

Minutes of the Regular Meeting of the Gallup City Council, City of Gallup, New Mexico, held in the Council Chambers at City Hall, 110 West Aztec, at 7:00 p.m. on Tuesday, October 26, 2010.

The meeting was called to order by Mayor Harry Mendoza.

Upon roll call, the following were present:

Mayor: Harry Mendoza

Councilors: John J. Azua
Mike Enfield
Allan Landavazo
E. Bryan Wall

Also present: R. David Pederson, City Manager &
City Attorney

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

1. Formal Bid No. 1018: New East Side Fire Station, Correction to Previous Recommendation for Award on September 28, 2010 – Ronald M. Caviggia, Purchasing Agent
2. Formal Bid No. 1019; Recommendation for Award for the City Hall & Greyhound Bus Depot Re-Roofing Projects – Ronald M. Caviggia, Purchasing Agent
3. Formal Bid No. 1020; Recommendation for Award for the Red Rock Park Re-Roofing Project – Ronald M. Caviggia, Purchasing Agent

Councilor Enfield made the motion to table Consent Agenda item 1 until the next Regular Meeting and to approve Consent Agenda items 2 and 3. Seconded by Councilor Wall. Roll call: Councilors Enfield, Wall, Landavazo, Azua and Mayor Mendoza all voted aye.

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

4. Lodgers' Tax Funding Allocations, Continued Discussion from the Regular Meeting of September 28, 2010 – R. David Pederson, City Manager/City Attorney

Mayor Mendoza began the discussion by thanking the members of the Lodgers' Tax Committee for their work. He said the Business Regulation and Promotion Task Force recommended the revision of the Committee's guidelines for allocating lodgers' tax funds and for the Committee to meet on a quarterly basis to consider requests for

MINUTES

Regular City Council Meeting – 10/26/2010

Page 2

funding events year round. He recommended maintaining a balance of lodgers' tax funds in reserve for contingencies.

Mr. Pederson said the recommendations from the Lodgers' Tax Committee were approved with modifications being made by the Mayor and Councilors during the Regular Meeting of September 28, 2010. The implementation of the Business Regulation and Promotion Task Force recommendations concerning lodgers' tax funding allocations may fall into play early as the first of the new year. The goal of allocating 35% of lodgers' tax funds for events is noble; however, such allocations are not possible since 85% of lodgers' tax funds are to be used for the operational expenses for Red Rock Park and to pay-off bond issues. The City may be able to budget its money more effectively by planning local events and allocating lodgers' tax funds on a quarterly basis rather by allocating funds one year in advance. He also recommended maintaining a balance of lodgers' tax funds to be used for contingencies and unforeseen events.

Councilor Wall made the following recommendations for lodgers' tax funding: Wild Thing Championship Bull Riding, \$4,000 and Red Rock Arenacross, \$3,000. Mayor Mendoza said Wild Thing Bull Riding was previously awarded a total of \$5,000. Judi Starkovich, Executive Director, Administrative Services Division, said there are two allocations for Wild Thing Bull Riding; an allocation for \$5,000 for Gallup Christian School and another allocation for \$2,000 for the Wild Thing Bull Riding event itself. Councilor Wall recommended the allocation of \$4,000 specifically for Wild Thing Championship Bull Riding, which is included under line item 13 of the allocation spreadsheet. Mayor Mendoza asked about the difference between the two funding requests for Wild Thing Bull Riding. Mrs. Starkovich said the allocations are for the same event; however, years ago, the Manuelito Children's Home, a non-profit organization, was qualified to receive lodgers' tax allocations for Wild Thing Bull Riding when Wild Thing Bull Riding was not able to obtain lodgers' tax funding since it is a for-profit entity. Mayor Mendoza asked if the lodgers' tax allocation goes directly to Manuelito Children's Home. Mrs. Starkovich responded yes since the allocation to Manuelito Children's Home pays for the fireworks for the Wild Thing Bull Riding event. Mayor Mendoza expressed his concerns with the City possibly violating the Anti-Donation Clause of the New Mexico Constitution by allocating lodgers' tax funds directly to Manuelito Children's Home. Councilor Enfield said since the rules have been changed to allocate lodgers' tax funding to for-profit entities, he recommended allocating all of the requested lodgers' tax funding to Wild Thing Championship Bull Riding itself. Mr. Pederson said the allocation to Wild Thing Championship Bull Riding would be permissible since the allocation will be used for advertising and promoting a tourist-related event. Following discussion, Mr. Pederson recommended eliminating the lodgers' tax allocation to the Gallup Christian School and to allocate all of the requested lodgers' tax funding in the amount of \$9,000 to Wild Thing Championship Bull Riding.

MINUTES

Regular City Council Meeting – 10/26/2010

Page 3

Mayor Mendoza asked Councilor Wall about his recommendation for a total of \$3,000 to be allocated in lodgers' tax funding to Red Rock Arenacross. Councilor Wall said the event has the potential to expand which will draw many visitors to Gallup for the event. Councilor Landavazo said the event draws a regional crowd that will lure visitors to stay over night and dine in local restaurants. Mayor Mendoza asked about the economic impact of the event. Mrs. Starkovich said the event draws more and more riders along with their crew members every year as the attendance continues to grow for the event; however, an economic impact study has not been conducted on the event.

Anna Dallago of the Lodgers' Tax Committee said the Committee would like to have effective communication with the Mayor and Councilors concerning the allocation of funds. She said the Committee wants to spend lodgers' tax funds on events; however, the Committee recommends the expenditure of funds for the promotion of tourism by having effective advertising strategies. As an example, she said advertising in the New Mexico Magazine has been highly effective for El Rancho Hotel. Mayor Mendoza made reference to the recommendations made by the Business Regulation and Promotion Task Force by developing a comprehensive marketing plan for the City. Councilor Azua recommended the use of an electronic billboard as an effective tool to be used in the City's marketing plan.

Yogash Kumar of the Lodgers' Tax Committee expressed his concerns with the City only using 15% of lodgers' tax revenues to market local events. Mr. Kumar said he would like to see more lodgers' tax funds to be used for promoting and marketing Gallup. Mayor Mendoza said Mr. Kumar's recommendations would be taken into consideration when the Lodgers' Tax Funding Guidelines are revised. Mr. Pederson agreed and said there is plenty of room to modernize the guidelines.

Councilor Enfield made the motion to approve the lodgers' tax funding allocations amendments by increasing the allocations as previously discussed in the amount of \$3,500. Seconded by Councilor Landavazo. Roll call: Councilors Enfield, Landavazo, Wall, Azua and Mayor Mendoza all voted aye.

5. Task Force Recommendations:

- a. Business Regulation and Promotion – Councilor Allan Landavazo
- b. Sports and Recreational Facilities – Councilor John J. Azua

Councilor Azua made the motion to accept the task force recommendations that were presented at the previous Work Session. Seconded by Councilor Enfield. Roll call: Councilors Azua, Enfield, Wall, Landavazo and Mayor Mendoza all voted aye.

MINUTES

Regular City Council Meeting – 10/26/2010

Page 4

6. Ordinance C2010-7; An Ordinance Concerning Delinquent Utility Accounts; Limiting the Discontinuance or Disconnection of Electric Utility Service During the Winter Heating Season; Enacting a New Subsection of the Gallup Municipal Code; and Declaring an Emergency – R. David Pederson, City Manager/City Attorney

Mr. Pederson said the proposed Ordinance is the first step in conforming the City's Utility Ordinances to State law. The purpose for the emergency clause is due to the winter heating season which is scheduled to begin on November 15, 2010. Under State law there are limits for discontinuing heating services to low income customers due to the non-payment of heating services during the winter heating season. The proposed Ordinance would require customers to prove they are eligible under State law for the Low-Income Home Energy Program (LIHEAP) in order to apply with the City for the deferral of payment of their electric bill. If a customer qualifies for the deferral of payment of their electric bill, the customer must adhere to the following:

- (a) Submit a request in writing to the City Utility Account Management department with sufficient documentation to demonstrate eligibility for LIHEAP;
- (b) The application must be submitted on or before December 15th of each year;
- (c) The customer must pay their water, wastewater, and solid waste monthly bills in full during the winter heating season to remain eligible;
- (d) Any arrearage due to non-payment of the electric bill must be paid in full on or before the next year's winter heating season (November 15th) in order for the customer to be eligible for the ensuing winter heating season electric bill deferral;
- (e) Utility customers having difficulty in paying their winter heating bill are strongly encouraged to enter into an equal monthly payment budget plan with the city Utility Account Management department;
- (f) Any customer who defaults on a payment plan or fails to pay their utility bill as agreed shall be subject to discontinuance or disconnection of all City utility services and said service shall not be restored unless suitable written payment arrangements are made, including payment of reconnection fees.
- (g) Any variance of payment terms, discontinuance or disconnection or service procedures, waiver of charges or fees, and extension of payment terms must be approved in writing by the Mayor or City Manager.

MINUTES

Regular City Council Meeting – 10/26/2010

Page 5

Mr. Pederson said the City must address the delinquencies of utility accounts and hold customers responsible for their accounts.

Councilor Azua asked if the proposed Ordinance will affect customers with medical conditions. Mr. Pederson responded no since the City's Ordinance dealing with delinquent customers with serious medical conditions does not conform to State law. Mr. Pederson said State law requires the continuance of utility services to delinquent customers with serious medical conditions only if the customer is unable to pay. In other words, a customer may not elect to refrain from paying their bills solely based on the reason that they have a serious medical condition.

Following discussion, Councilor Wall made the motion to approve Ordinance C2010-7. Seconded by Councilor Enfield. Roll call: Councilors Wall, Enfield, Landavazo, Azua and Mayor Mendoza all voted aye.

Comments by Public on Non-Agenda Items:

Martin Neal asked for an update on the proposed quiet zone. Stan Henderson, Executive Director, Public Works Division, said he met with representatives from Molzen-Corbin last Friday and was advised that the quiet zone study should be completed by the first of December. Mr. Pederson also said a meeting will be scheduled at the end of November with representatives from BNSF Railroad, the New Mexico Department of Transportation and City staff concerning the proposed quiet zone. Mr. Pederson said he will inform Mr. Neal of the precise date and time of the meeting.

Comments by Mayor and City Councilors:

Councilor Landavazo said Keith Kuipers would like to express his appreciation of the police officers that patrol in his neighborhood. Mr. Kuipers said a police officer stopped at his house to see if everything was in order when the officer noticed Mr. Kuiper's garage door was left open. Councilor Landavazo commended Chief Robert Cron and his police officers for a job well done.

Comments by City Manager:

Mr. Pederson advised the Mayor and Councilors of the reorganization of the following departments:

- Effective October 4, 2010, the direction of the Customer Services Department was transferred from the City Clerk's Office to the Administrative Services Division under the new department name of Utility Account Management. The purpose of the change is to improve the efficiency of all utility functions by housing them under one department. The Utility Account Management

MINUTES

Regular City Council Meeting – 10/26/2010

Page 6

Department, which will be headed by Ross Feagin, will include the following utility functions: meter reading, utility billing, customer service and collections.


- Effective November 1, 2010, Lance Allgood, Executive Director, Gallup Joint Utilities Division, will be relieved of his temporary duties as supervisor of the Fox Run Golf Course. Mr. Pederson commended Mr. Allgood for his work and said Vince Alonzo will be in charge of the overall day to day operations of the golf course. The contract of Tom Noe has expired and will no longer be assisting with the improvements to the golf course until possibly next spring, contingent on the decisions made for the golf course and the availability of funds. Mr. Pederson also thanked Councilor Wall for his voluntary work at the golf course. Winter hours of the golf course will be Wednesday through Sunday, 10:00 a.m. until dusk, weather permitting.
- Effective November 1, 2010, the Economic Development Department shall be expanded to oversee the operations of the Senior Citizen Centers and Hillcrest Cemetery and all permitting of events and veteran's matters. The Economic Development Department shall be called the Social Programs and Special Projects Department. Linda Quam who handles the financial activity for the senior programs will be transferred to City Hall as part of the transition. Mr. Pederson plans to create a caretaker position at Hillcrest Cemetery effective January 1, 2011 but until then, the maintenance of the cemetery will fall under the auspices of the Parks Department. Mr. Pederson said the purpose of the change is to spread the work load more evenly amongst City personnel.

Mr. Pederson informed the Mayor and Councilors of the following deaths: former State Representative Fred Luna of Los Lunas, local residents Scott Richards, Hamad Jim Rashid, Charles High, Anne Mataya, Paul Campos and Steve Meza. Mr. Pederson asked the Mayor and Councilors to keep the families of their deceased friends in mind.

There being no further business, Councilor Landavazo made the motion to adjourn the meeting. Seconded by Councilor Wall. Roll call: Councilors Landavazo, Wall, Enfield, Azua, and Mayor Mendoza all voted aye.


Harry Mendoza, Mayor

ATTEST:


Alfred Abeita, City Clerk

Approved 11/9/2010