

Minutes of the Work Session of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 6:00 P.M. on Thursday, March 11, 2010.

The meeting was called to order by Mayor Harry Mendoza.

At such meeting, the following were present, constituting a quorum:

Mayor:	Harry Mendoza
Councilors:	Mike Enfield Allan Landavazo E. Bryan Wall
Arrived late:	John J. Azua, Councilor
Also present:	R. David Pederson, Acting City Manager/ City Attorney

Presented to the Mayor and Councilors were the following discussion items:

1. Recognition of Newberry & Associates, El Rancho Hotel and Southwest Indian Foundation for Becoming Friends of the Business Improvement District (BID) – R. David Pederson, Acting City Manager/City Attorney

Mr. Pederson said this item was placed on the Agenda prematurely as the agreements with all of the three aforementioned entities have not been executed. He said it is anticipated that the entities will execute the agreements in the near future.

2. Presentation by the Gallup Community Pantry – Jim Harlin, Director

Mr. Harlin provided an overview of the six programs provided by the Community Pantry including, Free Produce, The Emergency Food Box, Food For Kids, The Emergency Food Assistance Program, The Agency Program and The Dollar Stretcher and Meat Box. He also provided information concerning the Community Garden that consists of four large green houses in which Phase 1 of the project is completed. The Community Pantry also provides a recycling program for cardboard and white paper from schools and other entities. The Hope Garden project will incorporate over 20,000 square feet of garden to produce fresh organic vegetables and fruit for distribution to the clients of the Community Pantry. He said the Community Pantry has been offered a challenge grant in the amount of \$50,000 by the Horncrest Foundation which is contingent upon raising \$60,000 to complete the Hope Garden Project. He asked the Mayor and Councilors for financial assistance for the project.

Mayor Mendoza thanked Mr. Harlin for his work and asked Mr. Harlin if he requested financial assistance from the County. Mr. Harlin said he is planning to request financial assistance from the County pending possible assistance from the City.

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Councilor Enfield asked if the \$60,000 requested by Mr. Harlin is required to obtain the \$50,000 grant. Mr. Harlin responded yes and the funds would be used for Phase 2 of the Hope Garden Project. Councilor Enfield asked about the location of the garden. Mr. Harlin said the garden will be located on the south side of the property near the water reclamation tanks and the seasonal waffle garden will be located on the north side of the property. Councilor Enfield said normally a matching grant will be at least equal to the amount being offered. Mr. Harlin said all of the \$60,000 allocation is not required as the Horncrest Foundation will match a proportionate amount to the amount raised by the Community Pantry.

Councilor Azua asked about the \$18,000 grant. Mr. Harlin said Horncrest Foundation provides a separate grant for \$18,000 for the Food For Kids program next year.

Councilor Wall thanked Mr. Harlin and commended him for his work. Councilor Wall said he will vote in favor of Mr. Harlin's efforts.

Councilor Landavazo said his wife, a student Counselor, has had first hand experience in working with Mr. Harlin and his staff concerning the back pack program. Councilor Landavazo said many children may have less than one meal per day without the back pack program. He thanked Mr. Harlin for his work in providing food to local families in need.

Mayor Mendoza asked Mr. Harlin to meet with Mr. Pederson concerning his request.

3. Discussion of the Proposed Construction Contract Between the Public Service Company of New Mexico (PNM) and City of Gallup – Lance Allgood, Executive Director, Gallup Joint Utilities Division

Mr. Allgood said staff completed an analysis of the City's electric distribution system in April, 2009. Based on the analysis, it has been determined that additional capacity in the City's electrical distribution system is greatly needed in the eastern portion of the city. He proposed the construction of a new 28 megawatt substation at the southwest corner of the Red Rock Park property. The proposed location is located under Tri State Generation's transmission line and within the proximity of existing easements and alignments. In addition to the proposed construction contract, the existing service contract with PNM will also need to be modified to include the new Mendoza Substation within the facilities charge and as a point of service. He asked the Mayor and Councilors to review all of the related documents which will be presented for approval at the March 23, 2010 Regular Session. All-weather improvements to the Padre Canyon Road, leading to the substation is also required. The estimated cost of the project is \$4.7 million.

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Councilor Wall said a few of his constituents said they were concerned about the size of the proposed substation. Mr. Allgood said the easement provided for the project is about 1 acre and the size of the substation itself will be smaller than the existing Noe Substation. Councilor Wall also said his constituents recommended constructing the substation on property located near the old garbage dump. Mr. Allgood said there is a location within an area of Tri State Generation's transmission lines near the old garbage dump; however, there will need to be an extensive amount of distribution lines installed for a length of about two miles. Mr. Allgood also said the Red Rock Park location is advantageous since the Conoco Natural Gas Plant is located nearby which would help prevent lightning strikes. Mayor Mendoza also said there would also be problems concerning the Environmental Protection Agency issues if the property located near the old dump was used. Mr. Allgood concurred. Councilor Wall asked if there was a location between the old dump and the Red Rock Park area that could be used. Mr. Allgood said staff has not done an extensive study concerning the use of alternate sites since the Red Rock Park location is very beneficial and is considered to be the best site possible. Mr. Allgood also said another site east of Fort Wingate was reviewed; however, the City would need to obtain federal permits, rights-of-way and additional transmission lines would need to be installed. Councilor Wall asked if part of the line and service would go towards the Rehoboth area. Mr. Allgood said the new substation would assist with the loads from Fort Wingate into the Indian Hills and Mossman areas would ease the loads from the Noe and Sunshine Unit Substations. Mr. Allgood said the Mendoza substation on the Red Rock Park property would eliminate the gap in the service radius between the Sunshine Unit Substation and the Fort Wingate Substation.

Councilor Enfield said he also received phone calls from his constituents concerning the location of the proposed substation. He asked if the proposed substation will be located under the transmission lines. Mr. Allgood said the substation will be located under the transmission lines, slightly to the south. Mr. Allgood also said the proposed location is away from the activity of the Red Rock Balloon Rally due to the current location of the existing transmission lines. Mr. Pederson reiterated Mr. Allgood's statements concerning the reasons given for the selection of the Red Rock Park location. Mr. Pederson also said another reason for selecting Red Rock Park is the City owns the land at the Park and will provide an easement to PNM and Tri State Generation for the substation.

Councilor Wall asked when construction will begin. Mr. Allgood said he was not sure when PNM will begin construction; however, the in-service date for the substation is April 2011.

Councilor Azua asked if additional loads could be handled for the proposed glove factory. Mr. Allgood said with the new substation, the proposed factory could be accommodated. Mr. Pederson also said the new substation would help with the

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electrical distribution to proposed development in the Rehoboth area and to a new east side fire station.

The following items that will be considered during the next Regular Session were presented to the Mayor and Councilors for discussion only:

2. Letter of Intent from the City of Gallup to Bid for the Junior High Finals Rodeo for 2012 and 2013 – Dudley Byerley and R. David Pederson, City Attorney/Acting City Manager

Mr. Pederson presented said letter for the Mayor and Councilors review. He said the letter will be faxed to the National High School Rodeo Association's Executive Director by the March 15, 2010 deadline.

Councilor Landavazo said he has seen a semi-truck load of feed that was left over after the rodeo during the past two years. He asked why there was an abundance of feed left over and why the City was not reimbursed for the feed after the event. He expressed concerns with the City's expenses of over \$200,000 for hosting the event and the fact that about 90% of the concessionaires for the event were from out of town. Based on the economic impact assessment that was previously provided by Mr. Byerley, he questioned how the event could bring in \$1.7 million to the community when outside concessionaires pocket a large amount of money from the community during the event.

Mr. Byerly said the hay from the semi-truck was returned to Olin Clawson, a local contractor. Mr. Byerly said local businesses will not provide hay for the rodeo since it is not a money making venture. The contract specifies that the hay provided for the event must be within 10% of the local purchase price. He said there are records of how many bails of hay that was provided by Mr. Clawson and how many bails that were sold. Mr. Clawson also sold hay to the contractor of the event. The local prices of feed during the past two years have been higher than anywhere else so people brought their own feed. The stock contractor from Oklahoma purchased hay in Colorado and transported the hay to Red Rock Park for the event. Mr. Clawson was able to make a deal with the stock contractor concerning the sale of hay; however, Mr. Byerley said he was not sure of the terms of the agreement. Mr. Byerley said there were about 70 bails of hay left over that was taken back by Mr. Clawson. Councilor Landavazo said he personally saw a semi-truck load on the Sunday after the event in the arena area. Mr. Byerley said the hay as seen by Councilor Landavazo was the stock contractor's hay which does not belong to the City. The stock contractor transported the remaining hay to Farmington for the National High School Finals Rodeo.

Councilor Landavazo asked about giving local concessionaires a preference in selling

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their goods at the rodeo. Councilor Landavazo said he is concerned about the large amount of money is taken out of the community by out-of-town concessionaires. Mr. Byerley said he agrees with Councilor Landavazo; however, the contract with the National High School Rodeo Association specifies preference being given to the national sponsors. Mr. Byerley said the space sizes are limited and spaces are assigned on a first-come, first-served basis. Mr. Byerley said he was unaware of any local vendor being turned down and always tried to accommodate the local vendors for the event. Mr. Byerley said he has applications for local vendors that are interested in selling during the event, preferably for spaces in the outdoor vendor area, which is mainly under local control.

Councilor Landavazo asked about the large amount of money that is given to the National High School Rodeo Association for hosting the event when the majority of the work is done locally. Mr. Byerley said he was aware of the types of contracts established by the Association with other entities when initially negotiating Gallup's contract during the previous administration. Mr. Byerley said the current contract has a split of the money between the Association and the City in which no other City has such a contract with the Association. The current contract provides for a 50/50 split of the Trade Show above cost; a gate guarantee of \$130,000, which also includes a split between both parties, and the City retains the stall money except for \$15 per permanent stall. He said the current economic impact statement includes preliminary figures and a finalized statement containing an in depth analysis of new money coming into the community based on hosting the rodeo will be available very soon.

Councilor Landavazo asked if the Association will conduct an assessment of Red Rock Park to address their facility needs for holding the event at the Park. Mr. Byerley said the Association no longer requires an assessment for Red Rock Park; however, the Association has expressed concerns with the existing sound system.

Councilor Landavazo asked that a member of the Council be involved during bidding process when the time comes. Mr. Byerley said he welcomes the participation of the Mayor and Councilors for all aspects involving the rodeo. Mr. Byerley also said the same proposal as presented in previous years will be used for bidding the 2012 and 2013 rodeos, less the State's allocation of \$25,000.

Councilor Azua said he and Councilor Wall were present during the bid opening in Farmington last year. Councilor Azua said many people were hopeful that Gallup would be successful in being awarded the rodeo for 2012 and 2013; however, based on the substantial promises made in the bid presented by Wichita, Kansas, Gallup was not awarded the rodeo.

Councilor Enfield asked when the decision will be made concerning the venue of the

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2012 and 2013 rodeos and how many other cities are in contention for hosting the rodeo. Mr. Byerley said Gonzales, Texas is the only other competitor he is aware of for hosting the rodeo, which has about one-third of the facilities Gallup has. Mr. Byerley said the Association does not normally have the rodeos at one location for very long since they prefer to rotate locations from time to time. Mr. Byerley said the proposals are due May 15, 2010 with a decision being made in July 2010 at Gillette, Wyoming for the location for the rodeo. Councilor Enfield asked if rodeo representatives will meet with City officials concerning the City's proposal. Mr. Byerley said a meeting with the rodeo representatives could be arranged when they come to Gallup for this year's Junior High School Finals Rodeo in July 2010.

Councilor Wall asked Mr. Byerley what action he is requesting from the Mayor and Councilors. Mr. Pederson said the proposed letter of intent has to be received by the National High School Rodeo Association tomorrow. Mr. Pederson also said the letter of intent does not commit the City to anything else other than expressing its intent to submit a bid for the 2012 and 2013 rodeos. Councilor Wall asked if the City would be offering the same proposal as last year for hosting the rodeos. Mr. Pederson responded yes.

Due to time limitations, the Work Session adjourned.

  
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Mayor Harry Mendoza

ATTEST:

  
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Alfred Abeita, City Clerk

Approved 4/13/2010