

**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, June 28, 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, Acting City Attorney**

**Tim Bodell, Water and Wastewater Director and Kurt Spolar, DePauli Engineering, presented information regarding the Navajo Gallup Water Supply Project (NGWSP). Mr. Bodell extended accolades to the Mayor, Councilors and management on behalf of the Bureau of Reclamation for staying on schedule and on budget despite obstacles.**

**Mr. Spolar provided information regarding the project's conception and intended timeline. He explained the two consisting laterals, including the Cutter Lateral and the San Juan Lateral; highlighting legislative changes, causes of delays for completion of the project, the importance of cost management, federal appropriation increases, project extension and increasing allocated cost of the project. Mr. Spolar said the legislative changes would provide a cap of \$76 million, provide \$15 million for water wells, the addition of pumping plant #8 and hydrogenation as well as consideration of a 10-year waiver for operation and maintenance by the federal government. Other benefits include a water blending study, WAPA power rates and the required regional policy on water delivery to consecutive systems in the city, county and Navajo communities. Mr. Spolar suggested a work session to discuss the acquisition of water from outside the city to citizens and provided options including the drilling of a well, becoming a registered water system or annexation into the city. Lastly, he provided a status of scheduling and provided a map of the Gallup Rural Navajo Water Supply Project depicting a timeline of the project.**

**Discussion followed regarding the number of chapter houses receiving water, the five-meter delivery meter points, the complexity of the project, a work session to provide a more in-depth discussion and understanding, the Mayor's attendance to the Cutter Lateral dedication and the extensiveness of the projects.**

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

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- 1. Approval of Minutes of the Regular Meeting on June 14, 2022**
- 2. Approval of Budget Adjustment for FY23 Tourism Cooperative Marketing Grant**
- 3. Budget Adjustment for Projects Related to SCADA**
- 4. Budget Adjustment for Purchases for Resale**
- 5. Gallup Christian Center, Inc. Requested Easement**
- 6. Plaza Street Partners, LLC Request for a Utility Easement**
- 7. Approval of Forecasting Contract with Enchantment Energy Consulting, LLC**
- 8. Warehouse Budget Adjustment for Salaries, Overtime and Allowances**
- 9. Appointment of Joseph Sanchez and Councilor Linda Garcia to the Business Improvement District (BID) Board**
- 10. Approval of Professional Services Agreement with Fleisher Consulting, LLC**
- 11. Resolution No. R2022-21; East Nizhoni Boulevard Reconstruction Project Municipal Arterial Program (MAP) Cooperative Agreement Acceptance and Approval**
- 12. Approval of FY23 Agreement and Budget Adjustment of the First Responders Comprehensive Addiction Recovery Act Grant (FR-CARA)**
- 13. Approval of Contract for the Law Enforcement Assisted Diversion (LEAD) Grant**

**Councilor Piano requested the removal of Items 4 and 9 from the Consent Agenda to discuss independently.**

**Councilor Schaaf made the motion to approve items 1 through 3, 5 through 8 and 10 through 13. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.**

- 4. Budget Adjustment for Purchases for Resale – John Wheeler, Electric Department Director**

**Mr. Wheeler explained the drought in the Colorado Basin requires the Western Area Power Administration (WAPA) to reduce the allowable amount of power under the**

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normal contract to 56%, which then has to be purchased from Continental Divide Electric Cooperative (CDEC) at a higher price and recommended the adjustment to fund the additional amount.

Discussion followed regarding billing practices by WAPA, the expense per kWh, discussions regarding a more accurate amount for purchase power and guaranteed power from the Bureau of Reclamation Allocation of Colorado River Storage Project until the Navajo Gallup Water Supply Project provides water. He also highlighted the Bureau of Reclamation and WAPA's contract terms.

Councilor Palochak made the motion to approve the budget adjustment for purchase of resale. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Piano, Schaaf and Mayor Bonaguidi all voted yes.

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

Francis Bee, BID Executive Director answered questions posed by Council, the potential to appoint Councilor Garcia as an ex-officio member, appointing voting members who participate in paying the assessment and an additional vacancy with consideration to the appointment of Councilor Garcia and Mr. Sanchez.

Councilor Schaaf made the motion to approve the appointments, as originally presented. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano and Mayor Bonaguidi vote yes. Councilor Garcia abstained. Motion carried.

Presented to the Mayor and Councilors were the following Discussion Action Items:

### **1. Resolution No. R2022-22; Adoption of the Alpine Lumber Company Site Redevelopment Plan – Nikki Lee, Planning Manager**

Ms. Lee stated the Gallup City Council previously accepted Legislative Appropriation Number 21-ZF9136 in the amount of \$75,000. to develop an Alpine Lumber Company Site Redevelopment Plan for the reuse of the property. She explained the Requests for Proposals (RFP's) solicited and after a thorough review, based on the criteria developed and included in RFP No. 2021/2022/03/ on January 3, 2022, the evaluation committee selected Sites Southwest and awarded the project at the Regular Meeting on January 11, 2022. Sites Southwest has completed the project and a final draft document was presented for review and adoption.

Phillis Taylor of Sites Southwest presented a detailed PowerPoint presentation comprised of their planning process and workshops. She explained Scenario 1, *The*

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*Yard @ Route 66*, focused on entertainment and activities and Scenario 2, *Mixed Use Incubator*, focused on arts. She provided key assumptions of development costs, debt services and potential revenues for each scenario. Ms. Taylor also explained how each scenario met most of the set criteria, issues that would need to be resolved prior to development, highlighted key issues to consider and provided their recommendations of the plan.

Mark Lautman of CELab, explained additional challenges with regard to the location such as risk to the developer, road safety improvements, feasibility uses, site readiness and the final location of the library. Ms. Taylor and Mr. Lautman agreed that the City's economic and art organizations are some of the strongest in the state making the project more feasible.

Discussion followed regarding alternative uses for railroad cars, housing potential, zoning type, past quiet zone discussions, daily trains and length of time railroad crossings close and consideration to weather.

Councilor Garcia made the motion to approve Resolution No. R2022-22. Seconded by Councilor Schaaf. Roll call: Councilors Garcia, Schaaf, Palochak, Piano and Mayor Bonaguidi all voted yes.

2. Resolution No. R2022-19; Reimbursement Resolution for Effluent Line – Patty Holland, Chief Financial Officer

Chris Muirhead, Modrall Sperling Law Firm, presented the proposed resolution related to tax exempt financing as a municipal government and the IRS's requirements of official action, designating intentions of future financing reimbursement as previously approved through the New Mexico Finance Authority for water improvements. Mr. Muirhead explained the resolution as a procedural step to protect the City and allow reimbursement of money expended after closure of the loan.

Discussion followed regarding contract terms, temporary effluent line costs and the City's capacity to obligate or contract the project's design and engineering services.

Councilor Schaaf made the motion to approve Resolution No. R2022-19. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.

3. Approval of Northwest New Mexico Council of Governments (NWNMCOG) Membership Agreement – Maryann Ustick, City Manager, Evan Williams and Brandon Howe, Council of Governments

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**Ms. Ustick provided a brief introduction regarding the services provided, highlighted an annual increase of 2.5% in the agreement and recommended approval.**

**Angelina Grey, Council of Government's Planner, presented a PowerPoint presentation comprised of the organizational structure, staff members, the Annual Work Program including their mission, member dues and service policy; including the increase from \$65,000. to \$66,625 per year. Ms. Grey provided a detailed work program, explained how staff plans and tracks projects, clarified a correction in total secured funding in the amount of \$10,440,000 and return on investment.**

**Councilor Palochak commended staff on the substantial amount of assistance provided and their informative website.**

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

- 4. Request for Street and Parking Lot Closures and Request for Special Dispenser's Permit for the Annual Route 66 Freedom Festival & Classic Auto Show – Francis Bee, BID Executive Director**

**Mr. Bee presented various maps of the proposed street closures including; Aztec Ave, between 2<sup>nd</sup> and 3<sup>rd</sup> Street from 10:00 am to 11:00 pm; 3<sup>rd</sup> and 8<sup>th</sup> Street from around 6:00 pm to 9:00 pm, while the motorcycles go through their procession. He stated the event will be the same as in previous years with the exception of the hot air balloons.**

**Discussion followed regarding the logistics of the beer garden hosted by Sammy C and Marie Chioda, hours of operation from 3:00 pm to 11:00 pm and substitution of hot air balloon fire with automotive headlights for the procession.**

**Councilor Palochak made a motion to approve the street and parking closure and the special dispensers permit for the Annual Route 66 Freedom Festival. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Garcia, Piano and Mayor Bonaguidi all voted yes.**

- 5. Approval of Annual Chamber of Commerce Contract for Tourism Related Services – Jennifer Lazarz, Tourism and Marketing Manager and Bill Lee, Chamber of Commerce Executive Director**

**Ms. Lazarz provided a brief introduction and the services provided to the City by the Chamber including the Visitor's Center, Visitor's Guide production and advertising**

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services. She stated this year's contract is \$5,000 more than last year to acquire more Visitor's Guides.

Mr. Lee provided a transaction detail report, including \$15,000 for marketing expenses and explained how advertising is obtained on behalf of the City. He also provided information regarding the Visitor's Center, tracking of visitors, effects of COVID restrictions and the total number of visitor guides printed.

Discussion followed regarding future discussions regarding the Nightly Indian Dances, improved preparation when providing packets to organizations in the future, distribution of the visitor's guide in local hotels and complications they have experienced in doing so, future implementation of kiosks, traffic at local Welcome Centers and improved collaborative efforts between the Chamber, the BID, the Tourism Department and the Gallup Express on events in the city.

Councilor Schaaf made the motion to approve the annual Chamber of Commerce contract for tourism related services. Seconded by Councilor Palochak. Roll call: Councilors Schaaf, Palochak, Piano, Garcia and Mayor Bonaguidi all voted yes.

Ms. Lazarz noted a typo in the original contract, however it was amended and the amount included in the public copy is correct.

### **6. Approval of Contract with SWIF for Gallup Cultural Center Services – Jennifer Lazarz and Jeremy Boucher**

Ms. Lazarz presented the proposed contract for tourism related services at the Gallup Cultural Center including live demonstrations, efforts uniting facility wide attractions/events, museum curation and exhibit expansion, youth programming and group tour programming; noting the contract includes downtown summer dances 3 times per week for July 2022 and plans for an RFP and approval by the City Council for 2023.

Brief discussion followed regarding work completed at the facility thus far and appreciation for the recent tour of the facility provided by Mr. Boucher.

Councilor Palochak made the motion to approve the contract with SWIF for Gallup Cultural Center Services. Seconded by Councilor Schaaf. Roll call: Councilors Palochak, Schaaf, Piano, Garcia and Mayor Bonaguidi all voted yes.

### **7. Approval Agreement with NCI for Detox Administrative and Operation and Budget Adjustment – Debra Martinez, Behavioral Health Manager**

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**Ms. Martinez presented the 6-month contract in the amount of \$420,000 for administration costs and the operation of the Protective Custody component.**

**Discussion followed regarding delays in meeting with the McKinley County Commission regarding Liquor Excise Tax distribution for FY2023, therefore funding would need to be transferred from the General Fund pending that approval. Ms. Ustick explained the 6-month terms of the contract for the purpose of allowing adequate time for the RFP process and the availability of funding within the General Fund as well as future negotiations.**

**Councilor Palochak made the motion to approve the agreement with NCI, as presented. Seconded by Councilor Garcia. Roll call: Councilors Palochak, Garcia, Piano, Schaaf and Mayor Bonaguidi all voted yes.**

### **8. Award of Contract for the FBO (Fixed Based Operator) for the City of Gallup Airport – Robert Hamblen, Public Works Director**

**Mr. Hamblen requested approval of the award for the FBO (Fixed Base Operator) Contract for the Gallup Municipal Airport to KT Aero. He also recommended to authorize the City Manager to execute the contract for 8 years, commencing August 1, 2022 through July 31, 2030. He provided information regarding the proposal submitted, explained the RFP process and the committee's decision to award the contract to KT Aero based on the provided information and required qualifications.**

**Discussion followed regarding additional airports KT Aero provides service for, the business' main location, KT Aero's plans of employing local people, the agreement with Orville Wiseman to extend the current contract to August 1<sup>st</sup> and revenue collected through sales and maintenance with no cost to the City.**

**Councilor Garcia made a motion to approve the award of the FBO contract to KT Aero. Seconded by Councilor Piano. Roll call: Councilors Garcia, Piano, Schaaf, Palochak and Mayor Bonaguidi all voted yes.**

### **Comments by the Public on Non-Agenda Items**

**Nicole Walker said her daughter recently passed away and explained her initiative to bring awareness to the opioid epidemic by walking from her Chapter to Santa Fe on Mother's Day 2023, a request for the City's support of her initiative and her hopes for a two-story Indian Center.**

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### **Comments by Mayor and Councilors**

Councilor Palochak thanked the U.S. Congress for addressing concerns and ensuring the local Veterans clinic will remain open. She encouraged everyone to speak up against matters that affect them and she shared her positive experiences at the Best of the Best of Rodeo and a tour of the cultural center.

Councilor Schaaf echoed Councilor Palochak's sentiments regarding Best of the Best Rodeo. He thanked City staff who helped organize the event especially Vince Alonzo, Parks and Recreation Director. He also announced a Gallup McKinley County School Board Meeting on June 29, 2022 at 10:00 a.m. at the Student Center concerning redistricting and he thanked all City staff for all they do.

Councilor Garcia expressed appreciation to Mr. Alonzo, Ben Welch Community Services Coordinator and the Gallup Police Department for their efforts at the Best of the Best Rodeo and encouraged everyone to attend the event next year. She also mentioned her attendance at the Spanish Market at the Cathedral Church, the Gallup Lions Club Car Show and the tour of the cultural center. Councilor Garcia said to be observant of transient camps in the city.

Councilor Piano announced events such as Wild Thing Championship Bull Riding July 8<sup>th</sup> and 9<sup>th</sup>, the Chamber of Commerce Business Expo on July 16<sup>th</sup> and youth camps at the Fox Run Golf Course.

Mayor Bonaguidi noted a recent trip to Cutter Lateral, the privilege of providing the welcome address at the Best of the Best Rodeo and he thanked Mr. Alonzo for ensuring there were no issues at the event. He also mentioned a Veterans meeting he and David Cuellar attended with Senator Martin Heinrich, Representative Teresa Leger-Fernandez, representatives from Senator Ben Ray Lujan's office and Mr. McDonough to guarantee prioritization of local veterans' needs. The Mayor highlighted the number of events that are taking place in the city. He also invited Ms. Walker to come to his office to work on the wording of the requested resolution.

### **Comments by the City Manager and City Attorney**

Ms. Ustick highlighted a press release regarding the number of July events and a release notifying the public that there will not be fireworks display this 4<sup>th</sup> of July due to staffing shortages and a lack of certified pyrotechnics.



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



**ATTEST:**

  
Alicia Palacios, Deputy City Clerk

  
Louie Bonaguidi, Mayor