

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, February 28, 2017.

The meeting was called to order by Mayor Jackie McKinney.

Upon roll call, the following were present:

Mayor	Jackie McKinney
Councilors:	Allan Landavazo Yogash Kumar Fran Palochak
Absent:	Linda Garcia, Councilor
Also present:	Maryann Ustick, City Manager George Kozeliski, City Attorney

Mayor McKinney said Councilor Garcia's absence shall be recorded as an excused absence.

Presented to the Mayor and Councilors was the Minutes of the Regular Meeting of February 14, 2017.

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

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

1. Resolution No. R2017-8; A Resolution Making Certain Findings and Determinations Pursuant to the New Mexico Metropolitan Redevelopment Code and Approving the Gallup Downtown Tax Increment Financing District – Maryann Ustick, City Manager

Ms. Ustick said the proposed Tax Increment Financing (TIF) District is one of the financing options available that may be used to generate funds over a period of time to finance projects within the Metropolitan Redevelopment Area (MRA).

Mayor McKinney welcomed the Boy Scouts in the audience.

Charlie Deans, Community By Design, presented a graph illustrating how a TIF works over a period of 20 years. The baseline tax revenue, estimated at \$88,000, is retained in the City's General Fund and the tax increments that are generated over time are set aside for the proposed TIF District. Mr. Deans also presented a table showing a

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projection of the increments collected over the 20-year period for the 252 parcels within the proposed TIF District. After the 20-year period, it is projected that the City may generate over \$690,000 which may be used for projects within the MRA.

Louie Bonaguidi, President of the Business Improvement District (BID) and Anna Biava, BID Board Member, spoke in favor of the proposed TIF District for the MRA.

Discussion followed concerning other financial possibilities for the MRA if the proposed Resolution is approved; the creation of a Redevelopment Committee to oversee the process and to determine the use of the tax increment funds; the TIF Districts in other communities; the Council's ability to rescind the TIF Resolution in the future should they determine to do so; and the amount of work that may be required by City and County officials to manage the TIF District.

Following discussion, Councilor Kumar made the motion to approve Resolution No. R2017-8. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

2. Award of Bid for Hasler Valley Solid Waste Facility Design – Dennis Romero, Water and Sanitation Director

Mr. Romero provided a brief introduction to the item. He commended Adrian Marrufo, Solid Waste Superintendent, for his work on the proposed project.

Mr. Marrufo said City staff solicited proposals for the design and construction administration of the proposed facility from three architectural firms currently under contract with the City. Based on the evaluations of the proposals, it was determined that the proposal submitted by Huitt-Zollars was the most responsive to the solicitation.

Discussion followed concerning the need for adequate screening of the proposed facility from Interstate 40 since the facility will be located near the new Veterans Cemetery. The gross receipts tax to be charged by Huitt-Zollars and the availability of space to expand at the proposed project site was also discussed.

Councilor Landavazo made the motion to approve the bid award for the Hasler Valley Solid Waste Facility Design as presented. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar and Mayor McKinney all voted yes.

3. Approval of Agreement with the New Mexico High School Rodeo Association and New Mexico Junior High Rodeo Association to Host the 2017 State Finals Rodeo – George Kozeliski, City Attorney

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Mr. Kozeliski said the City hosted both the High School and Junior High School State Rodeo Finals last year and was very successful. The proposed agreement is identical to last year's agreement, which requires an allocation of \$50,000 in lodgers' tax to host the combined event.

Councilor Palochak made the motion to approve the Agreement with the New Mexico High School Rodeo Association and the New Mexico Junior High Rodeo Association to Host the 2017 State Finals Rodeo. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo and Mayor McKinney all voted yes. Councilor Kumar abstained. Motion carried.

4. Acceptance of a Public Utility Easement from the State of New Mexico for the Relocation of Electrical Lines at the New Veterans Cemetery – George Kozeliski, City Attorney

Mr. Kozeliski reminded the Mayor and Councilors of the City's donation of property to the State for the construction of the new Veterans Cemetery on Hasler Valley Road. At the State's request, the property was conveyed to the State in a rapid manner and was transferred without moving the electrical lines at the site. The overhead powerlines that currently run across the property will be relocated to the southern border of the property line underground. Once the lines are relocated to the new easement, the present easement across the property will be vacated.

Councilor Kumar made the motion to accept the Public Utility Easement from the State of New Mexico for the relocation of electrical lines at the new Veterans Cemetery. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

Mr. Kozeliski also announced that the federal government increased the allocation for the new Veterans Cemetery from \$5 million to \$6 million.

5. Authorization to Proceed with Advertising and Sale of City Owned Property at 405 West Hill – George Kozeliski, City Attorney

Mr. Kozeliski said the City condemned and demolished the front structure at the above referenced address. The City foreclosed its lien and obtained title to the property at the foreclosure sales. After obtaining the property, the City's Code Enforcement Officers entered the remaining structures toward the back of the property and determined that the structures should not be occupied. The tenant in one of the back structures moved out and all of the structures at the back of the property were demolished by the City. The property is currently a vacant lot with no improvements and serves no purpose to

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the City. The City has spent over \$61,000 for both demolitions and as a result, staff recommends disposing of the property by selling it. Once the sale of the property is advertised, any offers for the purchase of the property would need to be approved by the Mayor and Councilors, including an Ordinance authorizing the sale of the property.

Councilor Palochak recommended donating the property to Habitat for Humanity for a housing project. She said Habitat for Humanity would like to build homes in the Chihuahuita area to revitalize the neighborhood. Mr. Kozeliski added that the proposed recommendation to transfer the property to Habitat for Humanity is permitted by the Anti-Donation Clause of the New Mexico Constitution.

Discussion followed concerning the City's inability to fully recover the amounts spent on condemning and demolishing problem properties. For example, Mr. Kozeliski said the City spent about \$43,000 to demolish a dilapidated structure on East Logan Avenue and received the highest bid of \$1,500 to purchase the property.

Councilor Palochak made the motion to table the proposed sale of City owned property at 405 West Hill in order to discuss and investigate the matter with Habitat for Humanity. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.

### 6. Amendment to Settlement Agreement Between the City of Gallup and Pueblo of Zuni Dated January 5, 2017 – George Kozeliski, City Attorney

Mr. Kozeliski said the City completed the purchase of the Krouth property as part of the settlement agreement with the Pueblo of Zuni on the City's G-22 water rights application. To prevent development on the property, both parties originally agreed to have the City place a conservation easement on the property and to transfer the property to the State of New Mexico, preferably, the Department of Game and Fish. It was later discovered that conservation easements are not favored by agencies of the State of New Mexico; therefore, both parties have agreed to change the form of land restrictions in the Settlement Agreement. The proposed Amendment would require a special warranty deed with covenants of conservation for transferring the property to the State. The form and language of the special warranty deed is referenced as Exhibit No. 1 of the proposed Amendment to the Settlement Agreement. If a State agency is not willing to accept the deed, the City will hold the property subject to the restrictions under the covenants of conservation in the special warranty deed. In return, the Pueblo of Zuni will withdraw its protest to the City's G-22 Application within 10 days of the execution of the Amendment to the Settlement Agreement. The remaining protestants to the City's G-22 Application include the United States Army, three water districts and one individual.

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Mayor McKinney commended Mr. Kozeliski for his work in resolving the protests to the City's G-22 Application.

Councilor Kumar made the motion to approve the Amendment to the Settlement Agreement Between the City of Gallup and Pueblo of Zuni Dated January 5, 2017. Seconded by Councilor Landavazo. Roll call: Councilors Kumar, Landavazo, Palochak and Mayor McKinney all voted yes.

### 7. Budget Adjustment for Animal Control – Clyde (C.B.) Strain, Planning and Development Director

Mr. Strain presented the request for an operations budget adjustment for Animal Control in the amount of \$22,200. When Animal Control was removed from the Police Department and placed under the Planning and Development Department, it was discovered that several operation accounts were either under budgeted or not budgeted at all. In order to correct the shortfall, Mr. Strain recommended the transfer of \$22,200 from the General Fund Reserves to the Animal Control operations budget as illustrated in an itemized list in the agenda packet. A copy of the itemized list is attached hereto, marked as Exhibit A and made a part of these official Minutes.

Mr. Strain and Cosy Balok, Animal Control Coordinator, answered questions regarding Animal Control's on-call duty during the weekends. Georgene Dimas, Communications Director at Metro Dispatch, will provide the proper information on Animal Control's weekend support to her staff.

Discussion followed concerning the proposed heating improvements for the Animal Control building and the recommended amounts for the travel and employee training line items.

Councilor Palochak made the motion to approve the budget adjustment for Animal Control as presented. Seconded by Councilor Kumar. Roll call: Councilor Palochak, Kumar, Landavazo and Mayor McKinney all voted yes.

### 8. Award of Contract to Replace the Roof at Fire Station #1 – Chief Eric Babcock, Gallup Fire Department

Chuy Morales, Deputy Fire Chief, presented the request to use PRC Fire Funds in the amount of \$151,375.09, plus a contingency of \$20,000, to replace the aging roof at Fire Station #1. Progressive Roofing was the contractor selected for the project through CES line item pricing.

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Councilor Kumar made the motion to award the contract to replace the roof at Fire Station #1 as presented. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo and Mayor McKinney all voted yes.

### 9. Approval of Lodgers' Tax Funding for Events – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented the Lodgers' Tax Committee recommendations for funding the following events: UNM-Gallup Lions Hall Fundraising Events Marketing (April –June) \$25,000; Trice's Team Roping (June 3-5, 2017) \$8,000; Trice's Trailer Roping (June 25, 2017) \$3,500; and Spring Smash 4 Softball Tournament (May 27-28, 2017) \$5,000.

Councilor Landavazo expressed his concerns with the proposed \$25,000 allocation for promoting the UNM-Gallup Lions Hall Fundraising Events. He said large amounts of lodgers' tax funds have never been allocated for new events and does not believe that the number of anticipated participants for the events is possible. Councilor Landavazo recommended reducing the allocation of lodgers' tax funding for the UNM-Gallup events to \$5,000. Ms. Lazarz said the Lodgers' Tax Committee reviewed UNM-Gallup's request for funding three separate events (Hoedown, Do or Dye Run and Muddy Events) with plans for advertising the events at the national level. In his experience in promoting running events, Councilor Landavazo said he attempted to bring in a national crowd. Councilor Landavazo said his attempts resulted in drawing a crowd from the regional area. Councilor Landavazo also questioned how the UNM-Gallup's Hoedown Event would be considered a tourist related event.

Mayor McKinney also questioned the amount of participants expected for the events. He also questioned the request for \$25,000 to promote new events that have not been demonstrated yet. Councilor Landavazo said there will also be a color run in Albuquerque one week prior to the proposed Do or Dye Run in Gallup.

Councilor Kumar said an allocation of \$5,000 may be insignificant for a first time event. He recommended the allocation of \$5,000 for each of UNM-Gallup's events, excluding the Hoedown Event.

Councilor Landavazo made the motion to approve the lodgers' tax funding for events as presented, with the following exception: to amend the recommended funding for the promotion of UNM-Gallup Lions Hall Fundraising Events by only allocating \$5,000 for the Do or Dye Run and \$5,000 for the Muddy Events. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak and Mayor McKinney voted yes. Councilor Kumar abstained. Motion carried.

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### 10. Lodgers Tax Application for Fiscal Year 2018 – Jennifer Lazarz, Tourism and Marketing Manager

Ms. Lazarz presented a new and modified lodgers' tax grant application and guide materials for applicants to market, advertise and promote their events. She provided an overview of her participation on a state committee for best practices on the use of lodgers' tax funds to bring in tourism at the local level. One of the problems across the state is that lodgers' tax funding for marketing and advertising was not leaving communities to bring in tourism. She provided an overview of the proposed changes in the funding priorities and guidelines for the use of lodgers' tax funds and proposed changes to the lodgers' tax grant application. Under the proposed funding priorities and guidelines, no more than 20% of the award may be used for advertising within the City of Gallup. Exceptions to the 20% rule are included in the funding priorities and guidelines. Also included in the lodgers' tax application material are tips and recommendations for advertising and promoting events.

Mayor McKinney recommended separating the guidebook from the lodgers' tax grant application.

Councilor Palochak supports the provision of a guidebook for lodgers' tax applicants that covers the use and intent of lodgers' tax funds. She also supports having the guidebook separate from the application.

Councilor Kumar also spoke in favor of the guidelines which will also provide information on submittal deadlines for the applications, receipts to show proof of expenditures and the funding cycles for each fiscal year.

Councilor Landavazo commended Ms. Lazarz for her work on the proposed changes; however, he expressed concerns about some of the changes made to the lodgers' tax guidelines. Councilor Landavazo said he has always recommended awarding lodgers' tax funding once per quarter, rather than once per year; however, his recommendations were not included in the guidelines. Councilor Landavazo also recommended that the Tourism Manager be referenced by title in the guideline materials rather than Ms. Lazarz by name. In the guideline materials, under Section C, Eligibility, Councilor Landavazo recommended adding the words "or individual" after the words "any organization." Regarding the proposed 20% rule, Councilor Landavazo said he does not support forcing applicants to only use 20% of the awarded funds locally for advertising. He said a majority of Gallup's events are regional as Gallup radio stations and newspapers are able to reach regional communities beyond Gallup. Councilor Landavazo also recommended removing language limiting "for-profit" events to no more than \$5,000 in lodgers' tax funding. He said the City should be supportive of event

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organizers making a profit on their events so that they may continue having events to generate more gross receipts tax revenue. Councilor Landavazo recommended striking pages 5-11 of the guidelines due to the volume of the document. He also recommended having a disclaimer in the materials stating that the City is not responsible for any adverse results of an event should the organizer blame the adverse results on the advertising tips provided in the guidelines. Ms. Lazarz provided an overview of the feedback she received on the recommended 20% rule and other changes that were made to the guidelines. Overall, Councilor Landavazo said the proposed guidelines are too restrictive and event organizers should be allowed to use Gallup resources to market their events in the region. He recommended tabling the lodgers' tax application and guidelines in order to refine the material.

As a member of the Lodgers' Tax Committee, Councilor Kumar said the Committee could work on the items raised during the discussion, including recommendations to allocate lodgers' tax funding on a quarterly basis. Ms. Ustick said the lodgers' tax allocations need to be included in the budget. If the allocations are going to be awarded on a quarterly basis, a limit for the allocations will need to be determined for the budget and the grant process.

Councilor Landavazo made the motion to table the lodgers' tax application for Fiscal Year 2018. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar and Mayor McKinney all voted yes.

Mayor McKinney said he would like the changes to the lodgers' tax application and guidelines to be presented to the Council as soon as possible. He asked Ms. Lazarz to contact Councilor Landavazo for his input and to discuss the matter with the Lodgers' Tax Committee.

11. Action to Reschedule the March 14, 2017 Regular Council Meeting to March 15, 2017 at 6:00 P.M. Due to the City Election

Ms. Ustick recommended rescheduling the March 14, 2017 Regular Meeting to Thursday, March 16, 2017. The original proposal was to change the meeting date to March 15, 2017; however, there have been some scheduling conflicts that have recently surfaced.

Councilor Landavazo made the motion to reschedule the March 14, 2017 Regular Council Meeting to Thursday, March 16, 2017 at 6:00 P.M. due to the City Election. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Kumar and Mayor McKinney all voted yes.

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

1. Orientation on the Northwest Regional Transportation Planning Organization – Bob Kuipers, Northwest New Mexico Council of Governments

Mr. Kuipers provided a power point presentation on the Northwest Regional Transportation Planning Organization (NWRTPO). He provided an overview of the membership, management, planning and the development process for projects of the NWRTPO.

**Comments by Public on Non-Agenda Items**

None.

**Comments by Mayor and City Councilors**

Councilor Palochak thanked the Boy Scouts for being in attendance. She also commended City crews for their work in clearing the snow from the local roadways. Councilor Palochak will hold a Neighborhood Meeting on Thursday, March 9, 2017 at 6:00 p.m. at Stagecoach Elementary School.

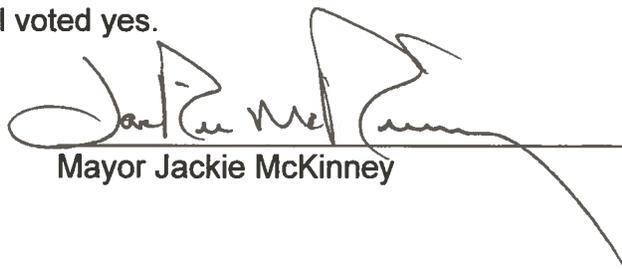
Councilor Landavazo encouraged everyone to keep supporting Gallup.

Councilor Kumar also thanked the Boy Scouts for being in attendance.

**Comments by City Manager and City Attorney**

Ms. Ustick said an update on the City's Strategic Plan will be provided at the next regular meeting.

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



Mayor Jackie McKinney

ATTEST:



Alfred Abeita II, City Clerk

Approved 3/16/2017

# EXHIBIT A

<u>Account Number</u>	<u>Account</u>	<u>Additional Amount requested FY 2017</u>	<u>EXPLANATION FOR REQUEST</u>
43-10	TRAVEL	\$ 1,600.00	HAVE 2 NEW EMPLOYEES NEEDING ANIMAL CONTROL TRAINING COURSE, AND TWO EMPLOYEES NEEDING EUTHANASIA TRAINING. ALL EMPLOYEES WILL NEED LINK TRAINING, BUT WE ARE HOPING TO HAVE TRAINING LOCALLY.
44-51	FUEL	\$ 1,000.00	WE ARE NOW FULLY STAFFED - WILL BE USING MORE FUEL
46-10	SUPPLIES	\$ 2,500.00	2 LG DOG TRAPS TO REPLACE STOLEN TRAPS, CAT NETS, CAT SQUEEZE NETS, SNAKE TONES, A SHARP KNIFE.MISC OFFICE SUPPLIES; IE PAPER, COFFEE, ETC.
46-20	NON-CAPITAL FURNITURE, FIXTURE & EQUIP	\$ 600.00	CAMERA AND ACCESSORIES, NEW RADIO - FOR NEW EMPLOYEE
47-04	EMPLOYEE TRAINING	\$ 1,300.00	HAVE 2 NEW EMPLOYEES NEEDING ANIMAL CONTROL TRAINING COURSE, AND TWO EMPLOYEES NEEDING EUTHANASIA TRAINING. ALL EMPLOYEES WILL NEED LINK TRAINING, BUT WE ARE HOPING TO HAVE TRAINING LOCALLY.
47-08	PRINTING & PUBLISHING	\$ 200.00	LEGAL NOTICE FOR ANIMAL CONTROL BOARD MEETINGS & NOTICE FOR SALE OF HORSES
47-16	UTILITIES	\$ 15,000.00	UTILITIES, DUMPSTER AND PROPANE
		\$ 22,200.00	