

## AGENDA

### GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, OCTOBER 26, 2021; 6:00 P.M. CITY COUNCIL CHAMBERS



Louie Bonaguidi, Mayor

Linda Garcia, Councilor, Dist. 1      Michael Schaaf, Councilor, Dist. 2  
Yogash Kumar, Councilor, Dist. 3      Fran Palochak, Councilor, Dist. 4

Maryann Ustick, City Manager  
Curtis Hayes, City Attorney

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

[City of Gallup, New Mexico Government - Home | Facebook](#)

**Members of the public may submit comment on non-agenda items. Please call 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 Proclamation**

Family Court Awareness Month: November, 2021

**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 1-12 on the Consent Agenda by unanimous

vote:

**1. Approval Of Minutes**

Regular Meeting of October 12, 2021

Fiscal Impact: None.  
Recommendation: Approve the minutes.  
Speaker's Name None.

Documents:

[DRAFT MINUTES OCT 12 2021 REG MTG.PDF](#)

**2. Request For Street Closures For The Annual Christmas Parade To Be Held On Saturday, December 4, 2021 At 1:00 PM**

The Gallup-McKinley County Chamber of Commerce, in partnership with the Red Rock Balloon Rally, are requesting approval of the closure of Aztec Avenue from 8th Street to 1st Street for the Annual Christmas Parade. The proposed street closures are set in accordance with the City's standardized parade route.

Fiscal Impact: TBD - City staff to provide support services for the event.  
Recommendation: Approve the request for street closures  
Speaker's Name Bill Lee

Documents:

[EVENT PERMIT - CHRISTMAS PARADE AND RED ROCK BALLOON RALLY.PDF](#)

**3. Resolution No. R2021-37; Election Resolution Of The City Of Gallup, New Mexico**

The election of municipal officers for the City of Gallup will be held on Municipal Officer Election Day on March 1, 2022. Between 120 and 150 days prior to the election, municipalities must notify the Secretary of State of the offices to be filled at the election. The proposed resolution has the information pertaining to Gallup's election and will be sent to the Secretary of State for the statewide election proclamation to be issued on December 1, 2021. For Gallup's election, persons shall be elected to filled the office of District 1 Councilor and District 3 Councilor. All offices are for a four-year term. Declarations of Candidacy must be filled with the City Clerk on Tuesday, January 4, 2022 between the hours of 9:00 a.m. and 5:00 p.m. Absentee and early voting will be held at City Hall during regular business hours and days of business beginning Tuesday, February 1, 2022 through Friday, February 25, 2022. Early voting will also be conducted on Saturday, February 26, 2022 from 10:00 a.m. to 6:00 p.m. Polls on election day will be opened from 7:00 a.m. to 7:00 p.m. Voters on election day may vote at one of the four voter convenience centers at the locations designated by the City Council last July. As provided by the City Charter, a runoff election, if needed, will be held within 30 days after the certification of the results of the original election. If a runoff election is necessary, staff recommends holding the runoff election on Tuesday, April 5, 2022.

Fiscal Impact: The costs for conducting the election are estimated to be about \$32,700. There are sufficient funds available in the City Clerk's election expense account.

Recommendation: Approve Resolution No. R2021-37.

Speaker's Name Alfred Abeita II, City Clerk

Documents:

[2022 ELECTION RESOLUTION.PDF](#)

#### 4. **Certification Of FY 2021 Asset Inventory**

In accordance with Section 12-6-10 NMSA 1978, requires the inventory to be certified by the governing authority as to correctness. Required Certification forms and a complete asset listing updated as of June 30, 2021 is attached.

Fiscal Impact: None

Recommendation: Approve Certification of Assets for Fiscal year 2021

Speaker's Name Patty Holland

Documents:

[ASSET CERTIFICATION 2021.PDF](#)  
[ASSET MAST LIST FY 21 DETAIL COUNCIL CERTIFY.PDF](#)  
[ASSET MAST LIST FY 21 SUMMARY COUNCIL CERTIFY.PDF](#)

#### 5. **Resolution No. R2021-38; 1st Quarter FY2022 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 October 31, 2021.

This revision encompasses all budget changes processed July 1, 2021 thru September 30, 2021 (Quarter 1 of FY2022).

Fiscal Impact: None

Recommendation: Staff recommends approval of Resolution R2021-38 and the budget adjustments and report of actuals.

Speaker's Name Patty Holland

Documents:

[RESOLUTION\\_FOR\\_BUDGET\\_ADJUSTMENT.PDF](#)  
[REPORT RECAP - FISCAL YEAR 2021-2022 - GALLUP \(CITY\).PDF](#)

**6. Budget Adjustment Request For Maloney Ave Sewer Project**

During the June 8, 2021 Council Meeting, prior W/WW Director provided an update on this project. Initial plans were to complete the project on an emergency basis, however, after a portion of the sewer line repair was complete the engineer discovered sewer lines were now clear and flowing freely and It was recommended the project revert from emergency basis. Depauli Engineering was going to develop a BID package for project completion on a standard basis with solid costs and updated pricing.

**City Council made the motion to table the budget adjustment request at that time.**

Phase 1 of the project is now complete and Phase II is in the design phase to complete roughly 160' of line at a later date.

Project Contractor Bonaguidi Construction and Depauli Engineering have submitted a Change Order 1 and final Pay Application No 1, in the amount of \$394,613.12.

Original Contract Amount (including tax) - \$163,441.69

Change Order No. 1 (including tax) - \$231,171.43

Final Contract Amount (including tax) - \$394,613.12

Fiscal Impact:	Budget adjustment and expenditure of \$394,613.12 from Fund 202, Environmental Surcharge Tax fund
Recommendation:	Staff recommends approval of \$394,613.12 from Fund 202, Environmental Surcharge Tax Fund
Speaker's Name	Adrian Marrufo, Acting Director W/WW

Documents:

[PE 1.PDF](#)

[CO 1.PDF](#)

**7. Planning And Development Department Budget Adjustment Request In The Amount Of \$15,000.00 For Professional Services**

The Planning and Development Department is requesting City Councils approval of a budget adjustment on the amount of \$15,000.00 from Fund 0101 to the Planning and Development Department's Professional Services account. The Planning and Development Department is utilizing it's Professional Services account to pay for services rendered by Bohannon Huston for the development of cannabis regulations which City Council adopted in August of this year. There is a balance of \$1,212.50 in the P&D Professional Services account which will not cover the services provided by Bohannon Huston therefore a budget adjustment is needed on order to cover the cost of completed services and also to cover additional services that are in progress.

Fiscal Impact:	\$15,000.00 from Fund 101 to Planning & Development
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Professional Services account.

Recommendation: Staff recommends approval of said budget adjustment request. To cover existing and future services.

Speaker's Name C.B. Strain

**8. Budget Adjustment For The Purchase Of A Professional Grade Drone For The Gallup Police Department**

For fiscal year 2021 – 2022, the Gallup Police Department requested \$10,000 to purchase handheld portable alcohol breathalyzers for patrol officers. \$10,000 was subsequently approved and budgeted by City Council for FY 2021-2022. In May 2021, the McKinley DWI Planning Council purchased breathalyzers for local agencies including the Gallup Police Department. The Gallup Police Department subsequently received 40 breathalyzers as a result.

The Gallup Police Department is requesting a budget adjustment to now utilize the previously budgeted \$10,000 to purchase a professional grade drone (with accessories) at the cost of \$9,862.63. The Gallup Police department is currently certifying two officers to obtain the required training, certification and FAA licensing to operate this drone. The purpose of the drone will be to conduct search and rescue, open field searches, aerial crime scene and vehicle crash scene investigations and reconstruction.

Fiscal Impact: None. The previously approved FY 22 Police Department budget (Account 211-2011-421.48-20) for breathalyzers (\$10,000) will be reallocated for this purchase.

Recommendation: Approval to reallocate funding in the FY 22 Police budget to purchase a Police drone.

Speaker's Name Franklin Boyd - Chief of Police

Documents:

[MKSK765.PDF](#)

**9. Award Of Formal Bid 2115- Maintenance Shop Exhaust System And Budget Adjustment**

A bid was solicited and due on 9/16/21 for a new exhaust system at the Vehicle Service Center. System is to ensure the health and safety of employees and others entering the Vehicle Shop in that it redirects harmful and contaminated air and/or fumes outside the building. This will not only mitigate injuries and exposure but is a requirement in any garage or facility where cars or equipment may be running. Two responsive bid proposals were received whereas a low bid was received in the amount of \$42,744.55 (including tax) from Horizon Enterprises. Provided is a bid tabulation showing bids received. Staff will also need a budget adjustment in the amount of \$22,000 from general fund cash reserves to complete the project. The rest of the money was included in this years capital budget request.

Fiscal Impact: \$22,000 from general fund cash reserves. The rest of the money is already budgeted and is included in the CIP.

Recommendation: Staff recommends award of bid to Horizon Enterprises and

budget adjustments.

Speaker's Name JM DeYoung

Documents:

[BID TAB SHEET 2115.PDF](#)

**10. Approve Publication Of Outstanding Warrants And Budget Adjustment**

City of Gallup Municipal Court has over six thousand outstanding warrants. The Gallup Independent has submitted a proposal to publish these outstanding warrants (names and offenses) at a reduced cost as a public service. McKinley County has generously agreed to share half the cost of publishing these warrants. According to the Gallup Independent, the cost for a typical full page runs \$1200-\$1400. The quote provided to the city is for \$700 per page with the county sharing half the cost (so \$350 per page for the city's costs). The total cost for publishing all the Municipal Court's outstanding warrants is: \$3032.96 (\$2800 plus \$232.96 NM GRT). See attached invoice.

Judge Griego has expressed support for printing these outstanding warrants but has indicated that there are not sufficient funds in the Court's budget to pay for this service. Consequently, we are recommending that funds in the amount of \$3032.96 be transferred from General Fund Reserves to cover the cost of publishing these outstanding warrants. This may assist in the "Warrant Roundup" as well as serve as a deterrent for future crimes.

Recommendation:

Approve the publication of outstanding warrants in the Gallup Independent newspaper and approve a budget adjustment in the amount of \$3032.96 from General Fund reserves to City Manager's Operating budget to pay these costs.

Fiscal Impact: Costs in the amount of \$3032.96 will be charged to the City's General Fund 101.

Recommendation: See recommendation in the summary

Speaker's Name Maryann Ustick, City Manager

Documents:

[OUTSTANDING WARRANT INVOICE.PDF](#)

**11. Change Order And Budget Adjustment Request For SCADA Improvements**

Staff is requesting a Change Order and Budget Adjustment to accommodate the installation of radio equipment and antennae which will get our SCADA equipment off a radio spectrum frequency which has so much traffic, it at times (more than PNM likes), scrambles our data output for their transmission scheduling for our loads. This approach will put us in a frequency that is regulated by the FCC and will give us a license to operate in that frequency. We had been working with Schweitzer Laboratories ((SEL) on this project but their radio equipment would only work in the poor frequency. They have assured us

they will allow us to return the equipment and get a credit to be applied to future purchases of equipment. SEL's metering and SCADA equipment are top of the line, just not the communications part. T & D will bring in GE radio equipment programmed to work in the higher frequency. Therefore, staff is requesting a change order to our SCADA communications network and a budget adjustment in the amount of \$134,260 from operating cash in Fund 507.

Fiscal Impact: A budget adjustment to the necessary revenues and expenses in the amount of \$134,260 from the operating cash in Fund 507.

Recommendation: Staff recommends approval of the Change Order and Budget Adjustment.

Speaker's Name John Wheeler

Documents:

[SCADA CHANGE ORDER.PDF](#)

**12. Resolution No. R2021-40; Approval And Acceptance Of A Department Of Finance And Administration (DFA) Grant In The Amount Of \$2,000,000**

Staff is requesting City Council approval of Resolution No. R2021-40, thereby accepting the Department of Finance and Administration Grant Agreement and Appropriation Number 21-ZF5031 in the amount of \$2,000,000 for financial assistance to local governments in New Mexico that experience extraordinary costs associated with the coronavirus disease 2019 public health emergency. Funds are to be expended by June 30, 2022 or will be reverted to the State of New Mexico's general fund. City staff sent the attached letter to Secretary Debbie Romero requesting that these funds be used to assist the City of Gallup in designing and constructing critically needed wells. These wells are needed to address city water supply needs pending the availability of surface water from the Navajo Gallup Water Supply Project which has been delayed by the Bureau of Reclamation until at least the end of 2029.

Fiscal Impact: \$2,000,000 in revenue and expenditures in fund 218. Appropriations will be disbursed by the Department of Finance and Administration through a reimbursement process.

Recommendation: Staff recommends approval of Resolution No. R2021-40 for DFA grant and appropriation.

Speaker's Name Maryann Ustick, City Manager

Documents:

[CABINET SECRETARY ROMERO\\_CITY OF GALLUP.PDF](#)  
[DFA GRANT AGREEMENT\\_EXTRAORDINARY COSTS\\_COVID.PDF](#)  
[RESOLUTION NO 2021\\_40\\_DFA GRANT\\_COVID COSTS.PDF](#)

**E. Discussion/Action Topics**

**1. Approval Of Resolution R2021-39 Authorizing And Approving Submission Of NMFA Application**

The City is eligible to obtain funding in the form of GRT bonds. At the Council meeting on September 28, 2021, Councilors discussed two bonding options as presented by Erik Harrigan of RBC Capital, the City's Financial Advisor. On October 12, 2021 the Council selected to apply for \$12.8 million in funding to be utilized to help pay for the new public safety building with remaining funds to be allocated to other Council priority projects to include turfing or returfing sports fields and milling and repaving deteriorated streets.

At this time, we are seeking Council approval to move forward with the application to the New Mexico Finance Authority for funds.

Fiscal Impact: None at this time. Application approval only. Final impact will be presented at a later date.

Recommendation: Approve Resolution R2021-39 authorizing and approving the submission of funding application to NMFA

Speaker's Name Maryann Ustick/Patty Holland

Documents:

[NMFA APPLICATION RESOLUTION \(GALLUP 2021\)  
\(W4190613X7A92D\).PDF](#)

## **2. Ordinance No. S2021-7; Ordinance Donating Nine Lots In The Sunshine Canyon Subdivision To The Gallup Housing Authority**

The Electric Department has begun planning to replace the existing Sunshine Substation, built in 1971. The parcel of City owned property that the Electric Department has selected on which to locate a new substation is depicted on the GIS maps labeled "Sunshine Substation location proposal" that is attached to this agenda item. The last map marks two possible sites for the substation in red simply to show the size of the fenced area (200' x 100') that will be required. An exact site location has not yet been determined.

In examining the chain of title of the City owned property that the substation will be located on, it was discovered that there is an ownership issue that need to be resolved.

A subdivision plat (entitled "Sunshine Canyon Subdivision") that includes two parcels of land that were previously deeded separately to the City of Gallup and the "Housing Authority of the City of Gallup" was filed with the County Clerk on July 24, 1974. The plat is attached to this agenda item as "Exhibit A." It shows the property that is owned by the Housing Authority and on which the Housing Authority has built affordable housing units along Gomez Drive. The portion of the subdivision that is owned by the City also shows the 80' wide easement that the City dedicated to build a portion of Reach 27.6 of the Navajo Gallup Water Supply Project pipeline. The easement survey is attached as "Exhibit B." The Housing Authority has built three houses on Lots 8, 9, and 10, Block 1 which are in the portion if the subdivision that is owned by the City. No documentation can be located that ever transferred ownership of those lots to the Housing Authority.

The purpose of this ordinance is to transfer those three lots to the Housing Authority. It also authorizes the donation of six additional lots to allow the Housing Authority to build additional units in the future. The gift deed must include a reversionary clause requiring that the land not be used for any purpose other than to provide affordable housing for a period of twenty years as this is a requirement of the City of Gallup's Affordable Housing Ordinance.

Fiscal Impact: None



Recommendation: Approval of the ordinance  
Speaker's Name Curtis Hayes and John Wheeler

Documents:

[SUNSHINE SUBSTATION LOCATION PROPOSAL.PDF](#)  
[SUNSHINE CANYON LAND TRANSFER ORDINANCE.PDF](#)  
[EXHIBIT A.PDF](#)  
[EXHIBIT B.PDF](#)  
[DEED TO GALLUP HOUSING AUTHORITY OF SUNSHINE CANYON LOTS.PDF](#)

**3. Authorization To Proceed With Sale Of 313 Boardman (Former First Financial Bldg.)**

The City owns a 0.517 acres parcel of property located on the northeast corner of Boardman Dr. and Boyd Ave. For many years, the City had a ground lease with First Financial Credit Union of New Mexico to allow it to construct the building that is on the lot and operate the credit union out of that building. In 2015, the ground lease was amended to include a 0.146 acre piece of City owned land to the north of the building to allow the credit union to expand the parking lot. In May of 2017, the building suffered an electrical fire that caused substantial fire and smoke damage and the credit union ceased operations out of the building. First Financial determined that it would cost at least \$100,00 to repair the fire and smoke damage. In 2018, the credit union donated the building to the City.

City Facilities has been unable to determine any possible use for the building. Therefore, this agenda item is asking for approval to begin the process of selling the property by way of a public sale. There are several steps that will be required to accomplish that:

1. The 0.146 acre parcel is part of a much larger 24.8 acre parcel of City owned land that includes the land where Gallup Detox and Metro Dispatch buildings are located. Therefore, a subdivision plat will need to be submitted and approved.
2. NMSA §3-54-1 requires that an appraisal be conducted prior to the sale of City owned property worth more than \$25,000.
3. NMSA §3-54-1 also provides that the sale of any City owned property worth more than \$25,000 must be done by ordinance. The ordinance cannot go into effect for 45 days after adoption as the ordinance is subject to repeal by way of a referendum petition.
4. If Council approves an ordinance authorizing the sale of the property and there is no referendum petition, the sale would then be accomplished by way of a bid process.

Fiscal Impact: The cost of an appraisal and a subdivision plat. Sufficient funds are budgeted and no budget transfer is required.  
Recommendation: That council authorize staff to proceed with subdivision and appraisal processes.  
Speaker's Name Curtis Hayes and Maryann Ustick

Documents:

**F. Motion To Adjourn Into Closed Session**

For the Purpose of Discussing the Purchase, Acquisition or Disposal of Real Property,  
Pursuant to NMSA 1978 Section 10-15-1(H)(8)

**G. Motion To Reconvene Regular Meeting**

**H. Certification For The Record Of The Matters Discussed During The Closed Session**

**I. Comments By Public On Non-Agenda Items**

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

**J. Comments By Mayor And City Councilors**

**K. Comments By City Manager And City Attorney**

**L. 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.