

Minutes of the Special 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 4:30 p.m. on Tuesday, May 10, 2016.

At such meeting, the following were present, constituting a quorum:

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

The Mayor and Councilors conducted a Work Session to review and discuss the following topic:

1. Proposed General Obligation Bond Issue – Maryann Ustick, City Manager

According to the City's financial advisors, Ms. Ustick said the City may be able to issue \$5.275 million in general obligation bonds, with a 15-year maturity. The issuance of the bonds is subject to voter approval under state law.

Stan Henderson, Public Works Director, presented an overview of the following projects from the City's draft 2016-2017 Capital Improvement Plan (CIP) as considerations to be funded by the proceeds of the proposed bond sale: Chiamonte Mine Storm Drainage Improvements, \$460,000; Ciniza Drive Reconstruction, \$1,625,500; East Nizhoni Boulevard Reconstruction, \$2,000,000; Hassler Valley Road Storm Drainage Improvements, \$2,000,000; Mill and Overlay City Streets, \$1,000,000; Sports Complex Artificial Turf Field, \$1,422,150; and West Jefferson Avenue Reconstruction, \$632,500.

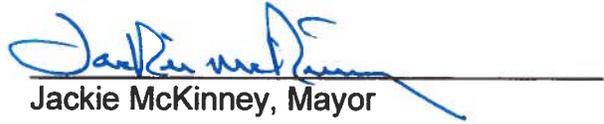
Discussion followed concerning the aforementioned projects as well as other projects listed in the CIP. Discussion also consisted of the proposed mill and overlay work in each district and the overall projects that should be funded with the proceeds of the general obligation bond issue, should the measure pass as a result of the election.

Mayor McKinney instructed Ms. Ustick to meet with each Councilor prior to the next regular meeting regarding their recommendations for the funding of projects. Ms. Ustick said she and City staff will work with the Councilors to come up with a list of projects that will meet their approval. She also stressed that if the issuance of the general obligation bonds do not take place, the tax rate will go down and any other future general obligation bond issue will require the tax rate to be increased.

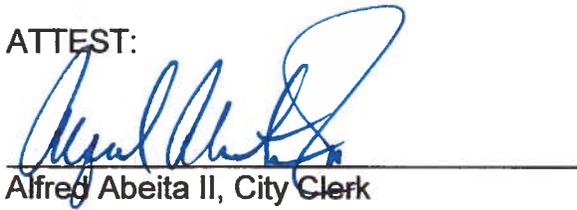
There was no official action taken by the Mayor and Councilors during the Work Session.

MINUTES
Special City Council Meeting – 5/10/2016
Page 2

There being no further business, the Work Session adjourned until the Regular Meeting at 6:00 p.m.


Jackie McKinney, Mayor

ATTEST:


Alfred Abeita II, City Clerk

Approved 5/24/2016

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at Gallup City Hall, 110 West Aztec Avenue, at 6:00 p.m. on Tuesday, May 10, 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

Mayor McKinney recognized the following members of the audience: McKinley County Commissioner Tony Tanner, Interim McKinley County Manager Anthony Dimas, and McKinley County Sheriff Ron Silversmith.

Presented to the Mayor and Councilors were the Minutes of the Special Meeting of April 19, 2016 and the Regular Meeting of April 26, 2016.

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

The Mayor and Councilors presented a Commendation to Michael J. Marquez, a senior at Miyamura High School, for having his book, "*The Power of Alsbam*," published.

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

1. Fiscal Year 2017 Budget for Metro Dispatch Authority – Georgene Dimas, Metro Dispatch Director and Sara Keeler, County Finance Director

Ms. Dimas said the proposed budget has already been approved by the Metro Dispatch Authority Board on May 5, 2016 and the McKinley County Board of Commissioners on May 9, 2016. Ms. Dimas provided an overview of the proposed budget and answered questions posed by the Mayor and Councilors regarding the increased staffing costs, the increased recurring costs for the maintenance of the Code Red software and the fluctuations in staffing levels. Ms. Keeler provided information on staffing costs and the cash transfers-in from the Communications Fund.

MINUTES

Regular City Council Meeting – 5/10/2016

Page 2

Following discussion, Councilor Palochak made the motion to approve the Fiscal Year 2017 Budget for the Metro Dispatch Authority. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar, Garcia, and Mayor McKinney all voted yes.

2. Fiscal Year 2017 Budget for the Adult Detention Center – Steve Silversmith, Warden, Adult Detention Center and Sara Keeler, County Finance Director

Ms. Keeler and Mr. Silversmith provided an overview of the proposed budget including the allocation for prisoner care contracts, the allocation from Liquor Excise Tax for the MRT Program, and the increased budgeted figures for the City and County for prisoner care due to potential budgetary shortfalls. Under the current projection for Fiscal Year 2016, the County is budgeting \$1.2 million for this year's shortfall and the City's portion will be approximately \$480,000 to \$500,000. To offset the budget shortfall, Mr. Silversmith is working on obtaining contracts with outside agencies to house their prisoners.

Discussion followed concerning possible solutions to address the budgetary shortfall at the Adult Detention Center, including the increase to the prisoner care costs by \$20 for each prisoner, the need to develop in-custody programs at the jail to entice outside agencies to house their prisoners, the maintenance of proper staff levels for the number of prisoners that are currently being housed and need to be transported to court, the closure of units that are not being used at the jail, and the trend of having prisoners released into pre-trial services where the prisoners are electronically monitored instead of being incarcerated.

Mayor McKinney asked Mr. Dimas if he will look into the lawsuit that was filed against the State as a result of local governments having to cover the cost of housing State prisoners for long periods of time. The Mayor said the State was ordered to reimburse local governments for the cost of housing State prisoners.

For Fiscal Year 2016, Ms. Keeler said the County will invoice itself for its share of the budget shortfall to prevent the carryover of the shortfall into the new fiscal year. She asked if the City would also consider paying its share of the budget shortfall this fiscal year. Mayor McKinney said the request was unacceptable and asked Ms. Ustick to follow up on the matter with Mr. Dimas.

Following discussion, Councilor Kumar made the motion to approve the Fiscal Year 2017 Budget for the Adult Detention Center. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Landavazo, Garcia, and Mayor McKinney all voted yes. Councilor Palochak abstained. Motion carried.

MINUTES

Regular City Council Meeting – 5/10/2016

Page 3

3. Approval and Acceptance of the Local Liquor Excise Tax Accountability Report for 1st Quarter Calendar Year 2016 – Debra Martinez, McKinley County DWI Director

Mr. Dimas presented the first quarter report for calendar year 2016 for the Mayor and Councilors' approval. The report was previously approved by the McKinley County Board of Commissioners at their last meeting. Although liquor excise tax funds are allocated by fiscal year, state law requires the report to be submitted by calendar year.

Mayor McKinney asked Mr. Dimas to express the sympathy of the Council to Ms. Martinez and her family due to their loss as a result of a recent fire at their home.

Discussion followed concerning the number of admissions to the Gallup Detox Center, which includes the individuals admitted by the Gallup Police Department, by other law enforcement agencies, through family referrals and through self-admissions. Franklin Boyd, Acting Chief of Police, provided current statistics, as of April 30, 2016, on the number of admissions by the Gallup Police Department to the Gallup Detox Center.

Following discussion, Councilor Landavazo made the motion to approve and accept the Local Liquor Excise Tax Accountability Report for First Quarter Calendar Year 2016. Seconded by Councilor Garcia. Roll call: Councilors Landavazo, Garcia, Kumar, Palochak, and Mayor McKinney all voted yes.

4. Agreement with Rehoboth McKinley Christian Health Care Services (RMCHCS) for Behavioral Health Investment Zone (BHIZ) Services – Maryann Ustick, City Manager

Ms. Ustick reminded the Mayor and Councilors of their approval of the award of \$500,000 in State BHIZ funds on April 4, 2016. The funds must be expended by June 30, 2016. In order to meet the deadline for BHIZ funding for this fiscal year, a revised budget has been submitted to the State and currently awaiting final approval. Preliminary approval of the budget was granted by the State on May 4, 2016. As part of the revised budget, the State approved BHIZ funds in the amount of \$62,720 to be allocated to RMCHCS for program coordination and services. Ms. Ustick recommended approval of the Agreement with RMCHCS.

Councilor Palochak made the motion to approve the Agreement with Rehoboth McKinley Christian Health Care Services for Behavioral Health Investment Zone Services. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo, and Mayor McKinney all voted yes.

MINUTES

Regular City Council Meeting – 5/10/2016

Page 4

5. Resolution No. R2016-22; Fiscal Year 2017 Preliminary Budget Approval – Maryann Ustick, City Manager and Patty Holland, Chief Financial Officer

Ms. Ustick and Ms. Holland presented a power point presentation on the Preliminary Budget for Fiscal Year 2017. A copy of the power point presentation is attached hereto and made a part of these official Minutes. Ms. Ustick said the Final Fiscal Year 2017 Budget will be presented to the Mayor and Councilors for their approval at the June 14, 2016 Regular Meeting.

Councilor Garcia made the motion to approve Resolution No. R2016-22. Seconded by Councilor Kumar. Roll call: Councilors Garcia, Kumar, Landavazo, Palochak, and Mayor McKinney all voted yes.

6. Resolution No. R2016-21; Approving Submission of a Bureau of Reclamation Grant Application for the Gallup/NGWSP “Water Commons” Drought Contingency Plan – Richard Matzke, Electric Director

Mr. Matzke reminded the Mayor and Councilors of their approval of a similar grant application a couple of months ago. The proposed Resolution would authorize the submission of a new application under a different funding program with the Bureau of Reclamation. Under the new application, the City’s match would remain the same; however, the grant amount from the Bureau of Reclamation would increase from \$25,000 to \$35,000. The grant will be used for the creation of a drought contingency plan.

Councilor Landavazo made the motion to approve Resolution No. R2016-21. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar, and Mayor McKinney all voted yes.

7. Solar RFP No. 2015/2016/05/P, Selection of Proposer and Authorization to Negotiate a Power Purchase Agreement – Richard Matzke, Electric Director

Mr. Matzke said the Mayor and Councilors directed City staff to proceed with a Request for Proposals (RFP) for a solar generation facility on City-owned property. The City issued a RFP on November 15, 2015 with a due date of December 30, 2015, which was subsequently extended to January 13, 2016. The City received a total of six responsive proposals and were evaluated and ranked by the RFP review team. The top two responsive firms were invited to present oral presentations and interviews to the RFP review team. Based on the team’s recommendation, the proposal submitted by Mangan Renewables, LLC/M-Electric, LLC was ranked the top proposal. Mr. Matzke provided

MINUTES

Regular City Council Meeting – 5/10/2016

Page 5

an overview of the methodology in ranking the proposals, which included presentation slides on the advantages of selecting the top proposal, a table illustrating a five-year cost comparison of the power purchase cost from Continental Divide Electric Cooperative (CDEC) versus the cost of power from the new solar plant, a graph displaying a power rate comparison between the CDEC and the proposed solar plant, and a map of the proposed site for the solar plant. Mr. Matzke recommended proceeding with the negotiation of a power purchase agreement for a photovoltaic generation facility to be constructed on City-owned property, beginning with the top proposer, Mangan-Renewables, LLC/M-Electric, LLC. Mr. Matzke answered questions pertaining to the firms of Mangan-Renewables, LLC/M-Electric, LLC, the employment of local people once the plant is constructed, and the provisions under the current contract with CDEC.

At the request of Councilor Landavazo, Mr. Henderson provided information concerning the proposed site for the solar plant, which is located in a flood plain and not suitable for future commercial development. Mr. Henderson does not recommend bringing in large amounts of fill to develop the area for commercial use since it will displace water downstream when flooding occurs. Mr. Henderson said the proposed site is suitable for a new solar plant since the solar panels would need to be mounted on stilts. Mr. Henderson and Mr. Matzke said the location is in close proximity to an electric substation, which is also a requirement for the solar plant to tie into.

Mayor McKinney asked if terms of an agreement cannot be reached with the highest ranked offeror of the RFP, if staff would negotiate with the second ranked offeror. Mr. Matzke responded yes.

Councilor Palochak made the motion to approve Solar RFP No. 2015/2016/05/0, Selection of Proposer and Authorization to Negotiate a Power Purchase Agreement as presented. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo, and Mayor McKinney all voted yes.

The following Presentation and Information Items were presented to the Mayor and Councilors:

1. Presentation on Gallup Connect – Jon DeYoung, Assistant to the City Manager and Brian Archuleta, Information Technology Director

Mr. DeYoung and Mr. Archuleta provided a demonstration of Gallup Connect, powered by SeeClickFix, a mobile app and website tool made available to the public to report non-emergency issues to the City. Users may obtain the app on Google play or from the App Store. The system will be managed by Alicia Palacios, Administrative Specialist and Marla Chavez, Executive Assistant.

MINUTES

Regular City Council Meeting – 5/10/2016

Page 6

2. Presentation on Proposed Federal Railroad Administration Rule – Donald Gallegos, Sr., SMART Transportation Division

Mr. Gallegos asked the Mayor and Councilors for the City's support of the Federal Railroad Administration proposed ruling, requiring trains to be operated by no less than a two-person crew. Mayor McKinney asked Mr. Kozeliski to look into the matter and to respond to Mr. Gallegos regarding his request.

Comments by Public on Non-Agenda Items

Dr. Myrriah Gomez, English Professor at the University of New Mexico-Gallup, provided an introduction for her students presenting proposals to the Mayor and Councilors to address local issues:

- Latoya Willie and Tyler Mike presented their proposal entitled, "Boarder Town Epidemic: The Solution to End Alcoholism in Gallup, New Mexico." The proposal recommends building an adequate rehabilitation center as a solution to eliminate alcoholism in Gallup.
- Brandi Davis and Ashley Allen presented their proposal entitled, "Homeless Shelter: Gallup, New Mexico." The proposal recommends a homeless shelter with a cultural rehabilitation center to address homelessness and exposure deaths due to alcoholism and substance abuse.
- Marcus Watson, Carmela Talley, and Dominique Sky presented their proposal recommending a 12-month voluntary treatment program that is broken down into three, four month stages: recovery, counseling and community service.

Mayor McKinney invited the students to meet with him at a later date to discuss the issues they presented.

Alray Nelson, Native American Vote Organizer for Hillary Clinton, introduced himself to the Mayor and Councilors. He provided an overview of his work and objectives for the Clinton campaign and asked for an invitation to meet with Mayor McKinney during the week.

Comments by Mayor and City Councilors

Councilor Palochak said early voting for the Primary Election has started and encouraged everyone to vote. The Primary Election is June 7, 2016. She will hold a Neighborhood Meeting at Stagecoach Elementary School on Thursday, May 12, 2016 at 6:00 p.m. Councilor Palochak will hold a second Neighborhood Meeting at Tobe Turpen Elementary School on Thursday, May 19, 2016 at 6:00 p.m.

MINUTES

Regular City Council Meeting – 5/10/2016

Page 7

Councilor Landavazo thanked Dr. Gomez for bringing her students to the meeting. He also commended the students for their presentations. Councilor Landavazo also recognized the son of Chuck and Mary Mataya, a senior and broadcast/journalism major at New Mexico State University, for announcing the Albuquerque Isotopes games last weekend. Councilor Landavazo encouraged everyone to buy Gallup, believe Gallup and build Gallup.

Councilor Kumar thanked Dr. Gomez and the students for making their presentations. He also commended Comcast for their work in cleaning the alleys downtown as part of their community project on April 30, 2016.

Councilor Garcia also thanked Dr. Gomez and the students for their work. She hopes that the students continue their work and to join the community in finding solutions to Gallup's problems. Councilor Garcia thanked Ms. Dimas for her presentation at the last Neighborhood Meeting. Councilor Garcia commended City staff for their work in preparing the Fiscal Year 2017 City Budget. She welcomed Steve Silversmith and Mr. Dimas as they take on their new positions.

Mayor McKinney said Michael Sage, Deputy Director of the Greater Gallup Economic Development Corporation (GGEDC), was present earlier but had to leave the meeting to tend to family matters. Mayor McKinney provided comments on behalf of Mr. Sage concerning National Economic Development Week, which takes place this week. Mayor McKinney provided a summary of the Run for the Wall event, which will take place on May 19, 2016. He also provided an overview of the Memorial Day Event which will consist of a parade beginning at 10:00 a.m. and conclude with speeches by dignitaries at the Courthouse Square. The Nightly Indian Dance Program will begin on Memorial Day with a gourd dance to kick-off the season at 2:00 p.m. This year's Nightly Indian Dance Program will be enhanced to encourage more spectators and visitors to the downtown area.

Comments by City Manager

Ms. Ustick thanked Mr. Archuleta and the department directors for their work in launching the Gallup Connect Project. All of the part-time employees have been hired this week to staff the Recycling Centers beginning next Monday. Ms. Ustick also thanked Mr. DeYoung for his assistance with the vector control contract.

(next page)

MINUTES

Regular City Council Meeting – 5/10/2016

Page 8

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


Jackie McKinney, Mayor

ATTEST:

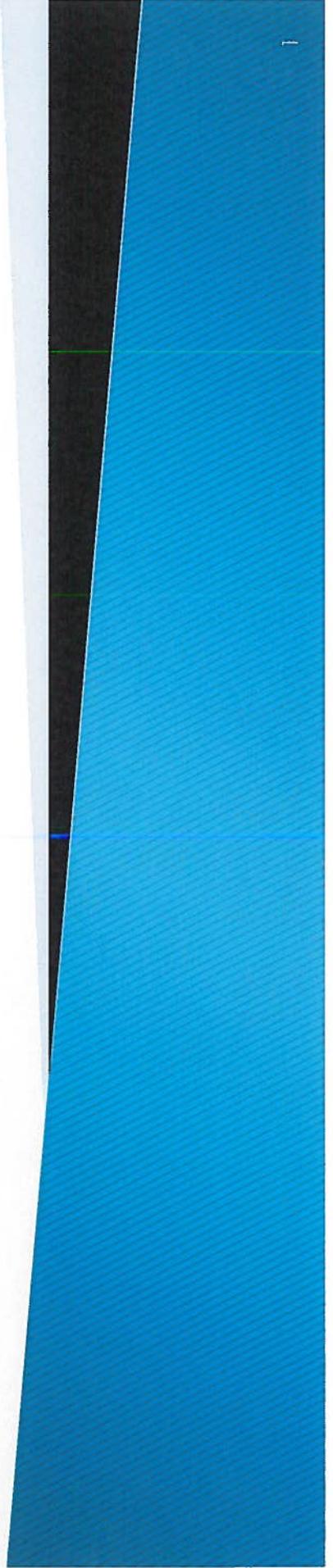

Alfred Abeita II, City Clerk

Approved 5/24/2016



**CITY OF
GALLUP**

PRELIMINARY FY 2017 BUDGET PRESENTATION



FOCUS: GENERAL FUND



Balanced budget for FY17,
including a 21.5% Fund Balance

Note: FY17 Budget includes \$26,542 from General Fund Balance.

Key Revisions from Draft Budget: General Fund

1. Increased projected Property Tax Revenue per State estimate by \$302,250
2. Added \$32,500 for Bond Election
3. Added \$11,500 for contract with Film Liaison
4. Deleted the following from General Fund Budget:
 - ❖ \$20,000 for Utilities Cost Allocation Plan
 - ❖ \$21,000 for Voice and Data Updates - Moved to FY 2018
 - ❖ \$85,000 for YCC (Working on alternative programs)
 - ❖ \$70,000 for Aquatic Center main pool coating (Moved to Risk Management Fund 603)
 - ❖ \$50,000 for Red Rock Park hydraulic stage lift (Moved to Risk Management Fund 603)

Key Revisions from Draft Budget: General Fund cont'd

5. Increased Utilities expenditures to \$789,555 (Based on FY 2016 projections plus 8% Electric increase)
6. Increased Fuel expenditures to \$385,755 (Based on FY 2016 projections plus 20% increase)
7. Added \$100,000 for Council Community Improvement Projects (Moved from Environmental Fund 202)

Note: Special Activities Budget 1025 includes \$250,000 for 50% matching funds for sidewalks and curb and gutter. This is in addition to funding for curb, gutter and sidewalk projects included in the CIP.

Key Revisions from Draft Budget continued: Other Funds

1. \$55,000 for West Jefferson Road/Drainage Improvements design added to ICIP (Left out in error –charged to 1/4% GRT Infrastructure Fund 312)
2. \$1,000,000 Transferred from Water Fund 506 to Wastewater Fund 508 to address debt ratio requirements and deficit due to separation of funds this FY (will be making recommendations for Wastewater Fund in near future)
3. Increased Utility expenditures \$715,593 (Based on FY 2016 projections plus 8% Electric increase)
4. Increased Fuel Expenditures \$320,381 (Based on FY 2016 projections plus 20% increase)

Positions added to FY 2017 Budget

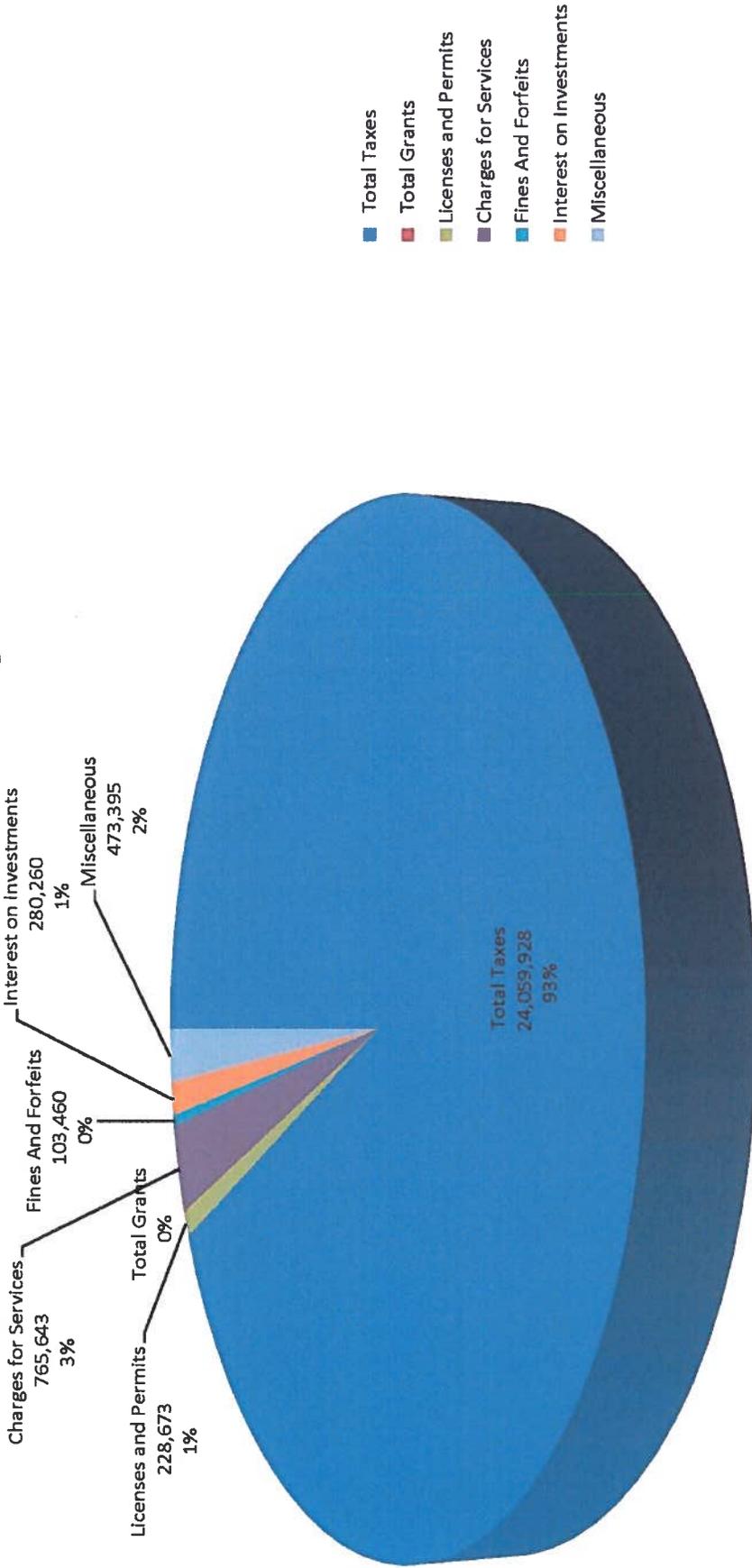
1. Parks Supervisor (Estimated \$53,600 added to Parks Budget)
2. Recreation Coordinator (Estimated \$33,000 added to Harold Runnels Budget)
3. Carpenter (Estimated \$46,400 added to PW/Construction Budget)

2% COLA added to General Fund and Other Funds

1. General Fund: \$ 114,466
2. All Other Funds: \$52,782

Note: These funds will be available for Collective Bargaining in accordance with the City's Collective Bargaining Ordinance.

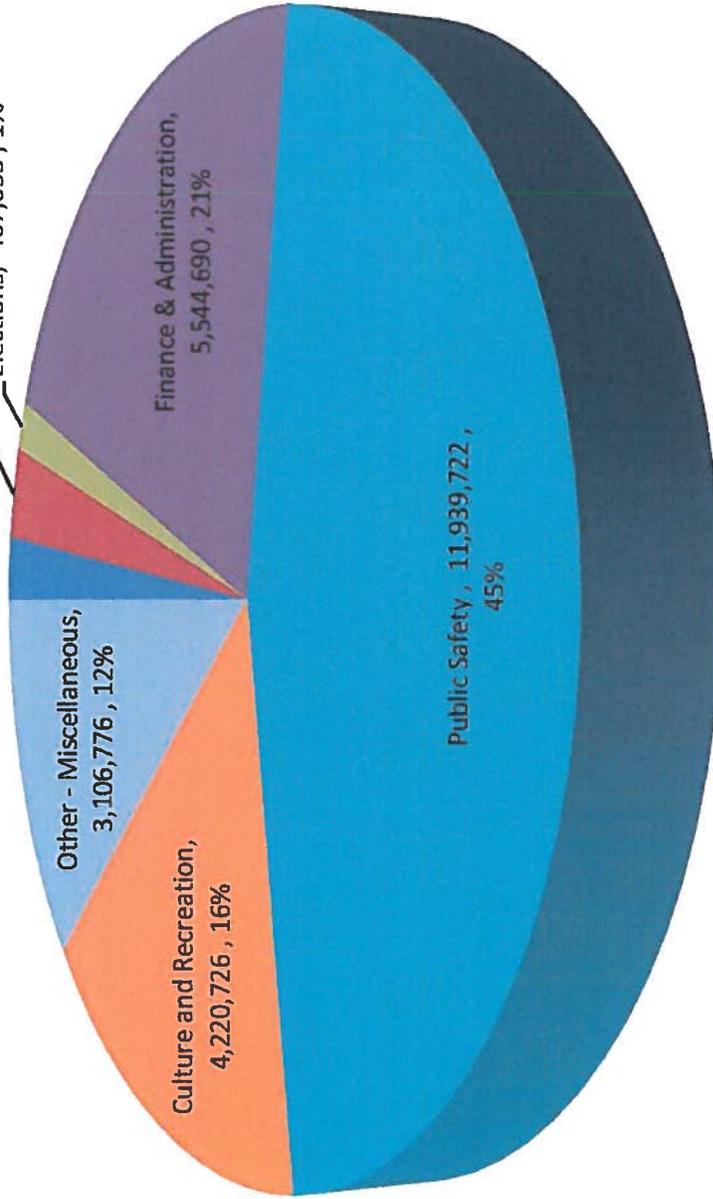
2017 Revenue Budget



- Total Taxes
- Total Grants
- Licenses and Permits
- Charges for Services
- Fines And Forfeits
- Interest on Investments
- Miscellaneous

2017 Budget Expenditures

Executive - Legislative, 526,488 , 2%
Judicial, 747,345 , 3%
Elections, 407,033 , 1%



- Executive - Legislative
- Judicial
- Elections
- Finance & Administration
- Public Safety
- Culture and Recreation
- Other - Miscellaneous



Questions??

