during business hours
 - Tuesday through Saturday(40 hours)
 - Seek public input to add up to two additional location

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- Appropriate and accurate signage
 - Community recycling education
 - Make the recycling program user friendly for those that wish to recycle
3. Funding provided by City of Gallup through offsetting cost reduction estimated to be approximately \$100,000
 4. Monitor total community recycling – (The City Gallup, SGB, RSWA) metrics and make them available to everyone, via the City or RSWA websites
 5. City staff and the Sustainable Gallup Board will provide an annual update to the Mayor and City Council

Mr. Tovar said that if the City is ever going to embark on a sustainable curbside recycling program and ensure its success, he thought this was a good way to start.

Councilor Palochak asked about the uses for the Environmental Surcharge. Mr. Tovar gave some examples of what the surcharge could be used for, such as curbs and gutters throughout the community, to rehabilitate the Grandview tank, a number of infrastructure projects for water and wastewater throughout the city. These projects are millions of dollars' worth. There is such a huge laundry list of items that need to be repaired and rehabilitated throughout the community. The staff does not recommend using this fund for the recycling program since the City has too many projects that this community needs right now.

The Mayor asked for comments from the public on the subject. Several people came forward to voice their opinions on curbside recycling.

Pat Scheely from Mentmore said as America's most patriotic small town she thought the City should consider recycling and make it doable. She also asked the Councilors to support recycling.

Michelle Rascon and Sonny Belleza from Gallup High School Recycling spoke in favor of recycling. Mr. Belleza said he was originally from the Philippines and came from a place where it was dirty as he seen animals die because of the trash in the ocean. Mr. Belleza said that since he has started recycling, his efforts make him feel good about helping the environment.

Shafiq Choudhary, a Kennedy Mid School teacher and Chairperson of the McKinley Citizens Recycling Council, said the curbside recycling programs have been increasing across the United States. In 1973 there were no recycling programs, by 2006, there were 8,600, and by 2011 there were 9,800. Mr. Choudhary said that people believe that by having a bin they are helping the environment and that belief is stronger than factors of cost and inconvenience.

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Gerald O'Hara a member of the MC Recycling Council said that the survey showed 53% would pay to have a recycling program. He said the 46% who did not wish to pay was because they felt they were already paying for it on their billing, but that did not mean that they were against recycling. He said that the survey shows that's what the people want.

Lynn Huenemann, a citizen of Gallup and a school board member, spoke in favor of recycling. He had taken his recycling to Farmington and Winslow. He felt that as a society that we just cannot keep dumping it when there is the possibility of reuse.

Michael Daly a 16 year citizen of Gallup, and he said he supported the staff recommendation because it was a wise decision. Mr. Daly said recycling is nice but we are a rural area with plenty of room for landfill and there is a difference between nice and necessary. It is nice to have recycling, but it is necessary to have the streets working and it is necessary to have the water and sewer working since it is a quality of life issue.

Lorelei Kay, Pastor of Westminster Presbyterian Church she said that her church does recycling and view recycling as a moral, and a faith issue. Ms. Kay said it has not been easy because the recycling stations are closed sometimes and they do not always know what to recycle so curbside recycling would be very helpful.

Joe Schaller spoke against implementing the curbside program. Mr. Schaller said the survey shows that over 60% of the respondents do not want to pay \$3.00 or more for recycling. Mr. Schaller said the \$3.00 fee was a low estimate and that the cost would be significantly more. He said it clearly shows on the survey that people were not in favor of the program. He felt that the SGB lacked credibility and was politically biased. He said the landfills are not a problem in rural areas.

Councilor Garcia said she is in favor and supported recycling but the City has a lot of projects that the environmental surcharge tax fund needed to be used for and did not want to the fund to be depleted. She felt that staff's recommendation was a compromise on the program. Councilor Garcia asked if the \$3.00 charge on the utility bill would be only if the program were implemented. Mr. Tovar said the estimated cost of \$3.00 would only appear on the billing if the full-blown program was implemented

Councilor Kumar wanted clarification that the \$3.00 charge would be assessed on the utility bills only if the full-blown program was implemented and would this be a recurring cost for the residents. He also asked if the City will have to continue to pay into the system or if that was the breakeven point. He said in California, recycling was almost second nature but the City of Gallup is a rural area and with

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the challenges that comes with the program, especially with transportation. He would also agree with staff's recommendation but he could see curbside recycling happening in the future as it may not happen this year. Mr. Tovar said that the \$3.00 charge would be after the implementation of the curbside program and was a breakeven point. There would be no additional cost to the City and that the citizens of Gallup would fund the program. He said that his recommendation is that before the City embarks on a full-blown curbside-recycling program that the City implements the recommendations, this will allow us to learn and gather more data. This is a reasonable compromise and maybe two years from now it would be the most logical thing to do.

Councilor Landavazo said there is a lot of information out in the market place about recycling and he has been supportive of recycling for many years. Starting when Lance Allgood was still with the City and the initial money had been set aside for the study. He spoke about the comments he had heard about learning and he was not sure how much more there was to learn about recycling. He said in New York City the Sunday paper run takes enough paper to consume up to 75,000 trees. Councilor Landavazo said there was a comment on landfills being safe and turning them into playgrounds and golf courses. There was landfill in California that had dangerous methane gas that was so severe that they had to evacuate thousands of residents from around that area. Councilor Landavazo said there is almost \$500 million spent every year for crews to pick up litter from our state highways. There was comment earlier about being the most patriotic city. He said there is a cry coming from our community for a long time. We want to be on the map. We want people to look at Gallup as a place to start a new business. We want people to look at us as for economic development, and a tourist destination. We want to be attractive to the outside world. He said there was a report on the top five model cities and San Francisco is the poster child of recycling. San Francisco was able to reduce by 80% the things that went to a landfill, since they are landlocked so they had to do drastic things to make that happen. Portland Oregon is a tremendous community for recycling they are down to a 60% range, and there are a lot of success stories about curbside recycling. We have to be bold about being a model city. He said curbside recycling is one of those things that the outside world looks at beside other quality of life issues. Councilor Landavazo strongly recommends that we embrace curbside recycling. His said maybe the City could consider a progressive implementation by having the citizens pay a dollar a month for the first year, pay two dollars the second year and pay three dollars on the third year, for an easy transition. We want to be a model community and we want the outside world to invest in us. Councilor Landavazo said there is interest out there because people are already participating and going to the bins and doing it but he believes that the number of people who want to recycle will be reduced is because of the inconvenience. Another point he made was the cost of \$1.2 million to implement the program. If

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the City waits a year or two that \$1.2 million that will increase to \$1.3 or \$1.4 million. The prices of the bins and trucks are also going to escalate and a year or two from now we will continue to find excuses that it is too expensive to implement. The prices are not going to go down.

Councilor Palochak said that lately we are on the trend of conserving energy or considering solar energy options for the City; however, the City is having trouble considering curbside recycling. She lived at Silver City, New Mexico 25 years ago and they had curbside recycling. She said she does recycle and it is a pain with the current system because of the inconvenience, sometimes the bins are full, and you have to carry the bags in your car for weeks because there are no attendants at the station. It sends a message that the City government is not in favor of recycling because they don't make it convenient. She agreed with Councilor Landavazo that the time is now, it's long overdue and we cannot drag our feet on the issue.

Mayor McKinney referred to the survey where 53% would participate regardless of the cost and 41% of the respondents said they would not participate. When we deliver these bins to these homes, 41% will not recycle and the bins will probably end up with trash in them and that will create a problem. He said he looked at all the meetings that have been going on since these meeting were well attended. These people were the ones in favor of recycling. He said this is not about whether recycling is good or bad, but this is about the services the City can provide. Mayor McKinney said he had been listening to the news about the recycling problems in Albuquerque and how the cost of recycling keeps going up. The Mayor went over the values of the recycled materials. He reference how the value of the plastics had gone down by 90%, single stream had gone down by 80% and cardboard is the only one that stays steady. None of these things have any value anymore. The City gives the landfill the value of the recycled items to cover the cost of transporting the single stream to Albuquerque. Curbside recycling is a great thing to do but are we buying a white elephant, today it's going to cost this much and next year it's going to be higher. Mayor McKinney was concerned about the reoccurring expenses and the long term effects. Mayor McKinney said the City has a lot bigger issues that need to be taken care of, such as the alcohol issues. So we pick up our trash off the streets, but then we have people lying in our streets and we have not come up with the answers for that. Mayor McKinney spoke about the problem with the current bins being full or locked and he spoke about increasing the bins to alleviate this problem. Regarding costs of the curbside program, the Mayor mentioned the costs for the wear and tear of equipment and the trucks. The Mayor said he agreed with Mr. Tovar's recommendations to expand on the existing recycling program.

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Councilor Landavazo made the motion to approve the Curbside Recycling Program. Seconded by Councilor Palochak. Roll call: Councilors Landavazo and Palochak voted yes. Councilors Kumar, Garcia and Mayor McKinney voted no. Motion failed.

Mayor McKinney asked Ms. Ustick to start the implementation of staff recommendations on the hiring of additional personnel, increase the recycling bins, appropriate accurate signage, and to work on the education program to make it user friendly. He also asked staff to get the metrics and the analytic information and bring it back to the Council to see if we have public support.

Ms. Ustick said based on direction given by the Council this will be included in the budget process. Mayor McKinney said that will not accommodate our citizens by next week and did not want to wait until the budget cycle to start for the new Fiscal year and urged her to find the funding to start the process.

Mr. Tovar said staff recommends authorization by the Council to proceed with the outlined recommendations not to exceed \$100,000.

Ms. Ustick asked Mr. Tovar when he could get this implemented. Mr. Tovar said the most difficult thing to do would be to hire the additional personnel, including the procurement process as it would take about 6 weeks. Mr. Moore from NWNMRSWA said it would take him about 4 weeks to order and receive new bins.

Councilor Kumar made the motion to approve the current recycling program with the additional staff recommendations. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, and Mayor McKinney voted yes. Councilors Landavazo and Palochak voted no. Motion carried.

Councilor Kumar made the motion to adjourn into closed session for the purpose of discussing threatened or pending litigation regarding Reach 13 of the Navajo Gallup Water Supply Project, Formal Bid No. 1402, (KBK Construction and Western Surety Company). Seconded by Councilor Landavazo. Roll Call: Councilors Kumar, Palochak, Garcia and Mayor McKinney all voted yes.

The Mayor and Councilors adjourned into closed session pursuant to §10-15-1-H(7) NMSA 1978 Comp. (as revised).

Following the closed session, Councilor Kumar made the motion to reconvene the Regular Meeting. Seconded by Councilor Palochak. Roll Call: Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes

MINUTES

Regular City Council Meeting – 2/23/2016

Page 14

Mr. Kozeliski certified for the record that matters discussed during the closed was limited to discussing threatened or pending litigation regarding Reach 13 of the Navajo Gallup Water Supply Project, Formal Bid No. 1402, (KBK Construction and Western Surety Company), Pursuant to §10-15-1-H(7) NMSA 1978 Comp. (as revised)

Comments by Public on Non-Agenda Items

Tom Flores addressed the Mayor and Council regarding some issues with the City. Mayor McKinney advised Mr. Flores to make an appointment with Mr. Kozeliski to resolve any issues he had.

Comments by Mayor and City Councilors

Councilor Palochak wanted to congratulate A.J. Starkovich for being the 152 pound Class 5A State Wrestling Champion and the Lady Bengal Basketball Team for their undefeated season. She thanked Acting Police Chief Franklin Boyd and Lieutenant Yazzie for attending her neighborhood meeting. She also reminded the public that they were starting teams for Relay for Life and to contact her for more information.

Councilor Landavazo reminded Gallup to keep wrapping their arms around progressive vision and to keep believing.

Councilor Kumar had wanted to introduce Catherine Sebold, the City's new Tourism and Marketing Manager. He said he attended the New Mexico Tourism Conference in Santa Fe and was able to see the state grants that were available to help the City with our advertising and marketing of Gallup. He believes that Ms. Sebold is a great addition for the City. Ms. Sebold will be looking at a lot of other venues for Gallup, dealing with the arts and events for Red Rock Park. He thinks Gallup has a lot of potential.

Councilor Garcia also congratulated A.J. Starkovich for winning the state championship and wanted to present him with a plaque at the next regular meeting. Her next District 1, Northside Neighborhood Meeting will be at the Northside Senior Center on Wednesday, February 24, 2016.

Mayor McKinney said he supported the idea of bringing in A.J. Starkovich to recognize him. He would like the City to keep apprised of our local athletes and their accomplishments. He said he supported all the community sports and would like for these individuals to come in and be recognized. Mayor McKinney also said he was relieved on the funding that the City received through the efforts of the U.S. Senators for the Detox Center. He said he will continue to stay on the alcohol issues as that was his number one priority.

MINUTES
Regular City Council Meeting – 2/23/2016
Page 15

Comments by City Manager and City Attorney

None,

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.

Jackie McKinney, Mayor

ATTEST:

Brenda Romero, Deputy City Clerk

Discussion/Action Topic 1

Public Hearing:

Proposed Issuance of a Restaurant (Beer and Wine) License to
SMC Restaurants, LLC d/b/a Wise Pies, 820 North Highway 491

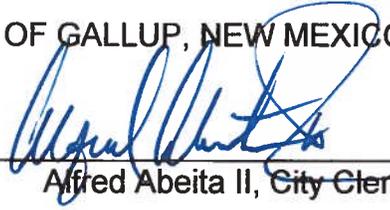
George Kozeliski, City Attorney

LEGAL NOTICE

PUBLIC NOTICE IS HEREBY GIVEN that at 6:00 P.M. on Tuesday, March 8, 2016 in the Council Chambers of Gallup City Hall, 110 West Aztec Avenue; Gallup, New Mexico, the Governing Body of the City of Gallup will hold a Public Hearing on the proposed issuance of a Restaurant (Beer & Wine) License to SMC Restaurants, LLC d/b/a Wise Pies, 820 North Highway 491; Gallup, New Mexico.

The Director of the Alcohol and Gaming Division has granted preliminary approval for this Application.

CITY OF GALLUP, NEW MEXICO

By: 

Alfred Abeita II, City Clerk

PUBLISH:

Friday, February 5, 2016

Friday, February 12, 2016



New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION

Toney Anaya Building ▪ 2550 Cerrillos Road ▪ Santa Fe, New Mexico 87505
P.O. Box 25101 ▪ Santa Fe, New Mexico 87505-5101
(505) 476-4875 ▪ Fax (505) 476-4595 ▪ www.rld.state.nm.us/alcoholandgaming

January 20, 2016

Certified Mail No.: 9171 9690 0935 0078 6757 70

City of Gallup
Attn: Alfred Abieta, Clerk
P.O. Box 1270
Gallup, NM 87305

Received
1/22/16
AA

Re: Lic. No. /Appl. No.: Application No. 986735
Name of Applicant: SMC Restaurants LLC
Doing Business As: Wise Pies
Proposed Location: 820 N. Highway 491
Gallup, New Mexico 87301

ATTENTION: Department or person responsible for conducting or preparing the public hearing for liquor license transfers or issuance of new liquor licenses.

Greetings:

The Director of the Alcohol and Gaming Division has reviewed the referenced Application and granted **Preliminary Approval**; it is being forwarded to you in accordance with Section 60-6B-4 NMSA of the Liquor Control Act.

While the law states that “within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body **shall** hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer”, we recognize the inherent conflict between the new 30 day notice and the existing 45 day hearing requirement. Extensions to the 45-day hearing requirement will be granted when necessary to allow for compliance with the 30 day notice. Notice of the Public Hearing required by the Liquor Control Act **shall** be given by the governing body by publishing a notice of the date, time, and place of the hearing twice during the 30 days prior to the hearing in a newspaper of general circulation within the territorial limits of the governing body **The first notice must be published at least thirty (30) days before the hearing. Both publications must occur before a hearing can be conducted.** The notice shall include: (A) Name and address of the Applicant/Licensee; (B) The action proposed to be taken by the Alcohol and Gaming Division; and (C) The location of the licensed premises. The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. A record **shall** be made of the hearing.

THE APPLICANT IS SEEKING A RESTAURANT BEER AND WINE LICENSE WITH ON PREMISE CONSUMPTION ONLY.

Susana Martinez
GOVERNOR

Robert “Mike” Unthank
SUPERINTENDENT

David Jablonski
DEPUTY
SUPERINTENDENT

Diana A. Martwick
CHIEF GENERAL
COUNSEL

Mary Kay Root
DIRECTOR

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

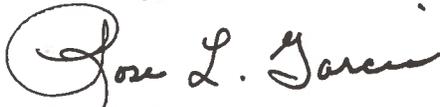
The governing body may disapprove the issuance or transfer of the license if:

- 1) The proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico. (The governing body may disapprove if the proposed location is within 300 feet of a church or school unless the license has been located at this location prior to 1981 or unless the Applicant/Licensee has obtained a waiver from the Local Option District governing body for the proposed licensed premises).
- 2) The issuance or transfer would be in violation of a zoning or other ordinance of the governing body. The governing body may disapprove if the proposed location is not properly zoned. Because this office is in receipt of a Zoning Statement from the governing body, this is not a basis for disapproval.
- 3) The issuance would be detrimental to the public health, safety, or morals of the residents of the Local Option District. Disapproval by the governing body on public health, safety, or morals must be based on and supported by substantial evidence pertaining to the specific prospective transferee or location and a copy of the record must be submitted to the Alcohol and Gaming Division.

Within thirty **(30)** days after the Public Hearing, the governing body **shall** notify the Alcohol and Gaming Division as to whether the local governing body has approved or disapproved the issuance or transfer of the license by signing the enclosed original Page 1 of the Application. The original Page 1 of the Application must be returned together with the notice of publication(s). **If the governing body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the Public Hearing, the Director may give Final Approval to the issuance or transfer of the license.**

If the governing body disapproves the issuance or transfer of the license, it shall notify the Alcohol and Gaming Division within thirty **(30)** days setting forth the reasons for the disapproval. A copy of the Minutes of the Public Hearing shall be submitted to the Alcohol and Gaming Division with the notice of disapproval (Page 1 of the Application page noting disapproval).

Sincerely,



Rose L. Garcia
Hearing Officer
NM Regulation & Licensing Dept.
Alcohol & Gaming Division
Phone: 505-476-4552
Fax: 505-476-4595
Email: rosel.garcia@state.nm.us

Enclosures:

1. Original Page 1 of the Application **(must be signed and returned)**.
2. Copy of Page 2 of the Application



LIQUOR LICENSE APPLICATION

Application fee - \$200.00 Fees are non-refundable.

State Liquor License # _____
 Application Number 9186735
 Local option (AGD use) _____

Record Owner of Existing License _____
 Current D/B/A Name _____
 Current Premises Address _____

Application is for: Change of Stock _____ Transfer Ownership of Existing License _____ Transfer Ownership and Location _____ Other _____
 Issue New License X _____ Type of License being applied for: Restaurant

Applicant is: Individual _____ Corporation _____ Partnership (General or Limited) _____ Limited Liability Company _____

NAME OF APPLICANT (company or individual) DSS Restaurants, LLC ADDRESS (including city, state, zip) 1870 West Santa Fe Avenue, Grants, NM 87029
 Telephone Number (505) 290-4202

Also Notice: Jerry Hamm, Liquor License Brokerage & Consulting, 3301-R Coors Rd, NW # 127, Albuquerque, NM 87120, (505) 342-0523 or jhammllbc@aol.com

D/B/A name to be used: Wise Pies Phone number for licensed premises: (505) 722-8897

(EXHIBIT A - TAX REGISTRATION CERTIFICATE) (EXHIBIT B - MENU) (EXHIBIT C = FOOD ESTABLISHMENT PERMIT) (EXHIBIT D - HOURS/DAYS OF OPERATION)
 Physical location where license is to be used: 820 North Highway 491, Gallup, McKinley County, New Mexico 87301

Mailing address: P.O. Box 908, Grants, New Mexico 87020
 (Include street number / highway number / state road, city and county, state, and zip code)

Are alcoholic beverages currently being dispensed at the proposed location? Yes _____ No X _____ If yes, give license number and type _____

I, (print name) Stacey M. Corley, as (title) Manager being first duly sworn upon oath deposes and says: that he/she is the applicant or is authorized by the applicant to make this application. That he/she has read the same; knows the contents therein contained are true. Applicant(s) agree(s) that if any statements or representations herein are found to be false, the director may refuse to issue or renew the license or may cause the license to be revoked at any time.

You must sign and date this form in the presence of a notary public.

Signature of Applicant: [Signature] Date 11-27-15

SUBSCRIBED AND sworn to before me this 14 day of November, 2015 by Stacey M. Corley
 Notary Public _____ My Commission Expires 11-16-18

Local Governing Body of: _____ (City or County). Hearing held on _____ 20____
 My Commission Expires: _____

Check one: Approved _____ Disapproved _____ City/County Official _____ (Signature & Title)

Approved _____ Disapproved _____ Director Approval _____ Date _____

For Alcohol and Gaming Division Use Only

DEC 28 2015

RECEIVED

ALCOHOL & GAMING DIVISION



P.O. Box 25101 (505) 476-4875 Fax (505) 476-4595 www.rld.state.nm.us/agd

PREMISES LOCATION, OWNERSHIP, AND DESCRIPTION
SS-60-6B-10

1. The land and building which is proposed to be the licensed premises is (check one):

Owned by Applicant _____ Leased by Applicant (attach copy of deed or lease) Other (provide details)
(Exhibit E - Standard Multi Tenant Shopping Center Lease - Net)

2. If the land and building are not owned by Applicant, indicate the following:

- A. Owner(s) Gallup Capital LLC, Gallup H & K LLC, Gallup Shaaya LLC, Tenants in Common
- B. Date and term of lease: March 31, 2015. 5 year term.

3. Premises location is zoned (example C-1) (Exhibit F- Zoning Statement)

If the premises is zoned, attach zoning statement from local government giving location address and type of zone, stating whether alcoholic beverages are allowed at proposed location. If there is no zoning, attach confirmation from local government indicating there is no zoning.
(Exhibit G - Area Map)

4. Distance from nearest church *(Property line of church to licensed premises—shortest distance).

Miles/feet Approx. 700 ft. Name of church St Paul Baptist Church Address/location of church 1121 W. Lincoln Ave., Gallup, NM 87301

5. Distance from nearest school *(Property line of school to licensed premises—shortest distance).

Miles/feet Approx. 1,100 Ft. Name of school Washington Elementary School Address/location of school 700 W. Wilson Ave., Gallup, NM 87301

6. Distance from military installation *(Property line of military installation to licensed premises—shortest distance.)

Miles Approx 135 miles Name of Military Installation, circle one: Kirtland Air Force Base (Albuquerque), White Sands Missile Range (Las Cruces), Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis).

7. Attach, on a separate sheet, the detailed floor plan for each level (floor) where alcoholic beverages will be sold or consumed. Show exterior walls, doors, and interior walls. This will be the licensed premises. The floor plan should be no larger than 8 1/2 x 11 inches, and must include the total square footage of premises.
(Exhibit H - Floor Plan)

*If the distance is beyond 300 feet, but less than 400 feet, a registered engineer or licensed surveyor must complete a Survey Certificate showing the exact distance.

8. Type of Operation:

Lounge _____ Restaurant Package Grocery _____ Racetrack _____ Hotel _____ Other (specify) _____

Return this form to the Alcohol and Gaming Division, 2550 Cerrillos Road, Santa Fe, New Mexico 87505, if using overnight delivery.

RECEIVED
DEC 28 2015
ALCOHOL & GAMING DIVISION

EXHIBIT F



Jackie McKinney, Mayor
Linda Garcia, District 1 Councilor
Allan Landavazo, District 2 Councilor
Yogash Kumar, District 3 Councilor
Fran Palochak, District 4 Councilor
Maryann Ustick, City Manager
George W. Kozeliski, City Attorney



December 14, 2015

Ms. Mary Kay Root, Director
State of New Mexico
Alcohol and Gaming Division
2550 Cerrillos Road
Santa Fe, NM 87505

Ref: Zoning Certificate – SMC Restaurants, LLC, d/b/a/ "Wise Pies", 820 N. Hwy. 491, Gallup, NM.

Ms. Root,

I am writing as a follow up to your request for zoning verification of SMC Restaurants, LLC, d/b/a/ "Wise Pies" located at 820 North Hwy 491, Gallup, NM. The property as shown on the current City of Gallup zoning atlas lies within the Heavy Commercial (C-3B) zoning district. Alcohol sales as an accessory use to hotels, motels and restaurants is a permitted use within the (C-3B) zoning district per Section 10-4B-2B of the City of Gallup Land Development Standards (LDS).

If any additional information is needed please feel free to contact me at (505) 726-2611.

Sincerely,

Clyde "C.B." Strain
Community Planner
Planning Department
Economic Development Division

Copy to: zoning certification file.

RECEIVED
DEC 28 2015
CITY OF GALLUP

Discussion/Action Topic 2

Construction Contract Award for Downtown NM 118
Pedestrian Safety Improvements

Stan Henderson, Public Works Director



CITY OF GALLUP

COUNCIL STAFF SUMMARY FORM

MEETING DATE: 8 March 2016

SUBJECT: DOWNTOWN NM 118 PEDESTRIAN SAFETY IMPROVEMENTS;
CONSTRUCTION CONTRACT AWARD FOR
DEPT. OF ORIGIN: Public Works/City Engineering
DATE SUBMITTED: 28 February 2016
SUBMITTED BY: Stanley Henderson, Public Works Director

Summary: Subject project makes traffic calming, pedestrian safety, and ADA improvements along NM-118 from Strong Drive to the 3rd Street intersection downtown. (See attachment (1).) NM-118 right-of-way is owned by the State Of New Mexico. However, the City is the local lead for the subject project.

Engineer of record is Bohannan Huston of Albuquerque, NM. Construction administration and quality assurance is DePauli Engineering & Surveying of Gallup, NM. Time for completion is 120 days.

City Staff opened construction bids originally on 15 December 2015. City Council awarded the project on 12 January 2016. However, the apparent low was not on NMDOT's prequalified bidder list. As a consequence, NMDOT would not approve award on their end.

Accordingly, Staff readvertised and open bids on 18 February 2016. There were three bidders:

	Century Club Construction.	H.O. Construction	Star Paving	Engineer's Estimate
Base Bid	\$507,115.00	\$537,207.58	\$599,334.60	
NMGRT	\$42,153.93	\$44,655.38	\$49,819.69	
Total	\$549,268.93	\$581,862.96	\$649,154.29	\$552,365.61

See attachment (2) for the bid tabs. Engineer's construction estimate is provided as attachment (3).

Fiscal Impact:

Reviewed By:

Patty Holland
 Finance Department

None. Project budget has been established by previous City Council action.

- Attachments:**
- (1) Project Termini/Location
 - (2) Bid Tabs of 18 Feb 16
 - (3) Engineer's Construction Estimate of 8 Aug 15
 - (4) Project Budget of 29 Feb 16

Legal Review

Approved As To Form:

[Signature]
 City Attorney

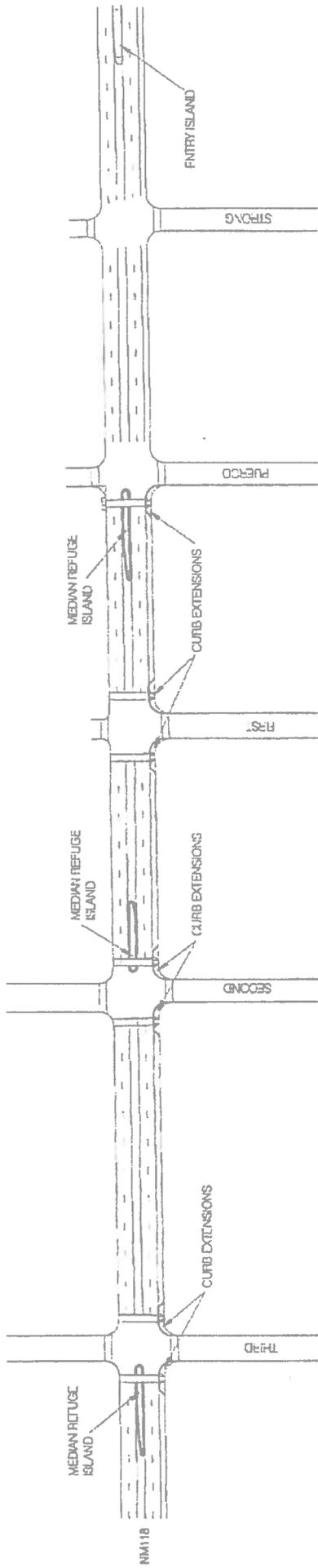
Recommendation: City Staff considers Century Club Construction to be the "responsive low bidder" and their bid to be a "fair and reasonable" price. Staff recommends award of the City's construction

contract in the amount of \$549,268.93 including NMGR to Century Club Construction; subject to "3rd party approval" of Century Club Construction by NMDOT.

<p>Approved For Submittal By:</p> <p><u>Stacy Henderson</u> 2/24/15 Department Director</p> <p><u>Margaret [Signature]</u> City Manager</p>	<p>CITY CLERK'S USE ONLY COUNCIL ACTION TAKEN</p> <table><tr><td>Resolution</td><td>_____</td><td>Continued</td><td>_____</td></tr><tr><td>No.:</td><td>_____</td><td>To:</td><td>_____</td></tr><tr><td>Ordinance</td><td>_____</td><td>Referred</td><td>_____</td></tr><tr><td>No.:</td><td>_____</td><td>To:</td><td>_____</td></tr><tr><td>Approved:</td><td>_____</td><td>Denied:</td><td>_____</td></tr><tr><td>Other:</td><td>_____</td><td>File No.:</td><td>_____</td></tr></table>	Resolution	_____	Continued	_____	No.:	_____	To:	_____	Ordinance	_____	Referred	_____	No.:	_____	To:	_____	Approved:	_____	Denied:	_____	Other:	_____	File No.:	_____
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Ordinance	_____	Referred	_____																						
No.:	_____	To:	_____																						
Approved:	_____	Denied:	_____																						
Other:	_____	File No.:	_____																						

DT NM-118 Pedestrian Safety Improvements Prj

Tuesday, May 14, 2013 10:31 AM



Screen clipping taken: 5/14/2013 10:31 AM

Enclosure (1)

Bid Tabulation

City of Gallup
 NM 118 Pedestrian Improvements, CN 6100982
 Formal Bid No. 1602
 February 18, 2016 @ 2:00 p.m.

Century Club Construction 8201 Golf Course RD #D3-295 Albuquerque NM 87120 375798 GA98, GB98, GF98 3012220130128	H.O. Construction, Inc. PO Box 9468 Albuquerque NM 87119 85027 GA01, GA03, GB98, GS04, GF09 0576220060825	Star Paving Co. Div. of Cruz Corp. 3109 Love Rd SW Albuquerque NM 87121 23947, GA98, GB98, GF01, GF02, GF03, GF04, GF05, GF09, GS14 002272820110706
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ITEM	NO.	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT
1	416000	MINOR PAVEMENT	230 SY	\$80.00	\$18,400.00	\$95.00	\$21,850.00	\$100.00	\$23,000.00
2	570437	24" STORM DRAIN CULVERT PIPE	157 LF	\$55.00	\$8,635.00	\$80.00	\$12,560.00	\$80.00	\$12,560.00
3	601000	REMOVAL OF STRUCTURES AND OBSTRUCTIONS	1 LS	\$52,859.00	\$52,859.00	\$40,000.00	\$40,000.00	\$58,000.00	\$58,000.00
4	601110	REMOVAL OF SURFACING	575 SY	\$35.00	\$20,125.00	\$18.00	\$10,350.00	\$6.00	\$3,450.00
5	603250	DROP INLET PROTECTION TYPE I	20 EA	\$60.00	\$1,200.00	\$150.00	\$3,000.00	\$185.00	\$3,700.00
6	608004	CONCRETE SIDEWALK 4"	1200 SY	\$45.00	\$54,000.00	\$51.00	\$61,200.00	\$58.00	\$69,600.00
7	608406	CONCRETE MEDIAN PAVEMENT 6" (COLORED AND PATTERNED)	290 SY	\$47.00	\$13,630.00	\$72.00	\$20,880.00	\$78.00	\$22,620.00

Century Club Construction				H.O. Construction, Inc.				Star Paving Co. Div. of Cruz Corp.			
ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	
609100	PINNED CURB	940 LF	\$17.00	\$15,980.00	\$13.00	\$12,220.00	\$18.00	\$16,920.00			
9	HEADER CURB	170 LF	\$35.00	\$5,950.00	\$24.00	\$4,080.00	\$18.00	\$3,060.00			
10	CONCRETE VERTICAL CURB AND GUTTER TYPE C 8" X 32"	1090 LF	\$15.00	\$16,350.00	\$35.00	\$38,150.00	\$22.00	\$23,980.00			
11	DRIVE PAD 6"	11 SY	\$128.00	\$1,408.00	\$72.00	\$792.00	\$72.00	\$792.00			
12	MOBILIZATION	1 LS	\$51,000.00	\$51,000.00	\$20,000.00	\$20,000.00	\$90,000.00	\$90,000.00			
13	CDI TYPE I-B, UP TO 4'	7 EA	\$3,600.00	\$25,200.00	\$3,800.00	\$26,600.00	\$4,500.00	\$31,500.00			
14	CDI TYPE II-B, UP TO 4'	9 EA	\$6,000.00	\$54,000.00	\$4,900.00	\$44,100.00	\$6,000.00	\$54,000.00			
15	JUNCTION BOX	14 EA	\$2,200.00	\$30,800.00	\$2,500.00	\$35,000.00	\$2,500.00	\$35,000.00			
16	ADJUST WATER METER TO GRADE	1 EA	\$750.00	\$750.00	\$200.00	\$200.00	\$550.00	\$550.00			
17	PANEL SIGNS	63 SF	\$21.00	\$1,323.00	\$26.00	\$1,638.00	\$16.25	\$1,023.75			
18	STEEL POST AND BASE POST FOR ALUMINUM PANEL SIGNS	135 LF	\$11.00	\$1,485.00	\$15.00	\$2,025.00	\$12.40	\$1,674.00			

		Century Club Construction				H.O. Construction, Inc.				Star Paving Co. Div. of Cruz Corp.			
ITEM		DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT
19	701030	REMOVE AND RESET PANEL SIGN	2 EA	\$175.00	\$350.00	\$300.00	\$600.00	\$140.00	\$280.00				
20	702610	PORTABLE CHANGEABLE MESSAGE BOARDS	2 EA	\$10,800.00	\$21,600.00	\$7,000.00	\$14,000.00	\$13,000.00	\$26,000.00				
21	702810	TRAFFIC CONTROL DEVICES FOR CONSTRUCTION	1 LS	\$28,500.00	\$28,500.00	\$15,000.00	\$15,000.00	\$7,000.00	\$7,000.00				
22	704700	HOT THERMOPLASTIC PAVEMENT MARKING 4"	6381 LF	\$1.00	\$6,381.00	\$1.50	\$9,571.50	\$0.85	\$5,423.85				
23	704718	HOT THERMOPLASTIC PAVEMENT MARKING LEFT ARROW	7 EA	\$85.00	\$595.00	\$135.00	\$945.00	\$129.00	\$903.00				
24	704720	HOT THERMOPLASTIC PAVEMENT MARKING WORD (ONLY)	7 EA	\$105.00	\$735.00	\$300.00	\$2,100.00	\$140.00	\$980.00				
25	704728	HOT THERMOPLASTIC PAVEMENT MARKING YIELD LINE	37 LF	\$12.00	\$444.00	\$60.00	\$2,220.00	\$17.00	\$629.00				
26	704764	RETROREFLECTIVE PREFORMED PATTERNED PAVEMENT STRIPE 24"	981 LF	\$15.00	\$14,715.00	\$18.50	\$18,148.50	\$19.00	\$18,639.00				
27	707004	TYPE I STANDARD, 4'	6 EA	\$900.00	\$5,400.00	\$2,012.00	\$12,072.00	\$985.00	\$5,910.00				

Century Club Construction				H.O. Construction, Inc.				Star Paving Co. Div. of Cruz Corp.			
ITEM	DESCRIPTION	ESTIMATED QUANTITY	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	UNIT PRICE	BID AMOUNT	
28	707010 TYPE I STANDARD, 10'	2 EA	\$2,500.00	\$5,000.00	\$3,986.00	\$7,972.00	\$2,750.00	\$5,500.00			
29	707013 TYPE I STANDARD, 13'	3 EA	\$3,000.00	\$9,000.00	\$4,839.00	\$14,517.00	\$3,143.00	\$9,429.00			
30	710000 REMOVE & REPLACE PULL BOX	4 EA	\$550.00	\$2,200.00	\$1,158.00	\$4,632.00	\$593.00	\$2,372.00			
31	713020 PEDESTRIAN PUSH BUTTON STATION	19 EA	\$1,600.00	\$30,400.00	\$3,279.00	\$62,301.00	\$1,711.00	\$32,509.00			
32	716601 REMOVE & RESET EXISTING STREET LIGHT INCLUDING FOUNDATION (CIP)	1 EA	\$1,700.00	\$1,700.00	\$1,983.58	\$1,983.58	\$1,883.00	\$1,883.00			
33	721000 REMOVAL OF PAVEMENT STRIPE	1000 LF	\$3.00	\$3,000.00	\$3.00	\$3,000.00	\$1.90	\$1,900.00			
34	801000 CONSTRUCTION STAKING BY THE CONTRACTOR	1 LS	\$4,000.00	\$4,000.00	\$13,500.00	\$13,500.00	\$28,547.00	\$28,547.00			
SUBTOTAL BASE BID:				\$507,115.00		\$537,207.58		\$599,334.60			

August-15

ENGINEER'S ESTIMATE OF PROBABLE CONSTRUCTION COST USING UNIT BID PRICES

100% Estimate

Name of Road: NM 118 Pedestrian ImprovementsCounty of: McKinleyType: ROADWAY CONSTRUCTION / DRAINAGEPrepared by: BOHANNAN HUSTON, INC.Title: CONSULTING ENGINEER

NO.	ITEM	UNIT	QTY	PRICE	AMOUNT
416000	MINOR PAVEMENT	SY	230.00	100.00	\$ 23,000.00
570437	24" STORM DRAIN CULVERT PIPE	LF	157.00	55.00	\$ 8,635.00
601000	REMOVAL OF STRUCTURES AND OBSTRUCTIONS	LS	LS	30000.00	\$ 30,000.00
601110	REMOVAL OF SURFACING	SY	575.00	16.00	\$ 9,200.00
603250	DROP INLET PROTECTION TYPE I	EA	20.00	80.00	\$ 1,600.00
608004	CONCRETE SIDEWALK 4"	SY	1200.00	47.00	\$ 56,400.00
608406	CONCRETE MEDIAN PAVEMENT 6" (COLORED AND PATTERNED)	SY	290.00	53.00	\$ 15,370.00
609109	PINNED CURB	LF	940.00	14.00	\$ 13,160.00
609200	HEADER CURB	LF	170.00	23.00	\$ 3,910.00
609462	CONCRETE VERTICAL CURB AND GUTTER TYPE C 8" X 32"	LF	1090.00	18.00	\$ 19,620.00
608106	DRIVE PAD 6"	SY	11.00	53.00	\$ 583.00
621000	MOBILIZATION	LS	LS	40000.00	\$ 40,000.00
623311	CDI TYPE I-B, UP TO 4'	EA	7.00	6500.00	\$ 45,500.00
623312	CDI TYPE II-B, UP TO 4'	EA	9.00	5200.00	\$ 46,800.00
623600	JUNCTION BOX	EA	14.00	3500.00	\$ 49,000.00
663865	ADJUST WATER METER TO GRADE	EA	1.00	480.00	\$ 480.00
701000	PANEL SIGNS	SF	63.00	15.00	\$ 945.00
701100	STEEL POST AND BASE POST FOR ALUMINUM PANEL SIGNS	LF	135.00	11.00	\$ 1,485.00
701030	REMOVE AND RESET PANEL SIGN	EA	2.00	92.00	\$ 184.00
702610	PORTABLE CHANGEABLE MESSAGE BOARDS	EA	2.00	7650.00	\$ 15,300.00
702810	TRAFFIC CONTROL DEVICES FOR CONSTRUCTION	LS	LS	25000.00	\$ 25,000.00
704700	HOT THERMOPLASTIC PAVEMENT MARKING 4"	LF	6381.00	1.10	\$ 7,019.10
704718	HOT THERMOPLASTIC PAVEMENT MARKING LEFT ARROW	EA	7.00	114.00	\$ 798.00
704720	HOT THERMOPLASTIC PAVEMENT MARKING WORD (ONLY)	EA	7.00	166.00	\$ 1,162.00
704728	HOT THERMOPLASTIC PAVEMENT MARKING YIELD LINE	LF	37.00	12.50	\$ 462.50
704764	RETROREFLECTIVE PREFORMED PATTERNED PAVEMENT STRIPE 24"	LF	981.00	16.60	\$ 16,284.60
707004	TYPE I STANDARD, 4'	EA	6.00	706.00	\$ 4,236.00

707010	TYPE I STANDARD, 10'	EA	2.00	650.00	\$	1,300.00
707013	TYPE I STANDARD, 13'	EA	3.00	785.00	\$	2,355.00
710000	STANDARD PULL BOX	EA	4.00	490.00	\$	1,960.00
713020	PEDESTRIAN PUSH BUTTON STATION	EA	19.00	265.00	\$	5,035.00
716601	REMOVE & RESET EXISTING STREET LIGHT INCLUDING FOUNDATION (CIP)	EA	1.00	600.00	\$	600.00
721000	REMOVAL OF PAVEMENT STRIPE	LF	1000.00	0.60	\$	600.00
801000	CONSTRUCTION STAKING BY THE CONTRACTOR	LS	LS	25000.00	\$	25,000.00

SUBTOTAL	\$472,984.20
8% ENGINEERING & CONTINGENCY	<u>\$37,838.74</u>
SUB TOTAL	\$510,822.94
NMGRT @ 8.3125	\$41,542.68
SUB TOTAL	\$552,365.61
CONSTRUCTION MANAGEMENT	\$84,000.00
QA TESTING	\$6,800.00
TOTAL	\$643,165.61

DOWNTOWN NM 118 PEDESTRIAN SAFETY IMPROVEMENTS PRJ

Project Budget

Year	Line Item Description	Weight	Estimated Amounts	SubTotals	Comments
PROJECT REVENUE				\$ 933,045.78	
	BID Planning Funding		\$ 30,805.83		For Feasibility Study \$ 30,805.83
	BID Construction Contribution				\$30,000 Commitment
	City Starting Budget		\$ 45,163.00		For Engr Design (Fr PW/CE) \$ 310,239.95
	City Budget Adjustment		\$ 13,378.52		For Engr Design (Fr PW/CE)
	City Budget Adjustment		\$ 67,698.43		For Prj Certifications (Fr PW/CE)
	City Budget Adjustment		\$ 54,000.00		For ROW Maps/Certifications (Fr Fund 399)
	City Budget Adjustment		\$ 130,000.00		Approved Cty Cncl 12 Jan 16 \$ 130,000.00
	City Budget Adjustment		\$ -		
	2013 Legislature Appropriation		\$ 175,000.00		\$ -
	2015 Legislature Reauthorization		\$ (175,000.00)		Legislature Claw Back
	2014 TAP Funding		\$ 430,856.00		\$ 592,000.00
	City TAP Match		\$ 73,423.00		\$ (10,000.00)
	2015 TAP Funding		\$ 74,772.00		\$ 582,000.00
	City TAP Match		\$ 12,742.00		
	City Additional Funding		\$ 207.00		STIP Balance Correction
PROJECT EXPENDITURES					
	Project Planning	7.4291%		\$ 40,805.83	
2011	Feasibility Study		\$ 30,805.83		BHI PO #072491 (BID Funded Included NMGR)
2015	Property Acquisition		\$ 10,000.00		NMDOT ROW Costs
	A/E Professional Services	22.9833%		\$ 126,239.95	
	Independent Cost Estimate				
2012	A/E Design		\$ 45,163.00		BHI PO #75686
2014	Project Certifications		\$ 67,698.43		BHI PO #75686
	Special Reports				
2013	= DT NM 118 Storm Drainage		\$ 13,378.52		BHI PO #75686
	Material Submittal Review				
	NM Gross Receipt Tax		\$ -		Included Above PO Amounts.
	Construction Management	33.1549%		\$ 182,109.40	
	Independent Cost Estimate				
2014	Contract/Grant Administration		\$ 175,000.00		DES PO #080253 \$ 175,000.00
2015			\$ (121,000.00)		DES PO #080253 \$ (121,000.00)
2015			\$ 128,109.40		DES PO #082766 \$ 54,000.00
	Bid Assistance				
2014	-ROW Maps/Certification				See DES PO #080253 \$54K
	Quality Assurance				
	Material Testing				
	NM Gross Receipt Tax				Included Above PO Amounts
2016	Construction	100.0000%		\$ 549,268.93	
	Base Bid		\$ 507,115.00		Star Pavings' Bid of 18 Feb 16
	Bid Additives		\$ -		None
	NM Gross Receipt Tax	8.3125%	\$ 42,153.93		
	Construction Changes	0.0000%		\$ -	
	1				
	2				
	3				
	4				
	5				
	NM Gross Receipt Tax				
	Contingency	0.0000%		\$ -	
Total Estimated Costs				\$ 898,424.11	
PROJECT BALANCE				\$ 34,621.67	

123 Soft Number (Estimate)
123 Hard Number (PO or Contract)

Enclosure (4)

DOWNTOWN NM 118 PEDESTRIAN SAFETY IMPROVEMENTS PRJ
Project Budget

Funding Summary:

BID Funds	3.3016%	\$ 30,805.83	
City Funds	42.5072%	\$ 396,611.95	
State Funds	0.0000%	\$ -	
Federal Funds	<u>54.1911%</u>	<u>\$ 505,628.00</u>	
	100.0000%	\$ 933,045.78	
Indirect Costs	38.8631%	\$ 349,155.18	Feasibility, Design, n Certifications
Direct Costs	<u>61.1369%</u>	<u>\$ 549,268.93</u>	Construction
	100.0000%	\$ 898,424.11	
		\$ 34,621.67	CHECKSUM

Discussion/Action Topic 3

Appointment of Franklin Boyd, Acting Chief of Police,
Gallup Police Department, to the McKinley County
Metropolitan Dispatch Authority Board

Mayor Jackie McKinney

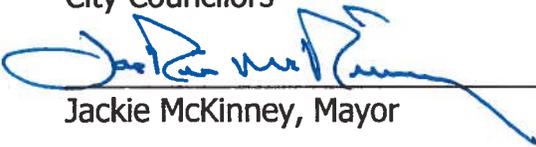


CITY OF GALLUP
OFFICE OF THE MAYOR
STATE OF NEW MEXICO

March 3, 2016

MEMORANDUM

TO: City Councilors

FROM: 
Jackie McKinney, Mayor

RE: Metro Dispatch Authority

Due to the retirement of Robert Cron, Chief of Police, I would ask for your approval to appoint Capt. Franklin Boyd to the McKinley County Metropolitan Dispatch Authority Board.

We would like to express our gratitude and appreciation to Chief Cron for his years of service and dedication to the community. We also appreciate Capt. Boyd's expertise and commitment to serving as a member of the Board.

Your consideration of this request is greatly appreciated.

Discussion/Action Topic 4

Transfer of Surplus Equipment

Chief Eric Babcock, Gallup Fire Department



COUNCIL STAFF SUMMARY FORM

MEETING DATE: March 8, 2016

SUBJECT: Transfer of Ownership of Universal Weight Equipment to McKinley County Fire Dept
DEPT. OF ORIGIN: Fire Dept
DATE SUBMITTED: 4 March 2016
SUBMITTED BY: Eric Babcock

Summary: *City of Gallup Fire Dept is asking for approval to transfer ownership of a 25 year old Universal Weight Equipment to the McKinley County Fire Dept. We have since upgraded our gym equipment and no longer have the space to house this gym equipment.*

We currently have a Mutual Aid Agreement with McKinley County Fire Dept and this equipment would help with their fitness needs.

Fiscal Impact:

Reviewed By: _____

Patty Holland
Finance Department

None, this gym equipment is 25 years old and does not meet our current fitness needs.

Attachments:

Three pictures of gym equipment.

Legal Review:

Approved As To Form: _____

[Signature]
City Attorney

Recommendation:

Approved for Submittal By:

Department Director



City Manager

CITY CLERK'S USE ONLY
COUNCIL ACTION TAKEN

Resolution No.	_____	Continued To:	_____
Ordinance No.	_____	Referred To:	_____
Approved:	_____	Denied:	_____
Other:	_____	File:	_____







Discussion/Action Topic 5

Ordinance No. C2016-4;

An Ordinance Concerning an Increase to the Rates for Electric Service,
Repealing and Replacing Title 8, Chapter 6, Section 6
of the Municipal Code of the City of Gallup in its Entirety

Richard Matzke, Director, Gallup Electric Department



**CITY OF
GALLUP**

COUNCIL STAFF SUMMARY FORM

MEETING DATE: March 8, 2016

SUBJECT: ORDINANCE C2016-4; AN ORDINANCE CONCERNING AN INCREASE TO THE RATES FOR ELECTRIC SERVICE, REPEALING AND REPLACING TITLE 8 CHAPTER 6 SECTION 6 OF THE MUNICIPAL CODE OF THE CITY OF GALLUP IN ITS ENTIRETY

DEPT. OF ORIGIN: Electric

DATE SUBMITTED: March 3, 2016

SUBMITTED BY: Richard Matzke

Summary: During the first year of the Power Purchase Agreement (PPA) with Continental Divide Electric Cooperative, the City reduced electric rates 3.5% in September 2014 and 8% in January 2015. Wholesale rates from Continental Divide increased 26.3% on July 1, 2015 and will increase 6.4% on July 1, 2016 per the PPA. The City's current rate ordinance includes a power cost adjustment which would have triggered an 8% increase in retail electric rates based on the July 2015 wholesale increase. The power cost adjustment was not implemented pending the results of the Electric Department Financial Plan which was prepared in conjunction with RBC Capital Markets and presented to City Council on January 12, 2016. The Financial Plan included annual rate increases of 8.75% beginning with fiscal year 2017 assuming all capital projects are funded from cash. An alternate model indicated annual rate increases of 7.8% beginning fiscal year 2017 assuming that some major capital projects are funded using long term financing. The proposed rate ordinance includes an average 7.8% increase to all electric rates. This increase will have a monthly impact of \$4.01 to the average residential customer and \$32.22 to the average small commercial customer. Staff plans to begin the process of selecting a rate consultant to prepare an electric rate study using the revenue requirements from the Electric Financial to accurately determine the cost of serving each rate class and ensure that electric rates reflect those costs. We anticipate completion of the study by early 2017 so that any recommended changes can be incorporated in the FY 2018 budget process.

Fiscal Impact:

Reviewed By:

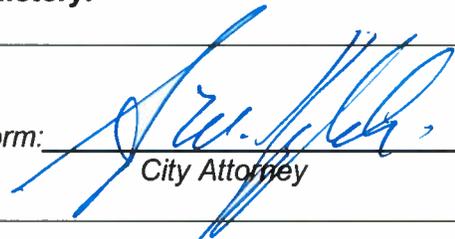

Finance Department

The proposed rates are anticipated to increase electric sales by \$1.77 M in FY 2017.

Attachments: ORDINANCE NO. C2016-4, Gallup Electric Rate History.

Legal Review:

Approved As To Form:


City Attorney

Recommendation: Staff recommends approval of the proposed Ordinance C2016-4 Concerning an Increase to the Rates for Electric Service, Repealing and Replacing Title 8 Chapter 6 Section 6 of the Municipal Code of the City of Gallup in its Entirety. The new rates will take effect for service rendered on and after July 1, 2016.

Approved for Submittal By:



Department Director



City Manager

CITY CLERK'S USE ONLY
COUNCIL ACTION TAKEN

Resolution No.	_____	Continued To:	_____
Ordinance No.	_____	Referred To:	_____
Approved:	_____	Denied:	_____
Other:	_____	File:	_____

ORDINANCE NO. C2016-4

AN ORDINANCE CONCERNING AN INCREASE TO THE RATES FOR ELECTRIC SERVICE, REPEALING AND REPLACING TITLE 8 CHAPTER 6 SECTION 6 OF THE MUNICIPAL CODE OF THE CITY OF GALLUP IN ITS ENTIRETY

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GALLUP, NEW MEXICO, that:

The rates, fees and other charges charged for electric service to residential, non-residential (general service small and general service medium), outdoor area lighting, metered street and highway lighting, municipal (service to the City of Gallup) and all others customers of the City of Gallup, whose rates, fees and other charges are not established by contract in conformance with Title 8, Chapter 6 Section 6 (D) of the City Code, shall be increased by an average of 7.8 percent. Section 8-6-6 of the Gallup Municipal Code shall be replaced in its entirety with the following new Section 8-6-6:

8-6-6: ELECTRICAL RATES

The charges for all electricity consumed shall be at the following rates:

A. Residential Service Rate: Applicable to electric service to single-family dwellings, individual farm units, individual apartments, or separate living quarters where the major use of electricity is for domestic purposes such as lighting, household appliances, and the personal comfort and convenience of those residing therein.

Energy Charge:

First 50 kWh:	Included in minimum service charge of \$6.91
Thereafter all kWh	\$0.1151 per kWh

B. General Service-Small (Non-Residential) Rate: Available for single and three-phase service for non-residential service. This rate applies to customers whose consumption is **less than 40,000 kWh** per month or whose demand is **less than 100kW**.

If the demand is over 100kW per month for three or more consecutive months within any twelve month period, or consumption is equal to or greater than 40,000 kWh, **service will not be provided under this rate.**

Energy Charge:

First 100 kWh: Included in min. service charge of \$13.83

Thereafter all kWh \$0.1230 per kWh

C. General Service-Medium (Non-Residential) Rate: Available for single and three-phase service for non-residential service to customers whose monthly energy consumption is **greater than or equal to 40,000 kWh** or whose demand is 100 kW per month for three consecutive months within any twelve month period.

Demand is the highest 15-minute average load measured in kW during the monthly reading period.

Demand Charge:

First 100 kW or less: Included in min. service charge of \$1,509.20

Additional Demand: \$12.89 per kW

Energy Charge:

All kWh at: \$0.0785 per kWh

D. Industrial Contract Rate: An industrial rate is available to customers whose demand exceeds one thousand five hundred (1,500) kW of capacity per month. Service shall be metered at the city's available distribution voltage of thirteen thousand two hundred (13,200) volts (primary metered).

Additionally, time of use rates may be made available to those customers whose monthly demand exceeds five hundred (500) kW per month for three (3) consecutive months in any calendar year. Industrial and/or time of use rates will be determined on a case by case basis, when after consideration and

review of all circumstances, good cause exists, and such rates are fair, just and reasonable, and are not preferential or discriminatory to existing or future customers. Some factors that will influence these rates are as follows:

1. **Economic Development:** Reduced rates may be negotiated with a large industrial user for a period of up to five (5) years to promote economic development in the city.
2. **Load Factor:** Load factor is defined as the ratio of the average demand to peak demand during the monthly billing period and will be a major consideration in determining the rate.
3. **Power Factor:** Rate will provide an incentive for desirable power factor (ratio of kVAr/kW). The City is required to maintain a system-wide power factor between 0.97 lagging and 0.99 leading.
4. **Capital Outlay:** Capital outlay required by the city to extend service to the customer.
5. **Time Of Use:** Rate based on time-of-day that energy is consumed.
6. **Negotiations:** Negotiations with the City's electric supplier

E. Municipal Service (Service to the City of Gallup) Rate: Available to all facilities owned and or operated by the City of Gallup:

Energy Charge:

All kWh at: \$0.0569 per kWh

F. Municipal Service Utilities Rate: Available to City of Gallup utilities and facilities operated by the City or operated by City under contract with a third party:

Energy Charge:

All kWh at: \$0.0796 per kWh

G. Outdoor Area Lighting: The following charge shall apply to rental rates for outdoor area lighting:

A minimum charge is imposed on all rental lighting rates equal to twelve (12) months' service at the applicable rate.

City-owned and operated fixtures:

150 Watt* \$6.88 per month

250 Watt* \$15.76 per month

400 Watt* \$19.71 per month

*High Pressure Sodium, Metal Halide, or LED equivalent

Privately-owned and operated un-metered fixtures:

150 Watt \$6.07 per month

250 Watt \$13.88 per month

400 Watt \$17.37 per month

NOTE: No new services will be added under this rate (Privately-owned and operated un-metered fixtures).

H. Metered Street and Highway Lighting:

Energy Charge:

All kWh at: \$0.1089 per kWh

I. Effective Date of Rates: The rates, fees and other charges for electric service applicable to all customers of the City of Gallup not established by contract shall be effective for service rendered on and after July 1, 2016.

J. Taxes: The following shall apply to all rates contained in this section: Billings under these schedules shall be increased by an amount equal to the sum of the taxes payable under the New Mexico gross receipts tax act and of all other taxes, fees or charges (exclusive of ad valorem, state and federal income taxes), payable by the city and levied or assessed by any governmental

authority on the electrical service rendered or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service. (Ord. C93-9, 5-11-1993)

- K. Purchase Power Cost Adjustment:** Under the terms and conditions of the Power Purchase Agreement Between Continental Divide Electric Cooperative, Inc. (CDEC) and City of Gallup, the price for power purchased by the City from CDEC is scheduled to increase on July 1, 2015, July 1, 2016, July 1, 2017, July 1, 2018, July 1, 2019, July 1, 2020 and July 1, 2021. In consideration thereof, increases to the energy charge and demand charge for purchased power shall be passed through to City electric customers in an amount equal to the increase. These increases shall become effective on July 1 of each respective year purchased power costs are scheduled to increase and shall be reflected on customer bills beginning with the first full billing cycle thereafter.
- L. Electric Consumer Price Index Increase:** The energy and demand charge for electric service as set forth in this section shall be increased or decreased annually to reflect the changes in the consumer price index. The "consumer price index" shall mean the average for "all items" shown as the "United States city average for all urban consumers as promulgated by the Bureau of Labor Statistics of the United States Department of Labor" (CPI-U). On or about April 1, 2005, and every year thereafter the city manager or designee will notify the governing body of the proposed electric rates adjusted by the CPI-U. The proposed electric rates will automatically go into effect on the following July 1 unless by June 1 the governing body votes otherwise. (Ord. C2006-07, 4-25-2006)
- M. Charges Subject To Change:** The charges for electric service shall be subject to change as may be recommended by an independent and professional cost of service based rate study as authorized by City Council. (Ord. C2004-5, 4-13-2004)

This ordinance shall become effective after its passage and publication by title and summary as provided for by law.

PASSED, APPROVED AND ADOPTED this 8th day of March 2016.

CITY OF GALLUP, NEW MEXICO

By: _____

Jackie McKinney, Mayor

ATTEST:

Alfred Abeita, City Clerk

Gallup Electric Rate History

Proposed Change	3.50%		Decrease	Decrease	Increase
		Oct-2013	Sep-2014	Dec-2014	Jul-2016
	2012	12% Inc.	3.5% Dec.	Proposed	
Residential Service					
First 50 kWh	\$ 6.45	\$ 7.22	\$ 6.97	\$ 6.41	\$ 6.92
All other kWh	\$ 0.1074	\$ 0.1203	\$ 0.1161	\$ 0.1068	\$ 0.1151
General Service Small					
First 100 kWh	\$ 12.90	\$ 14.45	\$ 13.94	\$ 12.83	\$ 13.83
All other kWh	\$ 0.1147	\$ 0.1285	\$ 0.1240	\$ 0.1141	\$ 0.1230
General Service Medium					
All kWh	\$ 0.0706	\$ 0.0791	\$ 0.0791	\$ 0.0727	\$ 0.0785
Demand					
First 100 kW	\$ 1,370.03	\$ 1,534.43	1,534.43	1,400.00	\$ 1,509.20
Additional kW	\$ 14.20	\$ 15.90	\$ 12.85	\$ 11.96	\$ 12.89
Municipal Service					
All kWh	\$ 0.0531	\$ 0.0595	\$ 0.0574	\$ 0.0528	\$ 0.0569
Municipal Service - GJU					
All kWh	\$ 0.0742	\$ 0.0831	\$ 0.0802	\$ 0.0738	\$ 0.0796
Outdoor Area Lighting					
City-owned and operated					
150 W	\$ 6.42	\$ 7.19	\$ 6.94	\$ 6.38	\$ 6.89
250 W	\$ 14.70	\$ 16.46	\$ 15.89	\$ 14.62	\$ 15.76
400 W	\$ 18.38	\$ 20.59	\$ 19.87	\$ 18.28	\$ 19.71
Privately-owned and operated					
150 W	\$ 5.66	\$ 6.34	\$ 6.12	\$ 5.63	\$ 6.07
250 W	\$ 12.95	\$ 14.50	\$ 14.00	\$ 12.88	\$ 13.88
400 W	\$ 16.20	\$ 18.14	\$ 17.51	\$ 16.11	\$ 17.37
Metered Street and Highway Lighting					
All kWh	\$ 0.1016	\$ 0.1138	\$ 0.1098	\$ 0.1010	0.1090

NOTE: Proposed rates are lower than September 2014 rates.