

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, February 26, 2019.

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
Curtis Hayes, City Attorney

Presented to the Mayor and Councilors for their approval were the Minutes of the Regular Meeting of February 12, 2019. Councilor Kumar made the motion to approve the aforementioned minutes. Seconded by Councilor Garcia. Roll call: Councilors Kumar, Garcia, Palochak and Mayor McKinney all voted yes. Councilor Landavazo abstained. Motion carried.

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

1. Appointments to the Business Improvement District (BID) Board – Mayor Jackie McKinney

Mayor McKinney presented the names of the following individuals that have been nominated for appointment to the BID Board by business and property owners of the BID: Archie Baca, Jr., Anna Biava, Louis Bonaguidi, Sammy Chioda, Steve Gurley, Mickey Menapace, Brett Newberry, James Rich and Bob Rosebrough. The recommendations for nomination, including the payment of assessments by the nominees, have been vetted by City staff. The nominees have been verified as property and/or business owners within the BID in good standing and are recommended for approval for appointment to the BID Board. Mayor McKinney also recommended the appointment of Ms. Ustick and Jon DeYoung as ex-officio, non-voting members of the board.

Councilors Palochak and Garcia commended the proposed appointees for their willingness to serve on the board. They expressed positive comments regarding the work that has been done by the BID and would like to see the BID's progress continue.

Councilor Landavazo made the motion to approve the appointments to the Business Improvement District Board as presented by the Mayor. Seconded by Councilor Palochak. Roll call: Councilors Landavazo, Palochak, Garcia, Kumar and Mayor McKinney all voted yes.

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2. Ordinance No. C2019-4; Traffic Education and Enforcement Fee Ordinance – Curtis Hayes, City Attorney

Mr. Hayes said in 2003, the City Council adopted an ordinance to impose a four-dollar fee to be charged in Municipal Court for violations of the Uniform Traffic Ordinance (UTO). Proceeds from the collection of the four-dollar fee is to be used for equipment and training for traffic safety and enforcement duties of the Gallup Police Department. While the fee has been collected since 2003, the original ordinance imposing the fee was never codified in the Gallup City Code. The 2003 ordinance also referred to the 1990 compilation of the UTO which is no longer in effect. By adopting Ordinance No. C2019-4, it would reinstate the four-dollar traffic education and enforcement fee and include the fee in three sections of the City Code with other fees to be collected by the Municipal Court.

Councilor Palochak asked about the collection of the traffic education and enforcement fee and if the fees were used for training police officers in their traffic enforcement duties. Discussion followed concerning the Police Department's training budget and the training opportunities that are available for police officers. Mr. Hayes pointed out that the fees may also be used for equipment for traffic safety and enforcement. As directed by the Mayor and Councilors, Ms. Ustick said City staff will track and provide the dollar amount of the traffic education and enforcement fees collected on an annual basis to the Council.

Councilor Palochak made the motion to adopt Ordinance No. C2019-4; Traffic Education and Enforcement Fee Ordinance. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

3. Resolution No. R2019-8; Investment Resolution – Patty Holland, Chief Financial Officer

Ms. Ustick provided the background information relative to the proposed resolution which authorizes the investment of the City's surplus pooled cash funds in accordance with the City's Finance Policy. The resolution specifically identifies the investment instruments that the City Manager and Chief Financial Officer will be permitted to use as well as the investment objectives and principles for investing public funds. At the next regular meeting, staff will present a list of local financial institutions that meet state statute requirements to be used as depositories of City funds in the process. A financial report will also be presented to the Mayor and Councilors every quarter regarding the status of the City's investments.

Ms. Holland said the City is able to take advantage of the current conditions in the market by moving forward with the provisions of the proposed resolution. She explained the

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proposed investment of the City's funds into money market funds with local banks and plans to work with a primary investor who will adhere to the investment objectives and principles as set forth in the proposed resolution. Ms. Holland also provided an overview of the process that has been established to track and reconcile the City's funds when the investments are made.

Councilor Landavazo asked if there were any stop-gaps in place to prevent the City's investors from taking advantage of the City and its funds. Ms. Holland said the City will not pay any fees to its investor since the investor will make money by the placement of securities that are listed and approved. Overall, the City's investor must adhere to all provisions of the City's requirements as City officials must use due diligence in carefully examining all recommendations made by the investor. Ms. Ustick said once the Mayor and Councilors approve the list of financial institutions that will be used in the process, a presentation will be made by the investor/advisor on the process before the Council.

Mayor McKinney spoke in favor of the proposed resolution since the investment process requires authorization from both of the City's agents and the resolution does not provide for the stock market to be used as an investment instrument.

Discussion followed regarding various regulations that are in place for investing public funds, including the auditing and stringent reporting requirements in the process.

Following discussion, Councilor Kumar made the motion to approve Resolution No. R2019-8; Investment Resolution. Seconded by Councilor Landavazo. Roll call: Councilors Kumar, Landavazo, Palochak, Garcia and Mayor McKinney all voted yes.

4. Approve Design Project to ESC Engineering in the Amount of \$250,300, Which Includes a 10% Contingency to the Budget for the Allison Substation Replacement Project – Eric Babcock, Interim Electric Director

Mr. Babcock recommended approval of the contract award to ESC Engineering, in the amount of \$250,300, for the design of the Allison Substation Replacement Project. He answered questions regarding the age of the substation, the condition of the equipment that is housed there, the amount of time it will take to construct the new substation and the reliability of the proposed substation. The project is estimated to cost about \$3.3 to \$3.6 million.

Councilor Kumar made the motion to approve the design project to ESC Engineering, in the amount of \$250,300, which includes a 10% contingency to the budget for the Allison Substation Replacement Project. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes.

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5. Request Budget Adjustment and Award Design Contract in the Amount of \$57,665.58 to Design Phase 2 of Downtown Alleyway Project – Eric Babcock, Interim Electric Director

Mr. Babcock recommended approval of the contract award to ESC Engineering, in the amount of \$57,665.58, for the design of Phase 2 of the Downtown Alleyway Project. He also requested a budget increase and expenditure of \$57,665.58 from Fund 507 for the design of Phase 2 of the project. He answered questions regarding the project to be designed for the underground installation of electrical lines in the alleyway from 2nd to 3rd Street south of Coal Avenue.

Councilor Palochak made the motion to approve the request for the budget adjustment and contract award in the amount of \$57,665.58 to design Phase 2 of the Downtown Alleyway Project. Seconded by Councilor Landavazo. Roll call: Councilors Palochak, Landavazo, Kumar, Garcia and Mayor McKinney all voted yes.

6. Amendment #3 to Design, Build, Operate (DBO) Contract with Jacobs for Operation of the City Wastewater Treatment Plant (WWTP) – Dennis Romero, Water and Sanitation Director

Mr. Romero presented the proposed amendment to the contract with Jacobs, formally CH2M Hill, for the operation of the WWTP. Amendment #3 provides for the following: 1) Annual Flow Adjustment per Appendix B of the contract; 2) Changing the contract year from calendar year basis to the City's fiscal year basis; 3) Removal of electrical utilities from pass through costs from the DBO contract in order for the City's Water and Sanitation Department to pay the City's electric utility directly for electrical usage at the WWTP; 4) Adjustment of the Repair and Replacement (R & R) Fund to replenish fund to the agreed upon amount of \$70,000 per year; and 5) Inclusion of an energy savings incentive to the DBO contract designed to lower electrical usage by the WWTP and to incentivize the contractor for savings. He asked the Mayor and Councilors to direct him to present his request to the Council for a budget adjustment, prior to April 30, 2019, for the purpose of adjusting the funding level of the Evoqua contract (for odor control services) at that time. Mr. Romero answered questions regarding the upgrades that have been done by Jacobs at the WWTP in accordance with the DBO contract and the improvements for the WWTP that have been completed or are currently pending at this time to address the odor issues.

Councilor Palochak made the motion to approve Amendment #3 to the Design, Build, and Operate Contract with Jacobs for the operation of the Wastewater Treatment Plant and for staff to bring back the budget adjustment for the Evoqua contract to the Council no later than April 30, 2019. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Kumar, Landavazo and Mayor McKinney all voted yes.

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7. Request for Budget Adjustment for Change Order No. 6 for Reach 27.7A and 27.13 Construction of the Navajo Gallup Water Supply Project – Dennis Romero, Water and Sanitation Director

Mr. Romero said the purpose of the change order is to install isolation valves at the interface of the existing City water system to allow for the isolation of the new Cresto II Booster Station without isolating the Cresto Tank, which feeds the entire hospital and medical corridor in the city. He asked for approval of the change order and a budget increase in the amount of \$23,258.14 with necessary budget adjustments in revenues and expenses in Fund 306.

Councilor Kumar made the motion to approve the request for a budget adjustment for Change Order No. 6 for Reach 27.7A and 27.13 Construction of the Navajo Gallup Water Supply Project in the amount of \$23,258.14. Seconded by Councilor Palochak. Roll call: Councilors Kumar, Palochak, Landavazo, Garcia and Mayor McKinney all voted yes.

8. Approval of Golf Course Drainage and Improvements for Murphy Builders in the Amount Of, But Not to Exceed \$224,000 – Matthew Alcala, Director of Golf

Mr. Alcala said the golf course experienced drainage issues at holes #4 and #5 during this past monsoon season. The excessive amount of water on the cart paths impedes the flow of play on the golf course as players have to be redirected through muddy areas on the golf course. Severe flooding also compromised the integrity of the cart path on hole #18 which damaged the embankment below the cart path. Under a contract through Cooperative Educational Services (CES), Murphy Builders, Inc. will be able to raise and widen the cart path on hole #18 and to improve the drainage areas to protect the course from a 10-year storm. Mr. Alcala answered questions regarding other drainage areas at the golf course. He also stated that if the drainage problem was fixed, it would solve many of the problems at the golf course.

Councilor Palochak asked about the improvements at the golf course when the Council allocated \$3.5 million for the improvements a few years ago. She expressed concerns with having to allocate additional funds for the golf course. Ms. Ustick said when the project was initiated, the costs were about \$2.5 million to replace the 40-year old irrigation system. During the process, the contractor advised of serious drainage and erosion problems at the golf course; therefore, a change order to the design contract was done to address the drainage issues. As a result, the project was not designed to withstand the type of storm that occurred last summer.

Discussion followed concerning the revenue generated at the golf course during the first three months after reopening the golf course last year; the goal of generating increasing

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revenues at the golf course and lowering the operating expenses at the course; the need to provide a good quality of life product to attract professionals to Gallup; and the City's need to protect its investment.

Councilor Landavazo made the motion to approve the golf course drainage and improvements for Murphy Builders in the amount of, but not to exceed \$224,000. Seconded by Councilor Kumar. Roll call: Councilors Landavazo, Kumar, Garcia, Palochak and Mayor McKinney all vote yes.

9. Approval of Lithium-Ion Golf Cart Lease from Club Car – Matthew Alcala, Director of Golf

Mr. Alcala presented the request to lease 80 lithium-ion golf carts from Club Car, LLC. The City's current lease for its fleet of 40 EZ-GO golf carts will expire on March 25, 2019. Mr. Alcala provided the benefits of leasing the lithium-ion golf carts, which include the 50% reduction in electrical use compared to the EZ-GO carts equipped with lead-acid batteries, the lithium-ion batteries do not require water and the new Club Car carts are equipped with cart control capabilities that can be programmed by golf course personnel.

Chris Piano, Pro Shop Manager, provided an overview of the Golfer Experience module that is available in the new Club Car carts, including the opportunity to sell advertising spots that would appear on the electronic screens in each golf cart. He answered questions regarding the geo-fencing features of the new Club Car carts.

Discussion followed concerning the number of carts that have been in operation at the golf course and the need to increase the number of carts to 80; the increased life expectancy of 10 years for the lithium-ion powered golf carts versus the current life expectancy of 4 years of the lead-acid battery carts; the other golf courses in the state with lithium-ion battery powered carts; the tracking of revenue generated at the golf course; the leasing details for the modules offered for the carts; the sale of advertising spots on the scorecards; and the potential for offering food and beverage service at the golf course.

Following discussion, Councilor Landavazo made the motion to approve the Lithium-Ion Golf Cart Lease from Club Car. Seconded by Councilor Kumar. Roll call: Councilors Landavazo, Kumar, Garcia, Palochak and Mayor McKinney all voted yes.

10. Approval of Purchasing Current EZ-GO Golf Carts – Matthew Alcala, Director of Golf

Mr. Alcala presented the proposed Golf Cart Purchase Agreement with Pinnacle Bank to

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purchase the City's existing EZ-GO golf carts, at fair market value, in the amount of \$24,000. The cost is based on purchasing 40 golf carts at \$600 per cart. The acquired golf carts will be used towards the trade-in value for leasing 80 lithium-ion carts from Club Car. The trade-in value for the EZ-GO golf carts is \$1,132 per golf cart, for a total of \$45,280 for the EZ-GO golf cart fleet.

Councilor Palochak made the motion to approve the purchase of the current EZ-GO golf carts. Seconded by Councilor Kumar. Roll call: Councilors Palochak, Kumar, Garcia, Landavazo and Mayor McKinney all voted yes.

Comments by Public on Non-Agenda Items

Scott Nydam, President of Silver Stallion Bicycle and Coffee Works, a non-profit organization, presented a proposal to begin a statewide National Interscholastic Cycling Association (NICA) league. He provided an overview of his bicycling experience as well as the work his organization did to acquire 25 mountain bicycles through a Riding for Focus Grant for implementing a NICA composite team in Gallup. Mayor McKinney welcomed a future opportunity to meet with Mr. Nydam and the City Manager to see what the City is able to do to assist Mr. Nydam and his endeavors to support the youth in the community.

Comments by Mayor and City Councilors

Councilor Palochak was pleased to be in attendance for the meeting since she has participated in previous meetings through Skype. She has been working at the New Mexico Legislature during the current 60-day session. Councilor Palochak said she has received phone calls about the number of potholes throughout the city and asked everyone to slow down and be patient as crews are addressing the problem.

Councilor Landavazo asked the citizens of the community to slow down. Crews are out working on potholes and asked everyone to be patient and careful when driving.

Councilor Kumar also asked everyone to slow down as the City's crews are working in the cold snowy weather to maintain things throughout the city. Councilor Kumar was receptive to the information presented by Mr. Nydam and would like to know what Mr. Nydam needs for the program. Councilor Kumar said Gallup/McKinley County Day at the Legislature was a success and he thanked everyone for their help with the event.

Councilor Garcia said she also received complaints about the potholes and stressed to everyone that it takes time for the streets to dry out in order for crews to repair the potholes. She reminded everyone that Maloney Avenue, Highway 66 and Second Street are State roadways; however, City crews are working on the pothole situation as quickly

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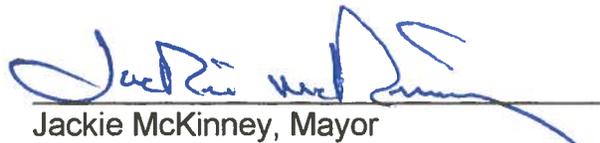
as they can. Councilor Garcia will hold a Neighborhood Meeting on Thursday, February 28, 2019 at 6:30 p.m. at the Gallup Senior Center.

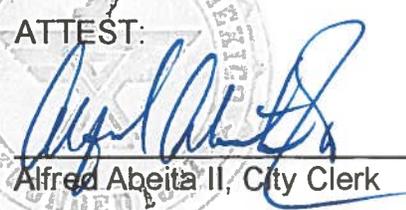
Mayor McKinney reminded everyone that if they see standing water to drive through it very slowly since potentially there is a pothole under the water. Based on the information he received from Ms. Ustick and Stan Henderson, Public Works Director, the City's priority for repairing potholes are the high traffic roads and the emergency snow routes. Mayor McKinney said the temperature needs to exceed 40 degrees in order for the mixed-fill to stay set in the potholes as excessive water will create additional potholes. He also provided an overview on Gallup/McKinley County Day and the meetings he attended during the current Legislative Session in Santa Fe. He also encouraged everyone to contact their legislators if they have an issue with any legislative bill. Mayor McKinney also commended City staff for the work they do.

Comments by City Manager and City Attorney

Ms. Ustick reported on the information she received from Senator Tom Udall's office regarding the appropriations bill for the Department of the Interior. She said the bill contains funding for social detox for Gallup.

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


Jackie McKinney, Mayor


ATTEST:

Alfred Abeita II, City Clerk

Approved 3/12/2019