

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, October 11, 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 September 27, 2016 and Special Meeting of October 4, 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.

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

1. Proposed Issuance of a Restaurant License (Beer & Wine) License to Fratelli's Bistro, LLC d/b/a Fratelli's Bistro and/or Fratelli's Pizza Bistro and Ice Creamery, 1209 North Highway 491 – George Kozeliski, City Attorney

Mr. Kozeliski presented the information relative to conducting the public hearing on the proposed issuance of the restaurant license. Although the previous owners of the business had a full service dispenser's license at the location, the new owners of the business have applied for a license to serve only beer and wine at their restaurant.

Discussion followed concerning the requirements for the transfer of the previous dispenser's license at Fratelli's to another location in Gallup and the distance from the property line at Washington School to Fratelli's. Councilor Garcia asked if there was anyone against the issuance of the proposed license. There was none.

Councilor Kumar made the motion to approve the proposed issuance of a Restaurant (Beer and Wine) License to Fratelli's Bistro, LLC d/b/a Fratelli's Bistro and/or Fratelli's Pizza Bistro and Ice Creamery at 1209 North Highway 491. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Landavazo, Palochak and Mayor McKinney all voted yes.

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2. Grant for the Reclassification of Firefighter 02 Position to Emergency Management Specialist – Chief Eric Babcock, Gallup Fire Department

Chief Babcock presented the request for a budget increase in the amount of \$21,750 to reflect a grant received from the New Mexico Department of Homeland Security and Emergency Management. He also requested authorization to reclassify one Firefighter F02 position to an Emergency Management Specialist and to use the \$21,750 grant to off-set the cost of reclassification.

Councilor Garcia made the motion to approve the budget adjustment and the reclassification of a Firefighter 02 position to an Emergency Management Specialist. Seconded by Councilor Landavazo. Roll call: Councilors Garcia, Landavazo, Palochak, Kumar and Mayor McKinney all voted yes.

3. Budget Adjustment for Emergent Repairs of Water Mains at Second Street Crossing and Ellison Crossing – Dennis Romero, Water and Sanitation Director

Mr. Romero stated for the record that the item title should read “Ellison” Crossing instead of “Allison” Crossing as listed on the summary form. He explained that one of the crossings collapsed approximately three years ago and the other collapsed last February. Both of the 12-inch transmission lines at both crossings could have aided in the delivery of water throughout the City during the water main break of September 14, 2016. Currently, there is one line (16-inch water main) that connects the transmission of water from the Yah-ta-hay Gameraco water tanks north of Gallup to the Grandview water tank on the south side of Gallup. Mr. Romero recommended the following: 1) approval of a budget adjustment to transfer funds of approximately \$479,773 from the Water Enterprise Fund to complete both projects; 2) retroactive approval of the emergency procurement for services to be provided by New Mexico Underground and DePauli Engineering and Surveying (DES) to repair the Second Street Crossing; and 3) approval of the award of the Ellison Crossing Project to the lowest qualified bidder for expedited bids that closed at 2:00 p.m. earlier in the day. Regarding recommendation #3, Mr. Romero said the apparent low bidder is New Mexico Underground in the amount of \$191,637.31 to be combined with an engineering services fee from DES in the amount of \$55,687.79. Since the bid for the Ellison Crossing Project came in below the projected amount of \$334,700, Ms. Ustick recommended amending the language under recommendation #1 to state “up to” \$479,773.

Discussion followed concerning the commencement and completion of the projects and having to schedule the projects to prevent interference with the New Mexico Department of Transportation (NMDOT) projects in the area.

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Councilor Palochak made the motion to: 1) approve the budget adjustment/transfer from the fund balance of up to \$479,773 from the Water Enterprise Fund to complete both projects; 2) retroactive approval of the emergency procurement for services of New Mexico Underground and DePauli Engineering and Surveying to repair the Second Street Crossing; and 3) approve the award of the Ellison Crossing Project to the lowest qualified bidder for expedited bids that closed at 2:00 p.m. today (October 11, 2016). Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo and Mayor McKinney all voted yes.

4. Appointment of Alexandra Griego to the Lodgers Tax Committee – Mayor Jackie McKinney

Mayor McKinney said Ron Samardzia, Lodger's Tax Committee Member, has moved away which has resulted in a vacancy on the board. Mayor McKinney recommended the appointment of Alexandra Griego, Manager of the Springhill Suites, to the Lodger's Tax Committee.

Councilor Garcia made the motion to approve the appointment of Alexandra Griego to the Lodger's Tax Committee. Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Landavazo, Kumar and Mayor McKinney all voted yes.

5. Professional Services (Engineering) Award for Community Development Block Grant (CDBG) – Stan Henderson, Public Works Director

Mr. Henderson presented the proposed professional services proposal from DePauli Engineering and Surveying (DES) for the grant administration, environmental clearance and engineering design of Vista Avenue using CDBG funds. A Request for Proposals (RFP) was solicited for the work at the end of the last fiscal year. The proposal from DES was the only proposal submitted and staff considers the proposal to be a fair and reasonable offer. Mr. Henderson recommended approval of the proposal submitted by DES in the amount of \$89,559.55 including NMGRT.

Discussion followed concerning the project budget.

Councilor Landavazo made the motion to approve the Professional Services (Engineering) Award for Community Development Block Grant funding as presented. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar and Mayor McKinney all voted yes.

6. Agreement for Water Tank Site for the Navajo Gallup Water Supply Project (NGWSP) – George Kozeliski, City Attorney

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Mr. Kozeliski presented the proposed agreement with the Catholic Diocese of Gallup for the purchase of 4.576 acres of land for the construction of a water tank for the NGWSP. The City will pay the Diocese of Gallup the appraised value of the land in the amount of \$26,000 and will connect the Diocese of Gallup property to the water tank once the tank has been constructed and the system is on-line. The water rate for future use by the Diocese of Gallup will be at the commercial volume charge for city customers within the city limits of Gallup.

Councilor Palochak made the motion to approve the Agreement with the Catholic Diocese of Gallup for the water tank site for the Navajo Gallup Water Supply Project. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo and Mayor McKinney all voted yes.

Presented to the Mayor and Councilors was the following Presentation and Information Item:

1. FY 2016 Lodgers Tax Expenditures Summary – Jennifer Lazarz, Acting Tourism and Marketing Manager

Ms. Lazarz provided a power point presentation on the Lodger's Tax Expenditures for Fiscal Year 2016 and First Quarter Revenues for Fiscal Year 2017. A copy of the power point and charts from the agenda materials are attached hereto, marked as "Exhibit A" and made an official part of these Minutes. Discussion followed concerning the debt service for the issuance of bonds for improvements at Red Rock Park a few years ago.

Comments by Public on Non-Agenda Items

None.

Comments by Mayor and City Councilors

Councilor Palochak commended City staff for their assistance with the Veterans Stand Down and Project Hands-Up that was held on Friday, October 7, 2016 at the Gallup Community Center. Councilor Palochak also provided information on Breast Cancer Awareness activities for the month. She also encouraged everyone to wear pink on Fridays and to decorate their offices in pink.

Councilor Landavazo encouraged everyone to keep buying Gallup and to keep supporting Gallup.

Councilor Garcia said there will be an unveiling of the plaque dedicating the Fitness Center in honor of the late Cecil Garcia, City Councilor. The ceremony will take place

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on Friday, October 14, 2016 at 2:00 p.m. Councilor Garcia will hold a Neighborhood Meeting at Roosevelt Elementary School on Wednesday, October 12, 2016 at 6:00 p.m. Early voting for the November 8, 2016 General Election began this morning at the McKinley County Courthouse Rotunda. Early voting will continue until Saturday, November 5, 2016 and she encouraged everyone to vote early.

Mayor McKinney announced that the PAL Boxing League will be joining the summer youth academy. The boxing ring will be moved from the Police Department to UNM-Gallup Campus. Chuck Padilla, volunteer instructor for the PAL Boxing League, will continue his instructions to the youth once the transfer of the boxing ring has been completed in about two weeks.

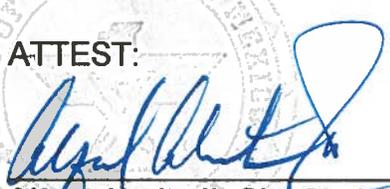
Comments by City Attorney and City Manager

Ms. Ustick said the first Council Meeting in November is regularly scheduled for November 8, 2016, which is the same date of the General Election. There has been a proposal to include an agenda item for the October 25, 2016 Regular Meeting to change the date of the November 8th Regular Meeting to November 9, 2016 at 6:00 p.m. At the request of Ms. Ustick, Chief Babcock provided information concerning Fire Prevention Week activities being conducted by the Gallup Fire Department. Ms. Ustick provided a summary of the visit by representatives from the State Behavioral Health Services Department on Friday, October 7, 2016. Based on the approval of the City's revised Behavioral Health Investment Zone (BHIZ) Application, the City will be moving forward with approval of contracts for services. Ms. Ustick also said the New Mexico Self Insurers Fund is still reviewing the claims filed by property owners in connection with the damages caused by the water main break at 5th Street and Hill Avenue last month.

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



Jackie McKinney, Mayor


ATTEST:


Alfred Abeita II, City Clerk

Approved 10/25/2016

LODGER'S TAX FY16 EXPENDITURES SUMMARY

Jennifer Lazarz, Acting Tourism & Marketing Manager



CVB OPERATIONS

Budgeted Amount \$62,5320

Actual Expenditure \$36,776.22

CHAMBER OF COMMERCE CONTRACTS

Budgeted & Actual Amount \$145,000

VISTOR CENTER/MUSEUM

Budgeted & Actual Amount \$50,000

DEBT SERVICE

Budgeted & Actual Amount \$86,400



AUDIT SERVICE

Budgeted \$10,000. Rolled to FY 17

SPECIAL EVENTS ADVERTISING/PROMOTIONAL MATERIALS (GRANTS)

Budgeted Amount \$319,427

Actual Expenditure: \$252,393.49

ECONOMIC DEVELOPMENT ADVERTISING/PROMOTIONS

Budgeted Amount \$500,003

Actual Expenditure \$287,203



CHANGES TO EXPECT FOR FY 17

- Higher expenses for Economic Development Advertising (Brochures, Billboards, Print Media)
- Higher expenses for CVB Operations (due to staffing, conferences)
- Addition of Red Rock Park Facility



FY 17 QUARTER 1 REVENUES



Quarter 1 FY17 & Comparison to FY16 Quarter 1

Month	Amount Posted
July	\$139,812.54
August	\$146,153.83
September	\$129,071.74
Quarter One Lodgers Tax Revenues 2017	\$415,037.61
Quarter One Lodgers Tax Revenues 2016	\$372,551



Ranked 6th in the State with regards to Lodgers Tax
Grosses (Not including special Lodgers Tax funded
Convention Centers)

- 1: Albuquerque (Just over 3 million)
- 2: Santa Fe (Just below 3 million)
- 3: Carlsbad (Around 580,000)
- 4: Las Cruces (Around 500,000)
- 5: Hobbs (Around 386,000)



Lodgers Tax Expenditures Summary FY 2016

CATEGORY	BUDGETED AMOUNT	ACTUAL EXPENDITURE	Sub Category Expenditures	Notes
CVB Operations	69,520	36,776.22	Payroll/Benefits: \$30,311.74 Travel: \$2,110.85 Supplies: \$129.63 Computer/Tech: \$649.99 Subscriptions/Dues/Conference Fees: \$3,575	No staff until 2/16
Chamber of Commerce Contracts	145,000	145,000	N/A	120,000 for Advertising/marketing; 25,000 for administration of contract
Visitor Center/Museum	50,000	50,000	N/A	Maintained by the Chamber
Debt Service	86,400	86,400	N/A	
Audit Service	10,000	0	N/A	Rolled into FY 17
Special Events Advertising/Promotional Materials [GRANTS]	319,427	252,393.49	See FY 2016 Lodger's Tax Applicants Report	N/A
Economic Development Advertising/Promotional	500,003	287,203	Summer Indian Dances Contract: \$50,000 Run for the Wall \$11,100 Rodeo Ad & Promotions \$77,327.86 Fourth of July \$10,500 Fireman's Tri-State \$23,503.01 Print and Digital Advertising: \$114,774.13	There are MANY items from three accounts getting merged into these totals so this isn't exact, it's close though.
City Facility Management	0	0	N/A	Red Rock Added FY 2017

This report does not include investments, control revenue, etc. These numbers are not exact in all cases because several accounts have merged in the current FY and some projects rolled over from year to year.

Project #	Organization Name	Event Name	Contact	FY 2015 Award	FY 2016 Request	FY 2016 Committee Recommendation	Council Approved	Check Number	Amount
1	LT1633 ADVENTURE GALLUP & BEYOND INC	TOURISM DEVELOPMENT	BOB ROSEBROUGHT	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	219333	\$ 25,000.00
2	LT1678 ANIMOSITY LLC - Check made to Leesa Gurley	5TH ANNUAL ANIMOSITY FREESTYLE MOTORCROSS COMPETITION	JOHN/LEESA GURLEY	\$ 1,500.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	216235 216350	\$ 2,889.89 \$ 110.11
3	LT1620 CYCLE CITY PROMOTIONS	RED ROCK ARENA/CROSS	TOD HAMMOCK	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	215373	\$ 5,000.00
4	LT1627 GALLUP CHRISTIAN SCHOOL	WILD THING BULL RIDING	JIM CHRISTIAN	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	215834	\$ 3,852.13
5	LT1619 GALLUP FAMILY FITNESS SERIES	GALLUP TRIATHLON	KARLA RIVERA	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	Funds Owed P115	
6	LT1621 GALLUP FAMILY FITNESS SERIES	SQUASH BLOSSOM CLASSIC	JENNIFER VAN DRUNEN	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	217655	\$ 9,891.45
7	LT1608 GALLUP INTER-TRIBAL INDIAN CEREMONIAL	94TH GALLUP INTER-TRIBAL INDIAN CEREMONIAL	MARY JEAN CHRISTENSEN	\$ 40,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	215170 215835	\$34,923.39 \$ 10,786.93
8	LT1611 GALLUP LIONS CLUB	67TH ANNUAL GALLUP LIONS CLUB RODEO	DAVID LEWIS	\$ 20,000.00	\$ 45,000.00	\$ 20,000.00	\$ 20,000.00	222401 222520	\$ 19,783.35 \$ 216.65
9	LT1624 GALLUP SENIOR SOFTBALL LEAGUE	655A 50/60 PLUS	ARCHIE BACA/JOHN AZUA	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	222526	\$ 3,581.81
10	LT1663 GALLUPARTS, INC	MCKINLEY COUNTY ARTS EXPO	AMY COATS	\$ -	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	218400	\$ 4,000.00
11	LT1657 LAND OF ENCHANTMENT OPERA, INC	2015 SUMMER SEASON	PATRICK MASON	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	215193	\$ 15,000.00
12	LT1610 NEW MEXICO HIGH SCHOOL RODEO ASSOC	NM/SRHA GALLUP RODEO	JEFF MEDLIN	\$ 4,500.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	221337	\$ 2,961.00
13	LT1607 RED ROCK BALLOON RALLY ASSOC	RED ROCK BALLOON RALLY	TOM ROBINSON	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	216144	\$ 25,000.00
14	LT1604 RED ROCK MOTORSPORTS CLUB, INC	NEW MEXICO MOTORCROSS SERIES ROUND #3	GREG KIRK	\$ 4,000.00	\$ 12,500.00	\$ 6,000.00	\$ 6,000.00	215466	\$ 5,886.56
15	LT1675 RED ROCK MOTORSPORTS CLUB, INC	WEBER RACING HARE SCRAMBLE	GREG KIRK	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	215468	\$ 5,000.00
16	LT1613 RED ROCK MOTORSPORTS CLUB, INC	RED ROCK RAGE	GREG KIRK	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	215467	\$ 5,000.00
17	LT1626 ROCKS THE ROCK PRODUCTION	WILD THING CHAMPIONSHIP BULL RIDING	LARRY PETERSON	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	215474	\$ 15,000.00
18	LT1655 SACRED HEART CATHEDRAL	SACRED HEART SPANISH MARKET	REV MATTHEW KELLER	\$ -	\$ 7,500.00	\$ 5,000.00	\$ 5,000.00	220103	\$ 2,000.00
19	LT1661 TONY DORSETT TOUCH DOWN FOOTBALL LEAGUE - TDFL	6TH ANNUAL FOUR CORNERS INVITATIONAL YOUTH FOOTBALL CHAMPIONSHIP	SAMMY CHIODA	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	217093 217218 217486	\$ 1,408.06 \$ 3,942.52 \$ 6,149.12 \$ 4,493.34
20	LT1662 ZIA RIDES	24 HOURS IN THE ENCHANTED FOREST	SETH BUSH	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	221703	\$ 5,000.00
21	LT1616 ZIA RIDES	DAWN TIL DUSK	SETH BUSH	\$ 8,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	221703	\$ 10,000.00
22	LT1666 GSL SPORTS	GSL STATE COED SOFTBALL TOURNAMENT	JAY DENETCLAW	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00		
23	LT1667 GSL SPORTS	GSL STATE MEN'S & WOMEN'S SOFTBALL TOURNAMENT	JAY DENETCLAW	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00		
24	LT1615 GSL SPORTS	SPRING SMASH 2	JAY DENETCLAW	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	218900	\$ 2,187.26
25	LT1617 GSL SPORTS	SOFTBALL WARRIORS	JAY DENETCLAW	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00		
26	LT1647 GALLUP CHAMBER OF COMMERCE	GALLUP FREEDOM RIDE, FLY, CRUISE	DAVID HINKLE/FRANCIS BEE	\$ -	\$ 16,032.00	\$ 16,032.00	\$ 16,032.00	215546 216343	\$9,177.41 \$1,395.03
27	LT1623 GALLUP FILM OFFICE	NATIVE FILM SERIES 2015	LISA E RODRIGUEZ	\$ 5,000.00	\$ 6,000.00	\$ 5,500.00	\$ 5,500.00	215883	\$ 5,500.00
28	LT1625 GOOD SAMARITAN SOCIETY-GRANTS	HOLY FRUITS ANNUAL ALZHEIMER'S SOFTBALL BASH	RICHARD MORGAN	\$ 4,000.00	\$ 5,000.00	\$ 4,000.00	\$ 4,000.00		
29	LT1618 GALLUP AMATEUR BASEBALL SOFTBALL ASSOC	PEE WEE REECE/WILLIE MAYS BASEBALL SERIES	LAWRENCE ANDRADE	\$ 5,000.00	\$ 10,000.00	\$ 3,000.00	\$ 3,000.00	220046	\$ 4,224.06
30	LT1635 MCKINLEY COUNTY HUMANE SOCIETY	THE GREAT GATSBY BOW MEOW	COLT BALDOK	\$ -	\$ 5,000.00	\$ 900.00	\$ 1,500.00	219138	\$ 1,105.03
31	LT1641 THICES INC DBA RED ROCK PRODUCTION	RED ROCK TRAILER ROPING	WALT EDDY	\$ -	\$ 2,000.00	\$ 1,000.00	\$ 2,000.00	218461	\$ 1,928.39

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Prepared by Lynette Kanteena

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