

AGENDA

GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, APRIL 25, 2023; 6:00 P.M. CITY COUNCIL CHAMBERS



Louie Bonaguidi, Mayor

Linda Garcia, Councilor, Dist. 1

Michael Schaaf, Councilor, Dist. 2

Sarah Piano, Councilor, Dist. 3

Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager

David Eason, City Attorney

The meeting will be accessible through the City of Gallup's Facebook Page:

[City of Gallup, New Mexico Government - Home | Facebook](https://www.facebook.com/CityofGallup)

Members of the public may submit comment either in person or by telephone. To submit comment by telephone, please call 505-863-1254 to leave your name and a return phone number.

A. Pledge Of Allegiance

The members of the body and the public are invited to recite the Pledge of Allegiance.

B. Roll Call

C. Presentation Of Commendations And Proclamations

Antonio Reyna

Jesus "Chuy" Morales, Fire Chief

Gallup Lions' Day

D. Consent Agenda

These items are placed on the Consent Agenda so City Council can designate by unanimous consent those routine items they wish to be approved or acknowledged by one motion. If any item does not meet the approval of all Council members or if a

citizen so requests, it will be heard as a separate item.

Action Needed:

Motion to approve or acknowledge Items 1-10 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

April 11, 2023 Regular Meeting

Fiscal Impact: None.

Recommendation: None.

Speaker's Name None.

Documents:

[DRAFT MINUTES APR 11 2023 REG MTG.PDF](#)

2. Resolution No. R2023-7; 3rd Quarter FY 2023 Budget Adjustments And Report Of Actuals

Each quarter, the Finance department reviews any changes to the budget and submits these changes to council for approval. The following areas are reviewed: personnel, operations, capital outlay and transfers in and out of each fund. The Department of Finance and Administration (DFA) requires Council to pass a resolution for all budget increases, decreases, and transfers between funds.

DFA further requires approval of the report of actuals showing cumulative activity for the fiscal year. The report to DFA regarding budget revisions is due April 30, 2023.

We had two funds that ended the quarter with a negative cash balance. We are required to provide a temporary cash transfer to fully fund this:

Airport Improvement fund \$500,000

Legislative Appropriations fund \$6,000,000

Fiscal Impact: None

Recommendation: Approval of Resolution R2023-7, the budget adjustments, report of actuals and temporary cash loans

Speaker's Name Patricia Holland

Documents:

[REPORT RECAP 2023 Q3 TO CERTIFY.PDF](#)

[BAR RECAP 2023 Q3 TO CERTIFY.PDF](#)

[BAR DETAIL 2023 Q3 TO CERFITY.PDF](#)

[BAR 2023 Q3 TO CERTIFY.PDF](#)

[RESOLUTION_FOR_BUDGET_ADJUSTMENT TO APPROVE.PDF](#)

3. Budget Adjustment For Playground Improvement

Budget adjustment for Playground improvements at the Joe Vargas Veterans Memorial Complex in the amount of \$170,000 from the Cannabis tax Fund # 280
These funds will cover some much needed capital improvements and upgrades that will include the following:

- 1) New Equipment.
- 2) Repairs to existing playground.
- 3) Shipping.
- 4) Surfacing (fall protection)
- 5) Installation.

Fiscal Impact:	The budget adjustment in the amount of \$170,000 from the Cannabis fund # 280
Recommendation:	Approval of the budget adjustment in the amount of \$ 170,000 from fund #280
Speaker's Name	Vincent Alonzo

4. Recommendation Of Award For Formal Bid No. 2306 - 2nd St Waterline Replacement From BNSF Railroad To Interstate 40 To H.O. Construction Inc. And Approval Of Related Budget Transfers And Closeouts

Formal Bid No. 2306 2nd St. waterline replacement: H.O. Construction Inc. of Albuquerque, N.M. was the low bidder in the total amount of \$615,232.02 including New Mexico Gross Receipts Tax for both the base bid and additive alternate provided the City of Gallup had adequate funding.

The project is located in 2nd Street between NM Highway 118 and Maloney Avenue, north of the BNSF Railroad right of way, in Gallup New Mexico. The entire project is located within NMDOT right of way in downtown Gallup.

This project consists of installing 590-linear feet of 12-inch AWWA C900 PVC waterline and 190-linear feet of 12-inch CL350 restrained joint ductile iron waterline. The work will replace an existing waterline in 2nd Street crossing the Puerco River. This project includes tie-ins to existing utilities, transfer of water services, installation of gate valves, fire hydrants, air release stations, and other appurtenances. The removal and replacement of asphalt pavement, concrete slope blankets, traffic striping, and all associated earthwork is also included.

The project also has an additive alternate that includes 320-linear feet of 12-inch AWWA C900 PVC waterline. The work will replace an existing waterline in 2nd Street crossing Interstate 40. The additive alternate includes tie-ins to existing utilities and other appurtenances. The removal and replacement of asphalt pavement, traffic striping, and all associated earthwork is also included in the additive alternate.

Project Funding Available: \$448,226

2022 ARP Funding - account #260-6063-444.48-99, Project #GR2242; balance of \$173,226

Water Enterprise Capital Fund 306, Project #JU2203; Balance of \$275,000

The Water Enterprise will transfer and closeout the following projects to cover additional funding plus 10% contingency for this Project #JU2203; Capital Fund 306 : \$246,689

W/L replace NM 118, project #JU1844 - \$29,558

W/L replace Lincoln/Vega/Strong, project #JU2012 - \$101,302

Hasler Valley Tie-in, project #JU2202 - \$50,000

Water System Minor Improvements, project #2205 - \$65,829

Fiscal Impact:	See above. Funding available by closing other projects.
Recommendation:	Staff recommends approval of Bid award and requested budget transfers and closeouts
Speaker's Name	Adrian Marrufo - Acting Director SW/W/WW

Documents:

[BID TABULATIONS.PDF](#)
[RECOMMENDATION OF AWARD 2ND ST. WATERLINE REPLACEMENT BNSF TO I40.PDF](#)
[PROJECTS TO CLOSE - TRANSFER - FY 2023.PDF](#)

5. Approval Of Amendment With NCI For Detox Administration And Operation And Budget Adjustment

The City of Gallup Behavioral Health Department would like to amend the Gallup Detoxification Center Administration and Operations Agreement to align with the Preventing Alcohol-Related Deaths Services Extension and the Protective Custody RFP to ensure no laps in services. The Third Amendment to the NCI Gallup Detoxification Center Administration and Operations Agreement will now expire on June 30, 2023, and increase the contract amount to \$812,000.

Fiscal Impact:	None, using existing LET Funds
Recommendation:	Approval of Third Amendment to NCI Gallup Detoxification Center Administration
Speaker's Name	Debra L Martinez, Behavioral Health Manager

Documents:

[FY23 LET AMENDMENT III TO DETOXIFICATION CENTER TERM.COMP 812K .1.PDF](#)

6. Approval Of Budget Adjustment And Third Amendment To The Agreement With NCI For Social Detox, Expanded Shelter And Services

The City of Gallup will contract with Na'Nizhoozhi Center (NCI) to extend Preventing Alcohol-Related Death Services. These services include a Shelter Program, a High-Risk Unit, and Peer Support Services. The contract will add \$192,000 to extend PARD services to June 30, 2023.

Fiscal Impact: The City will use funding from IHS to extend PARD Services.

Recommendation: Approval of Third Amendment with NCI to extend PARD Services

Speaker's Name Debra L. Martinez, Behavioral Health Manager

Documents:

[FY23 PARD AMENDMENT III DETOXIFICATION CENTER 797K \(AUTORECOVERED\).PDF](#)

7. Budget Adjustment Request For Promotion & Marketing

This budget adjustment is requested to move funds from the Lodger's Tax fund balance into the Promotions & Marketing account. In January, the Finance Department notified the Tourism Office that approximately \$565,000 would need to be expended by the end of this fiscal year, FY23, to remain compliant with Lodger's Tax spending regulations. The state mandates that Lodger's Tax funds need to be spent in a 60/40 ratio, with 60 percent spent on operations and 40 percent spent on marketing and promotions.

The Tourism Office expends funds under the 40 percent category on advertising, the Lodger's Tax grant program, and certain professional agreements which have a marketing or promotions focus. The Tourism Office employs a variety of advertising and promotional techniques, including, but certainly not limited to, print ads, digital placements, and billboards. The Lodger's Tax grant program funds the marketing plans for several community events, such as the annual rodeos, Balloon Rally, downtown events, and outdoor events.

Since Jan. 1, the Tourism Office has spent or encumbered approximately \$300,000 from the Promotions & Marketing account and the Lodger's Tax grant program. To stay compliant with the mandates, the Tourism Office requests \$265,000 from the fund balance to continue advertising and promoting the community. Tourism has plans to spend these additional funds, if approved, by working with several of our advertising partners, such as state Tourism, Sunny505 (marketing firm in Albuquerque), print publications, and online platforms. The Tourism Office also plans to replace as many of the dilapidated billboards as possible that we have along Interstate 40 and other areas. These plans will be able to be implemented once the funds are available.

In addition to the 60/40 spending mandate, Lodger's Tax funds are also required to be spent within two years of being collected. If this budget adjustment is approved, the Tourism Office will be able to continue promoting and marketing the community to remain compliant with the mandates.

Fiscal Impact: Budget adjustment to expenditures of \$265,000 from fund balance

Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

8. Lodger's Tax Grant Recommendations

During the March 2023 Lodger's Tax Committee meeting, two applications were approved. The Tourism Office is requesting City Council approval to fund the marketing plans of these events using the Lodger's Tax Grant Program.

Red Rock Classic in May 2023 - \$12,100

The Red Rock Classic is a team roping qualifier event at Red Rock Park on May 13 and May 14. The applicant expects 800 teams to participate. This event is free to the public to attend as spectators.

Route 66 Showdown in June 2023 - \$8,000

The Route 66 Showdown is another roping event billed as the kickoff for the City of Gallup's Best of the Best rodeo. This event is planned for Red Rock Park on June 20 and June 25. On June 20, breakaway roping and team roping will take place for high school students to determine eligibility for the Best of the Best. On June 25, team roping will be held, which will be an opportunity for ropers to earn prizes.

Fiscal Impact: Red Rock Classic in May 2023 - \$12,100
Route 66 Showdown in June 2023 - \$8,000
Total: \$20,100

Recommendation: Respectfully request approval for both applications
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[RED ROCK CLASSIC - MAY 2023 - APPROVED BY LTC.PDF](#)
[ROUTE 66 SHOWDOWN - JUNE 2023 - APPROVED BY LTC.PDF](#)
[2023, 3-10 LTC MINUTES.PDF](#)

9. Interdepartmental Budget Transfer From Facilities To Fleet And Aquatic Center

Facility and fleet department are asking for a transfer between departments. We are asking to take \$36,000.00 from facilities building maintenance account and transfer \$30,000.00 to vehicle maintenance and \$6,000.00 to vehicle utilities account.

Facility and Aquatic Center are asking for a transfer between departments. We are asking to take \$40,000.00 from facilities building maintenance account and transfer \$40,000.00 to the aquatic building maintenance account.

Facilities has had a large cost savings by completing projects ahead of schedule and by purchasing at lower costs.

By transferring interdepartmentally this will help keep funds in the General fund balance.

Fiscal Impact: None Interdepartmental transfer
Recommendation: To approve transfers
Speaker's Name Jon DeYoung

Documents:

[TRANSFER TO COUNCIL APRIL 2023.PDF](#)

10. Approval Of Revenue And Expenditures For Eligible Activities As Defined In Law Enforcement Retention Fund For The Gallup Police Department In The Amount Of \$23,159.07.

DPS is in receipt of the City of Gallup request for a disbursement of funds from the Law Enforcement Retention Fund "LERF" for the purpose of providing law enforcement retention differential disbursement to the Gallup Police Department officers listed on Exhibit A and paying the employer tax liability (consisting of payroll taxes outlined in the Federal Insurance Contribution Act for Social Security and Medicare but not any employer contribution for retirement or other benefit plans) related to each law enforcement retention differential disbursement to be paid.

Based on the information provided by the City of Gallup for each officer for whom a request was made, DPS has asked the Secretary of the Department of Finance and Administration to issue a warrant to the City of Gallup in the amount of \$23,159.07.

Fiscal Impact: Budget Adjustment in revenue and expenditures for eligible activities as defined in LERF in the amount \$23,159.07.
Recommendation: Acceptance of budget adjustment for \$23,159.07 in reference to LERF
Speaker's Name Erin Toadlena-Pablo-Acting Chief of Police

Documents:

[LERF 2023.PDF](#)

E. Discussion/Action Topics

1. Request By Hozho Academy, For A Proposed Text Amendment To Allow An Eighty-Foot (80') Tall Air Supported Athletic Dome Structure Within The General Commercial (GC) Zone District.

Mr. Cyle Balok of Hozho Academy has requested a text amendment to allow for placement of an eighty foot (80') tall, 115,200 square foot air supported athletic dome structure at the Hozho Academy property located at 515 Park Avenue and further described as LOT 1, REPLAT NO. 1 OF BERNARD T. ESPELAGE ADDITION WITHIN SECTION 21 T15N R18W AND LOTS 1-5 AND A PORTION OF LOT 6, BLOCK G, FIRST UNIT OF BURKE-GEORGE HEIGHTS, AND LOT

6, BLOCK F, REPLAT OF BLOCK F, H, AND J IN THE FIRST UNIT OF BURKE-GEORGE HEIGHTS ADDITION AND CITY TANK SITE PARCEL DESCRIBED AS A TRACT KNOWN AS THE SOUTHWESTERN HILL RESERVOIR SITE WITHIN SECTION 21 T15N R18W CONT. 26.1278 ACS. M/L and located within the General Commercial (GC) Zone District.

Because of the size and nature of the proposed use, the proposed use would be considered as a principal use and not an accessory use to the school. Currently principal uses within the General Commercial (GC) Zone District are limited to a maximum height of thirty-five feet (35'). The proposed use would exceed the maximum allowable height by forty-five feet (45') resulting in a structure eighty feet (80') in height. The proposed structure is two hundred forty feet (240') in width and four hundred eighty feet (480') in length for an overall area of one hundred and fifteen thousand two hundred (115,200) square feet. Because this use would be considered as a principal structure the required off street parking spaces would total to a minimum of three hundred and forty-six (346) spaces.

Although the lot contains 26.1278 acres the property is severely limited in buildable area due to the sloping nature of the lot. The minimum 346 required off street parking spaces would not be able to be provided because of this limitation.

Another issue with this request is that the City cannot amend language to benefit an individual property. If amended this use will be permitted on any property within the General Commercial (GC) Zone District, provided all requirements are met such as required off street parking and landscaping. This would mean that a new use would have to be created with use specific standards. The City Council should weigh the pros and cons, along with potential adverse effects this use may have on surrounding properties or neighborhoods if located elsewhere within the City. It's not as easy as just increasing the allowable height, several factors need to be taken into consideration in order to ensure that the best interest of the community as a whole is being considered. Furthermore it is the responsibility of the City to make sure that the overall health, safety and welfare of the public is first and foremost.

It is staff's position that this request needs additional detailed research in order to ensure that the best interest of the City as a whole is taken into consideration, and that properties and property owners are protected against any adverse effects this use may have on their properties. Only then can staff move forward with a recommendation. Staff requests guidance from the City Council on how to proceed with implementation into the City of Gallup Land Development Standards.

The Planning and Zoning Commission reviewed this request and sends a positive recommendation to the City Council to consider the requested amendment. Staff is now asking for direction from City Council as to how they would like staff to proceed.

Fiscal Impact:	None
Recommendation:	Staff recommends that City Council review the request and take appropriate action.

Speaker's Name C.B. Strain

Documents:

[HOZHO ACADEMY - REVISED.PDF](#)

2. Approval Of Budget Adjustment And Agreement With Indian Health Services To Extend PARD Services

On March 31, 2023, The City of Gallup completed a proposal to extend Preventing Alcohol-Related Death (PARD) Services. The Notification of the Award will not be completed in time to prevent a lapse in services. Indian Health Services has granted the City up to \$250,000 to extend PARD services for May and June.

Fiscal Impact: Budget adjustment in revenue and expenditures for \$250,000.

Recommendation: Approval and Budget adjustment in revenue and expenditures for \$250,000.

Speaker's Name Debra L. Martinez, Behavioral Health Manager

Documents:

[FY23 PARD IHS SOW.PDF](#)

3. Approval Of Agreement And Budget Adjustment For The ReCAST

After the traumatic event during Gallup's Intertribal Centennial parade, the New Mexico Department of Health and Human Services worked with SBS Evaluation & Program Development Specialists, The City of Gallup Behavioral Health Department, and UNM to submit a grant where the City of Gallup would be the main recipient. The purpose of the ReCAST grant is to promote resilience, trauma-informed approaches, and equity in communities that have faced collective trauma! The City will work with the state, SBS Evaluation, and local partners to build local capacity to address trauma in the future.

Fiscal Impact: A budget adjustment of revenue and expenditures for the project for \$70,000 this fiscal year and \$454,966 in FY24.

Recommendation: Approval and Budget Adjustment in revenue and expenditures for \$70,000 in FY23 and \$454,966 in FY24.

Speaker's Name Debra L. Martinez, Behavioral Health Manager and Sindy Sacoman, Program Evaluator

Documents:

[BHSD_FY23_FY24_FF_RECAST_CITYOFGALLUP \(1\).PDF](#)

4. Ordinance No. C2023-2. An Ordinance Relating To Fireworks, Removing Permit Requirements For The Use, Discharge Or Detonation Of Permissible Fireworks Within The City Limits, Repealing Title 4, Chapter 8, Section 10 Of The Municipal Code Of The City Of Gallup, New Mexico

The current ordinance in the City of Gallup requires individuals and organizations who will be discharging fireworks for non-public displays to purchase a

discharge/detonation permit. The current permits cost between \$15.00 and \$25.00. The permit process did not increase the safety of firework usage and did not ensure that nonpermissible fireworks would not be used. On the night of July 4th, public safety agencies are extremely busy running calls for service, checking for safe firework usage, and observing for nonpermissible fireworks. This did not allow time for officials to check for proper permits.

Fiscal Impact: Reduction of revenue of approximately \$1,000 per year.
Recommendation: Staff recommends that City Council approve this ordinance.
Speaker's Name Fire Marshal Jon Pairett

Documents:

[C2023-2 FIREWORKS AMENDMENT.PDF](#)

5. Revenue And Expenditure Adjustment

The Electric Department is requesting a budget adjustment of \$3,240,000 to cover the power purchase cost to the end of this fiscal year. The Electric Department has had several different issues this fiscal year with Continental Divide/Tri-State, PNM and Gallup Solar.

For the issue related to CDEC/Tri-State they have been overscheduling the City and not considering the new WAPA Groundwater contract that was approved back in April of 2022. This overscheduling has caused us to purchase power at a much higher cost. This issue has been addressed and corrected as of February of 2023. Preliminary calculations indicate that a refund of \$738,750 is owed to Gallup.

The issues we have had with PNM were overcharges due to errors in the Energy Imbalance calculation process. Our WAPA energy schedules were not being reflected in the accounting for generation resources that were supplying energy to serve Gallup Load. The "short" schedules produced an incorrect deficit of energy which PNM supplied from the California ISO Western Energy Imbalance Market (WEIM) and charged Gallup for that energy at a time when market prices were very high. The error has been corrected and we have already received a reimbursement payment from PNM in the amount of \$1,088,852.37.

Lastly, unreliable forecasting data and solar performance has been a contributor to this account's shortfall. Daily data for hourly metered load is required for producing the forecasts but has only been available since October 2022. The Summer forecasts were being done using only historical data which has caused very volatile energy imbalance charges on our NITS invoices due to the inaccurate data. After October we have been able to forecast Gallup's load correctly and have seen much less extremes in the load imbalances. In addition to this Gallup and Enchantment Energy have worked closely with Standard Solar and have been given access to the hourly production data which also assists us with even more accurate forecasting. 90% of solar panels have also been corrected since a couple months ago after numerous talks between Gallup, Enchantment Energy and Standard Solar. With the new maintenance program in place, generation production has become more reliable and predictable.

We also want to recognize a revenue adjustment which was not budgeted for in this fiscal year in the amount of \$1,887,215. This includes the reimbursed payment from PNM and the supplemented payment from Guzman Energy. Our electric revenue is also higher than originally projected and I am requesting an increase of \$2,000,000 to reflect current expectations. With this revenue adjustment we can recalculate our days cash on hand and stay above the required 180 days.

Fiscal Impact:	Revenue Adjustment in the amount of \$3,887,215 into fund 507. Budget Adjustment for \$3,240,000 into account 507-6061-442.47-10 Purchase for Resale.
Recommendation:	Approval of the above mentioned revenue and expenditure adjustments.
Speaker's Name	Chuck Nourse

F. Comments By Public On Non-Agenda Items

Members of the public are invited to comment on matters not appearing on the meeting agenda.

G. Comments By Mayor And City Councilors

H. Comments By City Manager And City Attorney

I. Motion To Adjourn

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.