

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held virtually at Gallup City Hall, 110 West Aztec Avenue, at 6:00 p.m. on Tuesday, January 26, 2021.

The meeting was called to order by Mayor Louie Bonaguidi. He provided instructions to the public viewing the meeting through Facebook Live on how to provide comment on non-agenda items.

Upon roll call, the following were present:

Mayor:	Louie Bonaguidi
Councilors:	Linda Garcia Michael Schaaf Yogash Kumar Fran Palochak
Also present:	Maryann Ustick, City Manager Curtis Hayes, City Attorney

Presented to the Mayor and Councilors for their approval were the Minutes of the Regular Meeting of January 12, 2021.

Councilor Schaaf made the motion to approve the Minutes of the Regular Meeting of January 12, 2021. Seconded by Councilor Garcia. Roll call: Councilors Schaaf, Garcia, Palochak, Kumar and Mayor Bonaguidi all voted yes.

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

- 1. Approval of Contract Award for Lexington Hotel Roof Replacement to DKG & Associates, Inc. – Marc Lujan, Facilities Manager**

Mr. Lujan said with the recent purchase of the Lexington Hotel, the City has been tasked with getting the building to operational status. In order to accomplish this, the roof needs to be replaced. City staff received a quote for the roof replacement through a State contract in the amount of \$116,046.45 from DKG & Associates, Inc.

Councilor Kumar asked about the existing roof of the hotel. Mr. Lujan said the current roof is a rolled roof and will be replaced with a 60 mil TPO roof.

Councilor Kumar made the motion to approve the contract award for the Lexington Hotel roof replacement to DKG & Associates, Inc. in the amount of \$116,046.45. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

MINUTES

Regular City Council Meeting – 1/26/2021

Page 2

At the request of Ms. Ustick, Mr. Lujan and Robert Hamblen, Acting Public Works Director, provided an update on the improvements being made to the Lexington Hotel, which will be used for a transitional housing program. Ms. Ustick said the City's plan is to transition individuals and families from the wellness hotel to the Lexington Hotel when the wellness hotel closes on January 31, 2021. She thanked the Governor's Office, Mark Fleisher, the City's lobbyist, Cabinet Secretary Brian Blalock of the Children Youth and Families Department, Heading Home, Inc. and City staff for their help in acquiring the hotel and preparing it for the housing program.

Mayor Bonaguidi said he toured the hotel earlier in the day and was impressed with the work being done to the hotel. He commended the City's crews for their outstanding work.

2. Co-Op Agreement FY19-20 and FY20-21 Mill and Overlay Project – Robert Hamblen, Acting Public Works Director

Mr. Hamblen said the Street Department is requesting a budget adjustment in the amount of \$250,000 from Fund 216 fund balance. Of that amount, he asked \$225,000 to be designated for equipment rental and \$25,000 for employee overtime. The scope of work includes the mill and overlay of two streets in each Council district and the rental of equipment.

Councilor Schaaf asked about the streets to be improved under the project. Mr. Hamblen identified the following streets for the project: Marguerite Franco Drive from Wilson Avenue to J.M. Montoya Boulevard; and Wilson Avenue from McKinley Drive to Marguerite Franco Drive in District 1; Church Rock Street from Vandenbosch Parkway to east of the bridge on the north side of Indian Hills Elementary School; and Zia Drive from Tocito Trail to the end of the concrete in District 2; Valentina Drive from Mossman Avenue to Mark Avenue; and Julie Drive from Mark Avenue to Boyd Avenue in District 3; and Kachina Street from West Maloney Avenue to Morello Avenue and Viro Circle from Aztec Avenue to Copper Avenue in District 4.

Councilor Garcia asked when the project will take place and for how long. Mr. Hamblen said the project will commence during the middle part of May and the work will take about two weeks in each district depending on the weather.

Councilor Palochak made the motion to approve the Co-Op Agreement FY19-20 and FY 20-21 Mill and Overlay Project in the amount of \$250,000 from Fund 216, with \$225,000 to be transferred into account 216-1534-454-47-12 for equipment rental and \$25,000 for overtime into account 216-1534-454-41-50. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

MINUTES

Regular City Council Meeting – 1/26/2021

Page 3

3. Replacement of Unit 211 – John Wheeler, Electric Director

Mr. Wheeler said with the upcoming need to replace over 400 poles, which were classified as rejects by the City's pole testing contractor, staff is recommending the replacement of Unit 211. Unit 211 is a 1995 model pressure digger, which has a plethora of hydraulic and mechanical issues. He recommended the purchase of an Altec unit since there are three mobile service crews stationed in New Mexico. According to the vehicle replacement plan, Unit 211 was scheduled to be replaced this fiscal year. Mr. Wheeler asked for a budget adjustment to expenditures from Fund 507 in the amount of \$372,034.

Since the City needs to replace 400 poles, Councilor Kumar asked if the installation of fiber optic lines will be on power poles in addition to underground lines. Mr. Wheeler said most of the fiber optic lines will be installed on power poles as the other fiber optic lines will run underground. Councilor Kumar asked if the poles are able to hold the additional lines. Mr. Wheeler responded yes.

Mayor Bonaguidi asked if Unit 211 will be used as a trade in for the purchase of the new unit. Mr. Wheeler said Unit 211 will be turned into the Vehicle Service Center and will be auctioned-off at a later time. The City will receive anywhere from \$5,000 to \$10,000 more if the City auctions the equipment rather than using it as a trade-in.

Councilor Palochak made the motion to approve the replacement of Unit 211 and the budget adjustment from Enterprise Fund 507 in the amount of \$372,034 to purchase the new unit from Sourcewell. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Kumar, Garcia and Mayor Bonaguidi all voted yes.

4. Replacement of Unit 223 and Unit 220 – John Wheeler, Electric Director

Mr. Wheeler said staff is recommending the replacement of both of these units which will complement the work to be done with the new pressure digger. Unit 223 is a 2002 Freightliner with a digger derrick mounted on the chassis. Unit 220 is a 1995 Chevrolet with a digger derrick mounted on the truck. The two new units are more compatible to do the pole replacement work than using the City's existing 75' buckets which are less maneuverable in tight work spaces. He also recommended the purchase of Altec units under the State Sourcewell Contract. According to the vehicle replacement plan, Units 223 and 220 are scheduled to be replaced this fiscal year. Mr. Wheeler asked for a budget adjustment to expenditures from Fund 507 in the amount of \$289,716.

Councilor Garcia made the motion to approve the replacement of Unit 223 and Unit 220 and the budget adjustment of \$289,716 to expenditures from Fund 507 fund balance.

MINUTES

Regular City Council Meeting – 1/26/2021

Page 4

Seconded by Councilor Palochak. Roll call: Councilors Garcia, Palochak, Schaaf, Kumar and Mayor Bonaguidi all voted yes.

5. Budget Adjustments to Electric Enterprise Operating Accounts – John Wheeler, Electric Director

Mr. Wheeler said staff is recommending budget adjustments for accounts which will be short of operating funds before the end of the fiscal year. The need for the adjustments stems from a miscalculation of revenue due to expectations driven by the COVID-19 pandemic. Those revenue projections caused City staff to reduce expenses because the City is required to adhere to a balanced budget. City staff previously projected revenues to be at \$18,616,446 but now revenue is projected to be between \$22 million to \$24 million for Fiscal Year 2021. Since expenses did not meet the reductions made to the budget, Mr. Wheeler recommended the following budget adjustments: \$110,000 for Telephone Expense, \$35,000 for Signal Lights Expense, \$75,000 for Overhead Line Expense, \$20,000 for Underground Line Expense, \$275,000 for Utilities Expense, \$25,000 for Street Lights Expense, \$3,000 for Debt Service/Principal, \$3,000 for Debt Service/Commitments and Fees. The latter of the previous two items are transfers into Fund 475 and transfers out of Fund 507.

Councilor Kumar made the motion to approve the budget expenditures increase from Fund 507 fund balance and transfer out of Fund 507 balance in the amount of \$543,000 and a transfer of \$3,000 from Fund 507 to Debt Service/Principal Account Fund 475. Seconded by Councilor Schaaf. Roll call: Councilors Kumar, Schaaf, Garcia, Palochak and Mayor Bonaguidi all voted yes.

6. Request for Budget Adjustment-Vactor Rental-Formal Bid No. 2037 – Dennis Romero, Water and Sanitation Director

Mr. Romero said City staff solicited bids for two consecutive 30-day periods and no responsive bids were received for either timeframe. In accordance with the New Mexico Procurement Code, the City is now able to enter into negotiation with a vendor of its choice for these services. The City has been leasing a vactor truck, on a month to month basis from Joe Johnson Equipment, LLC, through a subcontract with Pete's Equipment, who has a statewide contract for equipment and services. The cost for rental is \$13,000 per month as a new vactor truck would cost between \$575,000 and \$650,000, depending on the bids received. Due to the heavy influx of debris, wipes and rags into the City's wastewater collection system, staff recommends extending the month to month lease for the vactor truck, which would cost approximately \$91,000 for 7 months. Mr. Romero asked for a budget adjustment to expenditures of \$91,000 and delegation of authority to

MINUTES

Regular City Council Meeting – 1/26/2021

Page 5

negotiate and execute a contract with Joe Johnson, LLC, via the subcontract with Pete's Equipment for rental of a sewer vacuum truck for the remainder of the fiscal year.

Councilor Palochak said when the COVID-19 crisis began, residents were using items other than standard tissue in the wastewater system which required the use of vactor trucks to clear the system. She asked if this type of equipment was used during normal times. Mr. Romero said the problems were exacerbated because of the pandemic and were difficult to address with a City owned vactor truck, which is smaller and ineffective.

Councilor Palochak made the motion to approve the request for budget adjustment for a vactor rental, Formal Bid No. 2037 with an expenditure of \$91,000 from Fund 508, Wastewater Enterprise Fund. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Schaaf and Mayor Bonaguidi all voted yes.

7. Request for Budget Adjustment – Wastewater Treatment Plant Repair Fund – Dennis Romero, Water and Sanitation Director

Mr. Romero said the contract with Jacobs Engineering requires the City to budget \$70,000 on an annual basis for repairs in excess of \$7,000 at the Wastewater Treatment Plant. During this fiscal year, the effluent pump for the Wastewater Treatment Plant that supplies reclaimed effluent as irrigation water to City facilities, had to be replaced at a cost of about \$32,000. An additional \$35,000 in repairs that fit under the terms of the contract were also recently completed and invoiced. Mr. Romero presented a table of additional repairs in the amount of \$61,618.33 that must be completed at the plant to stay in operation and meet the Clean Water Act discharge requirements. To complete the additional repairs, he asked for approval of a budget adjustment and expenditure of \$65,000 from Fund 508, Wastewater Enterprise Fund.

Councilor Palochak made the motion to approve the budget adjustment in the amount of \$65,000, from Fund 508, transferred into the Wastewater Treatment Plant Repair Fund. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Kumar, Garcia and Mayor Bonaguidi all voted yes.

8. Animal Control Overtime Budget Increase – Clyde (C.B.) Strain, Planning and Development Director

Mr. Strain said the Planning and Development Department is requesting a budget adjustment in the amount of \$8,000 to cover a deficit in overtime expense and to carry the Animal Control Division through to the end of the fiscal year. Animal Control is usually budgeted between \$20,000 and \$25,000 per year for overtime expenses; however, due

MINUTES

Regular City Council Meeting – 1/26/2021

Page 6

to the COVID-19 pandemic, overtime budgets were cut significantly. Earlier this fiscal year, Animal Control received a transfer in the amount of \$10,000 for overtime but it is not enough to cover expenses for the remainder of the fiscal year. Mr. Strain asked for a budget increase in the amount of \$8,000 to cover the shortfall in overtime expenses. Since the County is responsible for 40% of the costs for Animal Control, the County will be billed its share of \$3,200 of the \$8,000 requested.

At the request of Councilor Palochak, Mr. Strain explained the process of how Animal Control employees are dispatched to respond to emergency calls after hours and the types of emergency calls they respond to.

Councilor Palochak made the motion to approve the Animal Control budget increase of \$8,000 to the overtime line item from General Fund reserves. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

9. Approval of Resolution No. R2021-2; FYE 2021 Q2 Recap of Budget Adjustments and Report of Actuals – Patty Holland, Chief Financial Officer

Ms. Holland presented the proposed resolution which encompasses all budget changes processed October 1, 2020 through December 31, 2020. She provided an overview of certain budget revisions that were made during the quarter as well as the spreadsheets and reports that are prepared to comply with the requirements set forth by the New Mexico Department of Finance and Administration. She also provided an update to the recap report regarding funds received in the amount of \$887,000 for reimbursements under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Councilor Kumar made the motion to approve Resolution No. R2021-2, Fiscal Year Ending 2021, Quarter 2 Recap of Budget Adjustments and Report of Actuals. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Schaaf, Garcia and Mayor Bonaguidi all voted yes.

10. Extension of Closure of Indoor Recreation Facilities and Staff Furloughs – Maryann Ustick, City Manager

Ms. Ustick presented the request to extend the closure of indoor recreation facilities and staff furloughs through March 31, 2021. Gallup and McKinley County are still under the red level of the “Red to Green” Framework of the State’s Public Health Order, in which indoor recreational facilities must remain closed. Should Gallup and McKinley County reach green level status, the green level still does not allow the opening of indoor

MINUTES

Regular City Council Meeting – 1/26/2021

Page 7

recreation facilities or mass gatherings. Since the Governor does not have a plan past the Red to Green Framework, City staff believes there will be no chance to re-open indoor recreation facilities prior to April 1, 2021. Ms. Ustick also said the stimulus bill that was approved provides for \$300 extra per week in unemployment benefits through the end of March 2021, which will help furloughed employees.

Councilor Kumar made the motion to approve the extension of the closure of indoor recreation facilities and staff furloughs through March 31, 2021. Seconded by Councilor Palochak. Roll call: Councilor Kumar, Palochak, Garcia, Schaaf and Mayor Bonaguidi all voted yes.

Comments by Public on Non-Agenda Items

None.

Comments by Mayor and City Councilors

Councilor Palochak encouraged everyone to register with the New Mexico Department of Health to receive the COVID-19 vaccines. She also reminded everyone to wear their masks and to practice social distancing from one another. She encouraged everyone to support local businesses by shopping locally.

Councilor Garcia thanked Mr. Wheeler and his department for restoring electric service on the north side of Gallup last night. She also thanked City staff for their team work in getting the Lexington Hotel ready for the transitional housing program. She received her vaccination last Friday and commended the healthcare workers at RMCHCS College Clinic.

Councilor Kumar also asked everyone to register for the vaccine. He commended City workers for their efforts in removing snow from the roadways and working out in the cold.

Mayor Bonaguidi said he sees the optimism and enthusiasm growing in the community. He also encouraged everyone to wear their face masks in public and to register for the vaccinations. He would like to see restaurants re-open for indoor dining as soon as possible.

Comments by City Manager and City Attorney


Ms. Ustick encouraged everyone to drive home safe.

MINUTES

Regular City Council Meeting – 1/26/2021

Page 8

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



Louie Bonaguidi, Mayor



ATTEST:



Alfred Abeita II, City Clerk

Approved 2/9/2021