

# AGENDA

## GALLUP CITY COUNCIL REGULAR MEETING TUESDAY, JANUARY 25, 2022; 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](https://www.facebook.com/cityofgallup)

**Members of the public may submit comment on non-agenda items either in person or by telephone.**

**To submit comment by telephone, 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. 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 1-5 on the Consent Agenda by unanimous vote:

## 1. Approval Of Minutes

December 14, 2021 Regular Meeting

January 11, 2022 Regular Meeting

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

Documents:

[DRAFT MINUTES DEC 14 2021 REG MTG.PDF](#)  
[DRAFT MINUTES JAN 11 2022 REG MTG.PDF](#)

## 2. Resolution No. R2022-2; 2nd 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 January 31, 2022.

Fiscal Impact: None  
Recommendation: Staff recommends approval of Resolution R2022-2 and the budget adjustments and report of actuals.  
Speaker's Name Patty Holland

Documents:

[BAR Q2 DETAIL.PDF](#)  
[BAR Q2 TO CERTIFY.PDF](#)  
[BAR RECAP Q2 TO CERTIFY.PDF](#)  
[REPORT RECAP Q2 TO CERTIFY.PDF](#)  
[RESOLUTION\\_FOR\\_BUDGET\\_ADJUSTMENT.PDF](#)

## 3. Budget Adjustment Request For The Mayor/City Council And City Manager Budgets

When the FY2022 budget was planned and approved, due to the ongoing pandemic it was unknown how much travel and overtime was needed or would be required by our officials and city staff. However, major state and federal funding and economic development /opportunities have arisen and created a challenge for the city to be more proactive in these potential funding sources. These challenges include the need to travel to meetings and to advocate for amendments to Navajo Gallup Water Supply (NGWS) legislation and for funding of wells.

These challenges have increased the need for support and overtime from city staff to assist with other various city functions, including the budget committee, strategic planning, and continued support to the City Attorney's office and to

other departments as needed.

Recommendation:

Approval of budget adjustment in the amount of \$10,000 to the #101-0101 travel account and \$2,000 to the City Manager's overtime budget.

Fiscal Impact: Budget adjustment increase from the General Fund in the amount \$12,000; \$10,000 to the #101-0101 travel account and \$2,000 to City Managers budget for overtime.

Recommendation: See recommendation in the summary.

Speaker's Name Maryann Ustick, City Manager

**4. Budget Adjustment To Revenue And Expenditure For The Octavia Fellin Public Library In The Amount Of \$98,691.50**

New Mexico Legislature made an appropriation to the Department of Cultural Affairs (DCA), New Mexico State Library Division, funds from which the DCA & State Library are making available to the Octavia Fellin Public Library (OFPL). OFPL is eligible for receipt of such funds because it is a public library and filed an approved annual report in 2020.

Attachment A states the following: When the library bond program funds are approved by voters, the state library shall send a letter of notification and acceptance agreement to all public libraries informing them of their eligibility to receive the funds and the amount of funds they are eligible to receive. The agreement must be signed and returned to the state library one hundred and twenty days before the start of the authorized expenditure period. Libraries that do not return the signed agreement within the required time period shall not be eligible to receive funds.

The due date is January 31, 2022.

Fiscal Impact: The Revenue and Expenditure for the Octavia Fellin Public Library will increase in the amount of \$98,691.50.

Recommendation: Approve budget adjustment and expenditures for the OFPL in the amount of \$98, 691.50

Speaker's Name Tammi Moe

Documents:

[OCTAVIA FELLIN 2020 GOB GRANT AGREEMENT - DONE.PDF](#)

**5. Public Safety Building Schematic, Construction Contract Administration Phase Contract Award To Huitt Zollars**

Attached for the City Council's consideration and approval is Huitt-Zollars, Inc's (HZI) proposal for the new Public Safety Building Schematic, Construction Contract Administration Phase. The new Public Safety Building will replace the existing Public Safety Building in its entirety. HZI's proposal is \$376,250.74 including NMGRT. A detailed cost breakout by professional discipline is attached for Council's review.

The \$376,250.74 cost will be covered by DFA Grant No. 19-D3084 which has

already been set up in Project No. LA1984 for the Public Safety Building construction project.

Fiscal Impact: None, The \$376,250.74 cost will be covered by DFA Grant No. 19-D3084 which has already been set up in Project No. LA1984 for the Public Safety Building construction project.

Recommendation: Recommend award of contract to Huit-Zollars Inc. in the amount of \$376,250.74 including NMGRT.

Speaker's Name C.B. Strain

Documents:

[PROPOSAL, PUBLIC SAFETY BUILDING, CONSTRUCTION CONTRACT ADMIN. PHASE.PDF](#)  
[HZI C-G PS CA FEE BREAKDOWNREV01.PDF](#)

## D. Discussion/Action Topics

### 1. Presentation And Approval Of GUP Air Service Market Evaluation Study

As part of the federal Economic Development Administration (EDA) Planning Grant, the City contracted with RRC Associates to conduct a market evaluation for commercial air service at Gallup Municipal Airport. RRC analyzed data and conducted surveys and focus groups in order to complete this market study. RRC will present the results of this market analysis including recommended routes and frequency of flights which will assist the city in obtaining a Rural Air Service Enhancement (RASE) Grant from the NMDOT Aviation Division.

Fiscal Impact: No impact to city funds. GUP Market Study is paid for by federal EDA funds in the amount of \$25,000 plus GRT (\$27,078.13).

Recommendation: Approve GUP Air Service Market Evaluation Study.

Speaker's Name Maryann Ustick, City Manager

Documents:

[GUP AIR SERVICE MARKET EVALUATION.PDF](#)

### 2. Award Of Contract For Rural Air Carrier Service Enhancement

Award of contract for Rural Air Carrier Service Enhancement at Gallup Municipal Airport, RFP 2021/2022/05/P. Services are to be funded through the Rural Air Service Enhancement (RASE) Grant Program.

RFP is currently being evaluated. Additional information and/or supporting documentation will be provided prior to the meeting.

Fiscal Impact: Grant amount of \$1,750,000. per year for two (2) years, plus 10% local cash match of \$175,000 per year.

Recommendation: Award contract for RASE Grant Program

Speaker's Name Frances Rodriguez, Purchasing Director

### 3. Approval Of Lodgers Tax Grant Funding Part 3 Of 4 For FY 22

The Lodgers Tax Committee met on January 6, 2022, and recommends the following funding for event grants:

- Friends of Hubbell Native Arts Auction, May 7, 2022 \$5,300
- 72nd Annual Gallup Lions Club Rodeo, June 16-18, 2022, \$30,000
- 24 Hours in the Enchanted Forest Bike Race, June 11-12, 2022 \$6,000

the committee recommends full funding for all three events.

Fiscal Impact: \$41,300 in funding from available grant funds within 214 grant budget

Recommendation: Approval of \$41,300 in grant funding for three events

Speaker's Name Jennifer Lazarz

Documents:

[MAY 2022 FRIENDS OF HUBBELL\\_20211230.PDF](#)  
[24 HOUR ENCHANTED 2022 APPLICATION.PDF](#)  
[LIONS RODEO 2022 APPLICATION\\_20220120.PDF](#)

### 4. Authorization For The Mayor To Execute A Purchase Agreement For The Animal Shelter Property And A Budget Transfer Of \$510,000.

At its February 25, 2020 meeting, City Council was presented with two alternative sites on which to locate the proposed new animal shelter facility: one where the current facility is located and a second on Hasler Valley Road. Council chose the site where the current facility is located as the preferred location.

The New Mexico Legislature has authorized two special appropriations for the City to acquire land, and to plan and design a new animal shelter facility. The 2019 session authorized \$400,000 and the 2020 session authorized \$261,000 for a total of \$661,000. The deadline for the City to expend the 2019 funding is June 30, 2023 and the deadline for the 2020 funding is June 20, 2024. However, the legislature can "deauthorize" either of the two appropriations prior to expenditure by the City. Additionally, the City leases the current facility and the lease payments of \$4400 per month would be realized once the property is acquired by the City.

After the Council decision as to location was made, Planning and Development worked with the owners of that property, Clint and Cozy Balok, to obtain and submit a subdivision plat to split the 6.01 acre parcel of land on which the current facility is located as it is larger than necessary for a new facility and it also contains a barn that the City does not wish to acquire. A sketch plat (attached) was prepared by Marc DePauli which identified a 2.8776 acre parcel for the City to purchase. This parcel contains the current facility and sufficient additional land on which to build a new facility while continuing to operate the current facility. The sketch plat was submitted to the City for approval, however it has since been determined that the Baloks cannot easily access the barn by vehicle from their residence and that either an easement across the parcel to be purchased by the City or adjustment of the lot line will be necessary to allow vehicular access to

the barn. Both options require revision of the plat and adjusting the lot line is less likely to result in issues with any future owners of the property on which the Balok's residence is located.

The City Attorney negotiated a purchase price of \$500,000 for the 2.8776 acre parcel which is less than the \$514,000 appraised value established in the most current appraisal report obtained in 2021. The lot line adjustment will reduce the size of the lot by approximately 0.17 -0.23 acre which would lower the appraised value by approximately \$2000 (based on the appraisal's valuation of the "excess" raw land at \$10,000/acre).

The City Manager and City Attorney are therefore asking for Council to authorize the Mayor to execute a purchase agreement on behalf of the City to purchase the property for \$500,000 with the reduction in size due to the lot line adjustment. Approval of a budget transfer to allow expenditure of that amount plus an additional \$10,000 to cover the portion of closing costs that are typically paid by the buyer.

Fiscal Impact:	Budget transfer from Fund 391 to allow expenditure of \$261,000 from Project LA1986 and \$241,000 from Project LA 1986. Cost savings of \$4400 per month will be realized upon acquisition of the current facility.
Recommendation:	Authorize the Mayor to execute a purchase agreement and approve the budget transfer.
Speaker's Name	Curtis Hayes, City Attorney and Maryann Ustick, City Manager

Documents:

[SUBCO0016.PDF](#)

[BALOK PROPERTY ACCESS ISSUE.PDF](#)

## E. Presentation And Information Item

### 1. Update On Motel Inspection Program

From May to June 2021 annual motel inspections were conducted at six motels which resulted in the posting of red tags and closing of businesses. These motels include the Hacienda Motel, Blue Spruce, Arrowhead Lodge, Lariat Lodge, Zia Motel, and Redwood Lodge. Code Enforcement in conjunction with the Building Inspector and Fire Department performed a thorough inspection of the interior and exterior of each motel and inspected each room documenting the violations. After inspection it was determined that all six motels posed a threat to the health, safety and welfare of the public due to health and safety violations being present. These violations ranged from structural issues, sanitation, insect and rodent infestation, egress, smoke detectors, broken fixtures, broken furniture, filth and lack of regular cleaning and maintenance. There was also several calls for service that PD responded to for illegal activity. The Police Department can elaborate on the number and the nature of the calls and what activity was taking place. Because of the violations present red tags were posted and the business were ordered to shut down until all violations were abated.

The motels were informed of the violations during the inspection and follow up reports were hand delivered along with attached pictures and information on how

to abate the violations. A certified letter was also mailed to the motel and property owner. Code Enforcement did inform the motels that if they wanted to do another walk through explaining abatement they were willing to do so, however no motel requested this. Lastly, each motel was informed that they needed to obtain a contractor in order to file for a building permit when making repairs/upgrades to the structure, mechanical, electrical, or plumbing. We later discovered that some motels were doing illegal construction without a licensed contractor and building permit. To date not effort has been made to abate any of the violations therefore all six of the motels have remained closed. It is imperative that the motels remain closed to protect the health, safety, and welfare of the public. Once all violations are abated the motels will be allowed to reopen.

Attached is a PowerPoint presentation showing the conditions of each motel along with notices that were issued. All documents have not been included as there would be far too many, however if Council would like a copy of each detailed Code Enforcement case for each motel, those can be provided.

Fiscal Impact:	None
Recommendation:	Information only
Speaker's Name	C.B. Strain

Documents:

[CC PRESENTATION HOTEL INSPECTIONS REVISED \(1\).PDF](#)

**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.