

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, May 24, 2022.

The meeting was called to order by Mayor Bonaguidi.

Upon roll call, the following were present:

Mayor: Louie Bonaguidi

**Councilors: Linda Garcia
Michael Schaaf
Sarah Piano
Fran Palochak**

**Also present: Maryann Ustick, City Manager
Lynn Isaacson, Attorney**

Presented to the Mayor and Councilors was the following Presentation Information Item:

- 1. Gallup New Deal Art Virtual Museum Prototype – Rose Eason, GallupARTS Executive Director**

Ms. Eason provided information regarding the project's origins of Gallup/McKinley County's collection of over 156 pieces of New Deal Art, however the pieces are housed in multiple locations, therefore underutilized. Ms. Eason said GallupARTS' staff have been working on the virtual museum since they received a grant in the amount \$30,000 from the National Endowment (NEH) to research and plan at which point the plan was submitted to the NEH and an additional \$100,000 to create the prototype. Due to technical difficulties, Ms. Eason offered one-on-one tours of the site with Mayor and Council and explained the site's purpose, design, functionality and aesthetics. She detailed the submission of an application to the NEH which is due June 8th for a grant in the amount of \$400,000. to build and market the virtual museum, highlighted the attention already received and thanked the City for their support.

Ms. Eason answered questions posed by the Mayor and Councilors regarding the New Deal Art, marketing the website, collaboration with Jennifer Lazarz, Marketing and Tourism Manager and her desire to use QR codes in the future.

Presented to the Mayor and Councilors were the following Consent Agenda Items:

- 1. Approval of Minutes from the Regular Meeting on May 10, 2022**
- 2. Appointment of Joseph Sanchez and Councilor Linda Garcia to the Business Improvement District (BID) Board**
- 3. Animal Control Budget Adjustment for Overtime and Fuel**

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- 4. Clean and Lien Budget Adjustment**
- 5. Planning & Development Budget Adjustment to Cover Geotechnical Services for the Alpine Property**
- 6. Award of Contract to Bohannon Huston for Professional Services to Update the City of Gallup Transportation Master Plan**
- 7. Approval of Resolution No. R2022-17 to Allow for Application to the NMDOT Transportation Project Fund for Phase III & IV of the Nizhoni Blvd. Reconstruction Project**
- 8. Award of Contract to Hinkle-Landers for Annual Financial Audit**
- 9. Budget Adjustment for the US Department of the Interior (DOI) Bureau of Reclamation (USBR) WaterSmart Grant Award**
- 10. Budget Adjustment to Project No. JU4966 in the Amount of \$200,000**
- 11. Approval of Utility Easement**
- 12. Capital Projects Budget Transfers for Vehicle Purchases**

Councilor Schaaf requested the removal of Item 2 from the Consent Agenda to discuss separately.

Councilor Piano requested the removal of Item 4 from the Consent Agenda to discuss separately.

Councilor Schaaf made the motion to approve Items 1,3 and 5-12 of the Consent Agenda. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.

- 2. Appointment of Joseph Sanchez and Linda Garcia to the Business Improvement District (BID) Board – Mayor Bonaguidi**

Councilor Schaaf made the motion to table the item due to the recent passing of Mr. Sanchez's son. Seconded by Councilor Piano. Roll call: Councilors Schaaf, Piano, Garcia, Palochak and Mayor Bonaguidi all voted yes.

- 4. Clean and Lien Budget Adjustment – C.B. Strain, Planning and Development Director**

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Mr. Strain provided information regarding the total number and cost of encampment clean-ups this fiscal year, increased dumping fees, standard operating procedures and collaborative efforts with Behavioral Health Investment Zone Staff and the Gallup Police Department.

The Mayor and Councilors thanked Mr. Strain and staff for their efforts.

Councilor Palochak made the motion to approve the Clean and Lien Budget Adjustment in the amount of \$25,000, as presented. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Piano, Garcia and Mayor Bonaguidi all voted yes.

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

- 1. Approval of Resolution No. R2022-13; Declaring a Housing Emergency in the City of Gallup and Urging Support to Address this Emergency – Maryann Ustick, City Manager**

Ms. Ustick provided a brief introduction with regard to the Housing Summit held on April 29th and 30th to address the ongoing housing crisis, which resulted in the recommendation to declare a housing emergency in the city, as well as the County. The resolution urges federal and state agency partners to invest and address all levels of housing. Ms. Ustick also mentioned the Housing Marketing Analysis previously conducted indicating extreme discrepancies.

Jason Valentine expressed the severity of the situation and referenced the adoption of Resolution No. R2020-15 and the Comprehensive Housing Analysis highlighting housing availability, housing choice, the economic impact and building permit activity.

Discussion followed regarding the Business Improvement District's support of the resolution, housing limitations across all spectrums including buying, renting and low-income housing and the necessary steps to improve the housing issues.

Councilor Palochak made the motion to approve Resolution No. R2022-13. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Garcia, Piano, Schaaf and Mayor Bonaguidi all voted yes.

- 2. Approval of Interstate Passenger Air Service Agreement Between the City of Gallup Advanced Air – Maryann Ustick, City Manager**

Ms. Ustick said the City was the first to receive the Rural Air Service Enhancement Grant Program in the amount of \$3.5 million from the State and a \$350,000 match over two years and accredited Advanced Air's proposal which was reviewed and approved by the State Aviation Division. Ms. Ustick thanked Mr. Isaacson for his assistance

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in negotiating the contract with Advanced Air as well as liabilities. She noted the contract is in compliance with the requirements of the RACE program.

Barbara Hunt, Advanced Air, expressed her excitement to provide air service in the city and answered questions posed by Mayor and Council regarding ticket sales.

Discussion followed regarding continued air service after the two-year grant terms, the importance of the airport's self-sustainment and reasonably priced flights.

Councilor Schaaf made the motion to approve the Interstate Passenger Air Service Agreement with Advanced Air in the amount of \$3,850,000 for two years. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Garcia, Piano and Mayor Bonaguidi all voted yes.

3. Approval of a Downtown Summer Fun Series – Jennifer Lazarz, Tourism and Marketing Manager, Jude Candelaria and Anthony Rosales

Ms. Lazarz stated the Nightly Indian Dances will be held at the Cultural Center this summer but will go back to Court House Square next summer. In an effort to establish new events and draw people downtown, Ms. Lazarz proposed the Downtown Summer Fun Series that would include Family Fun Nights, Scootin' Under the Stars and a series of live music theme nights. She introduced Jude Candelaria, of Zia Sound, who will contract all musical performances as well as sound for the events. Anthony Rosales of Wowies will provide equipment and certain lighting. The proposed budget for the events is as follows, totaling \$50,000:

- Production Fees: \$23,550
- Artist Booking: \$22,000
- Artist Hospitality: \$2,450
- Event Incidentals: \$2,000

Mr. Candelaria provided information regarding his experience with similar events and program objectives, including youth focused performances and audio camps, family orientated activities, Latin based performers, drum circles and line dancing, which are all free to the public.

Discussion followed regarding the age ranges of the events, concerns with timing of the events as it correlates to working parents, potential scheduling conflicts at the Court House Square, ways to encourage patronage at local restaurants, security services at the events, the use of lodger's tax funding, tracking the number of attendees, hosting first responder booths and the event permit process.

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Councilor Palochak requested an RFP for Native Dancers at Court House Square at least three times a week next summer and stressed the importance of sustaining Native American culture and intent of Court House Square.

Councilor Piano agreed with Councilor Palochak. She acknowledged the events are separate and requested promotion of the events at local hotels to encourage tourists to attend the events.

Councilor Palochak made the motion to approve the Downtown Summer Fun Series. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Piano, Schaaf and Mayor Bonaguidi all voted yes.

**4. Request for a Special Dispenser's Permit for the Levitt AMP Gallup Music Series
– Michael Bulloch, GMACD Interim Executive Director**

Mr. Bulloch thanked the Mayor and Councilors and requested approval of a Special Dispensers Permit for a Beer Garden at the Levitt Amp Gallup Music Series for 7 of the 8 concerts, excluding May 28, 2022 and including June 4th, 18th and 25th and July 2nd, 9th, 16th and 23rd, which was approved by the State of New Mexico and will be provided by Marie Chioda, of Sammy C's and Rocket Café. Mr. Bullock provided information regarding a rap artist scheduled for the event to eliminate any potential concerns.

Discussion followed regarding the specifications of the area reserved for the beer garden, exclusion of the tent due to budgeting purposes, on-site security, removal of the May 28th concert, clarification in grant funding received in the amount \$25,000, the \$25,000 received from lodger's tax and the total budget amount estimated at \$75,000. including in-kind services.

Councilor Piano made the motion to approve the Special Dispenser's Permit. Seconded by Councilor Palochak. Roll call: Councilors Piano, Palochak, Schaaf and Mayor Bonaguidi voted yes. Councilor Garcia voted no. Motion carried.

5. 3rd Amendment to the Purchase Power Agreement Between CDEC and the City of Gallup – John Wheeler, Electric Director

Mr. Wheeler explained the amendment to the contract with Continental Divide Electric Cooperative (CDEC) which will allow the City to accept supplemental power from Contract No. 22-SLC-1099 and was previously approved by Council. The supplemental power is being provided under special contract by the Bureau of Reclamation (BOR) and the Western Area Power Administration (WAPA) from a special allocation of power from the Colorado River Storage Projects (CRSP) which are managed by the Salt Lake

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City Area Integrated Projects (SLCAIP). This special allocation will provide electric power and energy to the City's water system during the interim period Navajo Gallup Water Supply Project (NGWSP) will not supply water through the project system for a period of years. This special allocation is in the amount of 2,000 kwh per month with an attendant 1,250,000 kWh per month. The average cost of this power is \$0.0207 per kWh. This special allocation is afforded the City as part of a special reservation of CRSP power for the NGWSP. As incentive for CDEC to allow the reduction to their power supply contract, through the scheduling of this supplemental power supply, the City will reimburse CDEC at the rate of \$2,500. per month. Mr. Wheeler provided the fiscal impact to the City and recommended approval of the agreement.

Discussion followed regarding the monthly payments to CDEC for 3 years and the overall net savings.

Councilor Schaaf made the motion to approve the 3rd Amendment to the Purchase Power Agreement between CDEC and the City of Gallup. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.

6. CDEC/City of Gallup Settlement Agreement – John Wheeler, Electric Director

Mr. Wheeler presented the Settlement Agreement as a result of a declaration of default on the part of CDEC, resulting in litigation being filed against the City, which resulted in mediated settlement agreement. This settlement absolves CDEC of wrong doing on its part for mismanaging the forecasting and scheduling of the power to be sold to the City, causing the City to purchase more power than it could use which forced it to sell the overage to PNM at a lower price than what it paid CDEC. The settlement allows for a partial reimbursement of power cost to the City in the amount of \$355,000. Mr. Wheeler provided the fiscal impact and requested approval.

Brief discussion followed regarding the reimbursement and fund it will go into, the future scheduling of power and the number of days in advance power is scheduled.

Councilor Garcia made the motion to approve the CDEC Settlement Agreement. Seconded by Councilor Piano. Roll call: Councilors Garcia, Piano, Schaaf, Palochak and Mayor Bonaguidi all voted yes.

7. Ordinance No. C2022-3; Electric Rate Increase – John Wheeler, Electric Director

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Mr. Wheeler presented proposed Ordinance C2022-3 Electric Rate Increase to be in effect with billings to customers after July 1, 2022 and will provide for an increase in rate of 1.89% to all customers of the Electric Department except those customers under approved contracts for service. Mr. Wheeler provided electrical use and increases in dollar amounts for a number of bills, including his own which was 1,100 kWh per month resulting in an increase of \$3.12 per bill. Mr. Wheeler provided the fiscal impact for FY 2023 and recommended approval of the ordinance.

Discussion followed regarding the CPI and exceptional management of the Electric Department allowing for the increase in the cost of power alone and clarification in fiscal years included.

Councilor Schaaf made the motion to approve Ordinance No. C2022-3. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Garcia, Piano and Mayor Bonaguidi all voted yes.

8. Ordinance No. C2022-2; Water Increase – Tim Bodell, Water and Wastewater Director

Mr. Bodell presented proposed Ordinance No. C2022-2 referencing a Special Meeting held April 26th to discuss the financial state of the Water Enterprise Fund. The City's advisors from RBC presented a financial analysis of the Water Enterprise Fund and based upon the information, Council considered adjusting water utility rates. Mr. Bodell explained a 22.5% across the board increase in wastewater utility rates to increase cash flow to support a minimum cash balance of 180 day's cash-on-hand requirement and operational needs. The ordinance presents a proposed increase of 22.5% to current rates for FY 2023 followed by a 22.5% increase in FY 2024 and a 5% increase in FY 2025 and projects achieving the target of 180 days of cash-on-hand in FY 25 or FY 26. He further explained the situation the City is in using an average residential rate of \$30, the distribution of water and the complex process for which water is brought to the surface for usage. He stressed the significance of these increases to be fiscally responsible and a better return on investment.

Councilor Palochak stated she has thought about this since the Work Session, has spoken to constituents and understands the difficulty it is to take this increase on however, Councilors before did not implement necessary increases. Therefore, in looking out for the community's best interest, the rate increase must be done now to ensure the City has water in the future and fiscal responsibility.

Councilor Schaaf echoed Councilor Palochak's comments and expressed concerns for those on a fixed income.

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Councilor Garcia said she was in agreement with the increase but after speaking with citizens in her district who cannot afford the rate increase, she can no longer support it and encouraged finding an alternative. She also said if the rate increase is approved, the City will work with customers on a payment plan and the availability of State funding for seniors.

Councilor Piano said she is not against the increase but is against the significant amount of the increase and questioned when the last increase was implemented.

Mayor Bonaguidi commented on increased expenses, the condition of the City's waterlines consequently increasing the amount of time and money being spent to make repairs, the importance of maintaining what is needed for the community and having the money to do so, in addition to the City's bonding capacity.

Councilor Piano made a motion to table the item to allow more time for review and to gather public input. Seconded by Councilor Garcia. Roll call: Councilors Piano, Garcia and Schaaf voted yes. Councilor Palochak and Mayor Bonaguidi voted no. Motion carried.

9. Public Hearing: Proclamation Declaring Extreme Drought Conditions, Restricting Fireworks – Jesus "Chuy" Morales, Fire Chief

Chief Morales said the State is currently facing many large devastating fires, some of the largest in history, and the risk they pose especially during extreme drought conditions and persistent winds. He explained the City's large areas of natural vegetation encompassing a number of residential areas creating major concerns for brush fires moving towards homes. Chief Morales provided information brought by the US Drought Monitor published by the National Weather Service forecasting severe or extreme drought conditions for our city and county. He explained approval of the proclamation will allow the governing body to restrict the sale and use of certain fireworks and would be in effect for 30 days, however due to timing regulations with regard to the sale of fireworks an extension might be necessary to cover through July 4th. In addition, Chief Morales requested a waiver of the \$15.00 permit fee to discharge fireworks and said Fire Department Staff will be on patrol and on standby on July 4th to ensure safety.

Discussion followed regarding the restriction of aerial fireworks and the specific fireworks listed in the proclamation and the potential to restrict all aerial fireworks by Ordinance, the efforts to stay in line with the County regulations, the sales start date of June 20, 2022 and the total number of fireworks stands in the city.

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Councilor Piano encouraged everyone to be safe when lighting fireworks, including legal fireworks which have proven to be dangerous.

Councilor Palochak made the motion to approve the Proclamation and waiver of the discharge permit fee. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Piano and Mayor Bonaguidi all voted yes.

Comments by Public on Non-Agenda Items

Joanne Benenati referenced a meeting in October 2021 and requested an update on the potential of implementing Rank Choice Voting at the next Regular Election.

Comment by Mayor and City Councilors

Councilor Garcia acknowledged an in-house event Fire Department staff recently held to recognize certain staff members. She thanked the Mayor and Councilors for their support of the Police Memorial and thanked Captain Pablo and the entire Police Department for their service. She reminded and encouraged everyone to vote and sent condolences to those effected by the recent school shooting in Uvalde, Texas.

Councilor Piano also urged everyone to vote early and thanked everyone in attendance.

Councilor Palochak commended the Police Department for their meticulous planning of the Fallen Officer Memorial. She thanked all first responders for their service and reminded everyone of the upcoming Memorial Day service on Monday at 11:00 a.m. at the Court House Square. She also encouraged everyone to attend a meeting on May 31st at 1:00 p.m. at the UNM Student's Center where Senator Ben Ray Lujan will be discussing the possible closure of the Veterans Clinic, the importance of health care for veterans and the dire need of quality health care in the community.

Councilor Schaaf thanked Ben Welch, Community Events Coordinator, for his invitation to participate in the Run for Wall event. He also congratulated all the 2022 graduates and mentioned his attendance at the Police Memorial. He announced the start of the City-wide Clean-up on June 4th 2022 and thanked Solid Waste Department staff for taking care of an issue located at the Dollar Store on the east side.

Mayor Bonaguidi commented on all the recent events in the city, especially the Memorial for Fallen Officers.

Comments by City Manager and City Attorney

Ms. Ustick also recognized the Police Department's Memorial Service and thanked everyone who was involved in the event, especially Officer Nicola Martinez and the Mayor and Councilors who all contributed discretionary funds.

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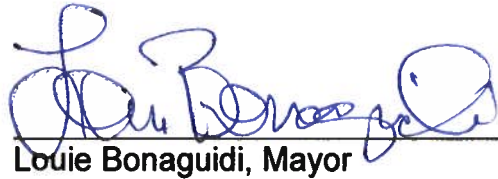
Mr. Isaacson said he's worked with Gallup Police Officers for the past 27 years and acknowledged them as some of the best officers working for their community.

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



ATTEST:


Alicia Palacios, Deputy City Clerk


Louie Bonaguidi, Mayor