

AGENDA

**GALLUP CITY COUNCIL
REGULAR MEETING
TUESDAY, MAY 12, 2026; 6:00 P.M.
CITY COUNCIL CHAMBERS
GALLUP CITY HALL, 110 WEST AZTEC AVENUE**



Marc DePauli, Mayor

Linda Garcia, Councilor, Dist. 1
Sarah Piano, Councilor, Dist. 3

Sierra Yazzie Asamoah-Tutu, Councilor, Dist. 2
Ron Molina, Councilor, Dist. 4

Frank Chiapetti, City Manager
Erika Pirotte, Deputy City Attorney

This meeting will be accessible through YouTube:
<https://youtube.com/@cityofgallup>

Members of the public may submit comment either in person or by telephone. To submit comment by telephone, please call 505-863-1254 to leave your name and a return phone number.

A. Roll Call

B. Pledge Of Allegiance

The members of the body and the public are invited to recite the Pledge of Allegiance.

C. Comments By Public On Non-Agenda Items

Members of the public are invited to comment on matters not appearing on the meeting agenda.

D. Consent Agenda

These items are placed on the Consent Agenda so City Council can designate by unanimous consent those routine items they wish to be approved or acknowledged by one motion. If any item does not meet the approval of all Council members or if a

citizen so requests, it will be heard as a separate item.

Action Needed:

Motion to approve or acknowledge Items 1-4 on the Consent Agenda by unanimous vote:

1. Approval Of Minutes

March 10, 2026 Regular Meeting

March 24, 2026 Regular Meeting

April 6, 2026 Work Session

Fiscal Impact: None.
Recommendation: Approve the minutes.
Speaker's Name None.

Documents:

[DRAFT MINUTES MAR 10 2026 REG MTG.PDF](#)
[DRAFT MINUTES MAR 24 2026 REG MTG.PDF](#)
[DRAFT MINUTES APR 6 2026 WORK SESSION.PDF](#)

2. Budget Adjustment From Non-Capital To Capital For Equipment Purchases

The Gallup Fire Department is requesting to move \$52,304 from the 209 Fire Fund 46-30 Safety Equipment to 209 Fire Fund 48-20 Capital Equipment & Machinery. This will allow the department to purchase 6 additional portable radios (\$21,324.00) and extrication equipment consisting of a cutter and spreader along with the batteries (\$30,980.00).

Due to cost of the equipment and these items being considered assets the funds need to come out of the Capital line item to ensure compliance with purchasing and finance requirements.

Fiscal Impact: Transfer \$52,304 from the Fire Fund Safety Equipment line item to Capital line item.
Recommendation: Staff Recommends Approval
Speaker's Name Fire Chief Jon C Pairett

Documents:

[QO386851.PDF](#)
[GALLUP FD VP8000 04-09-26.PDF](#)

3. Budget Adjustment From Fund 280 Cannabis Tax

The Parks Department is requesting a Budget Adjustment from Fund (280) in the amount of \$457,000. \$370, 000 will be for the Plan and Design for the Gallup Sports Complex Improvements, \$87,000 will be used for the purchase and

installation of New Scoreboards for various Parks and Facilities.

Fiscal Impact: \$457,000 From fund (280) Cannabis Tax. \$ 370,000 for the Plan and Design for the Gallup Sports Complex improvements. \$ 87,000 for the purchase of new scoreboards for various Parks and facilities.

Recommendation: Staff recommends Approval of the Budget adjustment in the Amount of \$ 457,000

Speaker's Name Vincent Alonzo

Documents:

[ORD-C2023-3-06_13_2023 \(1\).PDF](#)

4. Budget Action Related To Best Of The Best

Council approval is needed to initiate a budget adjustment to prepare for the 2026 Best of the Best rodeo event slated for June 24-27, 2026 at Red Rock Park. If approved, this budget adjustment will allow staff to move funds from the General Fund into the appropriate account for the rodeo. This is the third year of the agreement with Spur Strap, LLC to operate the event.

Fiscal Impact: Approximately \$195,000 from General Fund

Recommendation: Council consider and act on request

Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[CONTRACT - BEST OF THE BEST RODEO - SPUR STRAP LLC.PDF](#)

E. Discussion/Action Topics

1. Mutual Aid Agreement With The Navajo Police Department

The City, for and on behalf of its Police Department, would like to enter into a law enforcement mutual aid agreement ("Agreement") with the Navajo Police Department. The Agreement provides for cooperative law enforcement operations and voluntary mutual aid in the event of disasters or emergencies within each party's jurisdiction.

Under certain circumstances, the Gallup Police Department may request additional assistance from the Navajo Police Department or the Navajo Police Department may encounter a disaster or emergency within the City's jurisdiction that requires immediate response or aid. Conversely, the Navajo Police Department may request additional assistance from the Gallup Police Department or the Gallup Police Department may encounter a disaster or emergency within the Nation's jurisdiction that requires immediate response or aid. To the extent authorized by law, the Agreement delegates those powers and immunities necessary to provide the requested aid or respond to emergencies.

The Agreement will take effect on the date that the last party executes it and shall remain in effect for ten (10) years, unless otherwise amended or terminated. Either party may terminate the agreement with at least thirty (30) days' written

notice to the other party.

Fiscal Impact: None.
Recommendation: Staff recommends approval
Speaker's Name Erin Toadlena-Pablo, Chief of Police / Erika Pirotte, Deputy City Attorney

Documents:

[NAVAJO NATION_CITY OF GALLUP_MAA_FINAL.PDF](#)

2. Write-Offs Of Past Due Accounts With Budget Adjustment

Every two or equivalent years, the City of Gallup processes the write-offs of bad debts. The time to process the write-offs has arrived. The Customer Service Manager has compiled a list of all accounts that are being requested to be written off. These are bad debts that are over 4 years old. A list of all accounts is attached to this Agenda Item according to department and rate class. Customer Service is requesting the approval of the write-offs and all necessary budget adjustments in order to process these write-offs.

Fiscal Impact: Budget Adjustments in the necessary accounts in order to cover the Bad Debts.
Recommendation: Approval of write-offs and the necessary budget adjustments.
Speaker's Name Denise Yazzie-Menera, Customer Service Manager

Documents:

[COLLECTION WRITE OFF.PDF](#)
[CORRECTED TRIAL BALANCE.PDF](#)
[COUNCIL WRITE OFF LETTER.PDF](#)
[BALANCE ADJUST REQUEST 1.PDF](#)

3. Resolution No. R2026-16; Approving FY 2027 Preliminary Budget

Each year, the City of Gallup prepares an annual budget for the upcoming fiscal year. The Department of Finance and Administration (DFA) requires the Council to pass a resolution to adopt the 2027 Preliminary Budget. The approved budget, along with documentation of approval, is due to DFA by June 1, 2026.

Fiscal Impact: This budget will define anticipated revenue as well as spending parameters of the coming fiscal year for each fund.
Recommendation: Approve Resolution No. R2026-16; Approving FY 2027 Preliminary Budget
Speaker's Name Patty Holland

Documents:

[BUDGET RESOLUTION FY27 INITIAL ADOPTION.PDF](#)
[FY 27 INTERIM BUDGET.PDF](#)
[FY 27 INTERIM BUDGET RECAP.PDF](#)

4. An Ordinance To Amend Section 8-6-2(B)(6) Of The Gallup City Code Clarifying The Use Of Navajo Gallup Water Supply Project Surcharge

The City established by Ordinance No. C2014-5 and codified in Section 8-6-2(B)(6) of the City's Code a Navajo Gallup Water Supply Project ("NGWSP") Surcharge. The accompanying rate table specifies a volumetric charge beginning in 2014 and continuing through the end of fiscal year 2039. The charge begins at \$0.0015/cf and increases progressively year after year until it reaches a cap of \$0.0225/cf at the start of fiscal year 2028. The Section's language establishes a clear connection between the Surcharge and NGWSP costs.

There is a need for the City Council to amend Section 8-6-2(B)(6) captioned "Navajo-Gallup Water Supply Project" to clarify the NGWSP Surcharge may be used for project construction, operation, maintenance and repair costs and conjunctive groundwater costs. This clarification affirms the use of Surcharge revenues to reimburse all NGWSP costs, including the City's use of groundwater conjunctively with the NGWSP water supply as detailed in the attached excerpt of the NGWSP Planning Report and Final Environmental Impact Statement. The full Report is available from the Bureau of Reclamation:
[HTTPS://WWW.USBR.GOV/UC/ENVDOCS/EIS/NAVGALLUP/FEIS/INDEX.HTML](https://www.usbr.gov/uc/envdocs/eis/navgallup/feis/index.html).

The proposed Ordinance was published in accordance with Section 3-17-3 NMSA 1978.

Fiscal Impact:	None.
Recommendation:	Staff recommends approval.
Speaker's Name	Erika Pirotte, Deputy City Attorney

Documents:

[SECTION 8-6-2.PDF](#)
[PAGES FROM NGWSP PLANNING REPORT AND FINAL EIS VOLUME1.PDF](#)
[ORDINANCE NO. C2026-1.PDF](#)
[ORDINANCEAD-AMEND NGWSP SURCHARGE.PDF](#)

5. Lodger's Tax Discussion

The City Council has previously requested that Lodger's Tax Grant Program (LTGP) applications are presented as individual agenda items for consideration. As such, the Tourism Office requests this discussion item be placed ahead of the pending applications to allow for a discussion on the broader Lodger's Tax budget, updated LTGP regulations, and other important contextual information to aid the Council as they consider the pending applications.

Attached is a summarized version of the proposed FY27 Lodger's Tax and Convention Center Fee budgets. The columns reflect FY25 actuals, the initial FY27 proposed budget, and the FY27 proposed budget with cuts. Budget cuts were necessitated by two items: A) Council priorities in previous fiscal years, and B) a policy to keep \$500,000 in reserve. The funding for the LTGP has been reduced to \$150,000 in the proposed FY27 budget. The cut for the LTGP is approximately 50-percent from FY25 actuals, and is in line with the average cut of 53-percent from other Tourism accounts in the proposed FY27 budget. Stated plainly, the LTGP is sharing the same burden for cuts as the overall budget. It

should also be noted that the \$450,000 in funding for Red Rock Park is now budgeted in the 215 Convention Center Fee accounts. Even with these funds removed from the Lodger's Tax budget, there is still a deficit if no other cuts are made.

Regarding item A, in recent fiscal years, Council priorities have tapped into the Lodger's Tax reserves, including an additional \$200,000 (to \$650,000 total) for the Red Rock Park Agreement with McKinley County in FY25; an additional \$90,000 for the Lodger's Tax Grant Program in FY26; and approximately \$200,000 for the fire truck project initiated in FY25. These priorities have tapped into reserves at a faster rate than revenues are collected.

Regarding item B, it is the position and opinion of the Tourism Manager that a robust Lodger's Tax reserve is essential due to wide fluctuations in revenues tied to trends in tourism and travel. Tourism is heavily dependent on economic conditions, and while the industry — as a whole internationally — is projected to continue with moderate increases, and inflation — according to the Federal Reserve — is projected to decrease as a long-term trend, there are still significant economic pressures on individuals and Gallup Tourism does not anticipate any significant positive changes to travel trends in the near future. In short, staff recommends a conservative approach moving forward, and a robust reserve is a vital component of this strategy.

At the April 27, 2026 Lodger's Tax Committee meeting, the Committee recommended awards totaling \$102,650 out of the available \$150,000 in the proposed FY27 budget.

Fiscal Impact:	None - Discussion Only
Recommendation:	Discuss Topic with Staff
Speaker's Name	Matt Robinson - Tourism & Marketing Manager

Documents:

[LT FY27 BUDGET CUTS.PDF](#)
[LT GRANT GUIDELINES 2026.PDF](#)

6. Lodger's Tax Grant Recommendation - 104th Annual Gallup Inter-Tribal Ceremonial

The Gallup Inter-Tribal Indian Ceremonial Association, Inc. will host the 104th Annual Gallup Inter-Tribal Ceremonial on July 31–August 9, 2026, at multiple locations including Red Rock Park and downtown Gallup. The organization was recommended to receive an award of \$30,000 at the April 27, 2026 Lodger's Tax Committee meeting.

For the 2026 event, the organizer anticipates approximately 228 volunteers and over 30,000 in attendance over multiple days. The event projects \$555,070 in revenue and \$808,755 in expenditures for FY27 and is requesting \$50,555 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$50,100.

The event is expected to attract regional, national, and international participants and spectators, supporting overnight stays and local economic activity. Participation from tribes, artists, performers, and visitors throughout the United States and beyond is anticipated.

Fiscal Impact: \$30,000 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[INTER-TRIBAL CEREMONIAL 2026.PDF](#)

7. Lodger's Tax Grant Recommendation - Lion's Club

The Lions Club of Gallup will host the Gallup Lions Club Rodeo and Downtown BBQ Celebration at Red Rock Park and downtown Gallup in June 2026. Two separate applications were submitted and combined for a total Lodger's Tax award recommendation of \$20,000.00 at the April 27, 2026 Lodger's Tax Committee meeting.

- For the 2026 events, the Gallup Lions Club Rodeo anticipates approximately 100 volunteers and over 5,000 in attendance over three days. The event projects \$35,000 in revenue and \$242,000 in expenditures for FY27 and is requesting \$30,000 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$30,000.
- The Downtown BBQ Celebration anticipates approximately 20 volunteers and over 2500 in attendance. The event projects \$3,500 in revenue and \$8,000 in expenditures for FY27 and is requesting \$8,000 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$8,000.

The events are expected to attract regional participants and spectators, supporting overnight stays and local economic activity. Participation from contestants, vendors, and visitors throughout New Mexico, Wyoming, Texas, Four Corners, and the surrounding Southwest region is anticipated.

To be clear, the Lodger's Tax Committee recommended combining both requests for a total award recommendation of \$20,000.

Fiscal Impact: \$20,000 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[LIONS CLUB DOWNTOWN BARBECUE_W9 REMOVED.PDF](#)
[FY27 LIONS CLUB RODEO_W9 REMOVED.PDF](#)

8. Lodger's Tax Grant Recommendation - Route 66 Desert Challenge

Red Rock Motorsports Club, Inc. will host the Route 66 Desert Challenge on July 24–26, 2026, at City of Gallup OHV/MX Park. The Lodger's Tax Committee approved the recommendation of a \$3,150 award at the April 27, 2026 meeting.

For the 2026 event, the organizer anticipates approximately 20 volunteers and over 700 in attendance. The event projects \$6,000 in revenue and \$14,450 in expenditures for this event, and is requesting \$3,150 in Lodger's Tax funding for

advertising and promotion. In 2025, the organization was awarded \$2,650.

The event is expected to attract regional participants and spectators, supporting overnight stays and local economic activity. Participation from riders and teams throughout New Mexico, Arizona, Colorado, Utah, Texas, and the broader Southwest region is anticipated.

Fiscal Impact: \$3,150 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[RED ROCK MOTOR SPORTS FY27 LT APP.PDF](#)

9. Lodger's Tax Grant Recommendation - TDFL

The Tony Dorsett Touchdown Youth Football League (TDFL) will host the 16th Annual Sammy Chioda Memorial Four Corners Invitational Youth Football Championship on November 7–8, 2026 in Gallup. The Lodger's Tax Committee approved the recommendation of a \$19,300.00 award at the April 27, 2026 meeting.

For the 2026 event, the organizer anticipates up to 100 volunteers and over 6,500 in attendance. The event projects \$20,250 in revenue and \$45,000 in expenditures for this event, and is requesting \$19,300 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$29,800.

The event is expected to attract regional teams and families, supporting overnight stays and local economic activity. Participation from teams throughout New Mexico and the Four Corners region is anticipated.

Fiscal Impact: \$19,300 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[TDFL LT 2026 APPLICATION.PDF](#)

10. Lodger's Tax Grant Recommendation - Arenacross & Mud Bog Show

Finish Line Promotions will host the Parnall Law Xtreme Arenacross & Mud Bog Show on June 12–13 2026, at Red Rock Park. The organization was recommended to be awarded \$3,600 at the April 27, 2026 Lodger's Tax Committee meeting.

For the 2026 event, the organizer anticipates approximately 43 workers and over 5,000 in attendance. The event projects \$130,000 in revenue and \$120,100 in expenditures for FY27 and requested \$31,317.78 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$5,000.

The event is expected to attract regional participants and spectators, supporting

overnight stays and local economic activity. Participation from riders, racers, and spectators throughout New Mexico, Arizona, Colorado, Utah, Texas, and the broader Southwest region is anticipated.

Fiscal Impact: \$5,000 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[ARENACROSS LT APPLICATION 2026.PDF](#)

11. Lodger's Tax Grant Recommendation - Route 66 Roping

Walt Eddy will host the Route 66 Roping on June 28, 2026 at Red Rock Park. The organization was recommended an award of \$3,000.00 at the April 27, 2026 Lodger's Tax Committee meeting.

For the 2026 event, the organizer anticipates participation of approximately 400 teams (equals to 800 ropers) plus regular spectator attendance. The event projects \$35,000 in revenue and \$31,500 in expenditures for FY27 and is requesting \$3,000 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$5,800.

The event is expected to attract regional contestants and spectators, supporting overnight stays and local economic activity. Participation from ropers and teams throughout New Mexico, Arizona, and the Four Corners region is anticipated.

Fiscal Impact: \$3,000 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[ROUTE 66 ROPING.PDF](#)

12. Lodger's Tax Grant Recommendation - Soundwave Festival

CMC Cannabis Dispensary LLC plans to host the Soundwave Festival on July 25–26, 2026, at Red Rock Park. The organization was recommended an award of \$3,600 at the April 27, 2026 Lodger's Tax Committee meeting.

For the 2026 event, the organizer anticipates approximately 30 volunteers and over 2,000 in attendance. The event projects \$55,000 in revenue and \$184,557.23 in expenditures for FY27 and is requesting \$33,887.23 in Lodger's Tax funding for advertising and promotion. This is a new event and it has not received any Lodger's Tax support previously.

The event is expected to attract regional participants and spectators, supporting overnight stays and local economic activity. Participation from music fans, vendors, and visitors throughout New Mexico, Arizona, Colorado, Utah, Texas, and the broader Southwest region is anticipated.

Fiscal Impact: \$3,600 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[SOUNDWAVE FESTIVAL_W9 REMOVED.PDF](#)

13. Lodger's Tax Grant Recommendation - Wild Thing Championship Bull Riding

Team Wild Productions will host the Wild Thing Championship Bull Riding on July 10–11, 2026 at Red Rock Park. The organization was recommended to receive an award of \$20,000 at the April 27, 2026 Lodger's Tax Committee meeting.

For the 2026 event, the organizer anticipates approximately 50 volunteers and support staff and attendance of over 3,500 on Friday night and 4,200 on Saturday with good weather. The event projects between \$175,000 and \$225,000 in revenue and approximately \$200,288 in expenditures for FY27 and is requesting \$52,863 in Lodger's Tax funding for advertising and promotion. In 2025, the organization was awarded \$44,250 but did not draw down the entire award.

The event is expected to attract regional participants and spectators, supporting overnight stays and local economic activity. Participation from contestants, contractors, and visitors throughout New Mexico, Arizona, Colorado, Utah, Texas, and the broader Southwest region is anticipated.

Fiscal Impact: \$20,000 from the FY27 proposed budget
Recommendation: Respectfully request approval
Speaker's Name Matt Robinson - Tourism & Marketing Manager

Documents:

[WILDTHING LT APPLICATION.PDF](#)

14. A Public Hearing On The Proposed Transfer Of Ownership Of Dispenser Liquor License No. DIS-000552 To Burnt Corn Holdings, LLC D/B/A Virgie's Restaurant & Lounge

Burnt Corn Holdings, LLC seeks the transfer of Dispenser Liquor License No. DIS-000552 with on-premises consumption located at 2720 W. 66 Avenue, Gallup, New Mexico. The City Council is to decide whether to approve or disapprove the transfer of the license.

The Director of the Alcoholic Beverage Control Division has granted preliminary approval. Legal Notice of the Public Hearing was published in the Gallup Sun on April 10, 2026 and May 8, 2026, and posted on the City's website. The Application, the Director's preliminary approval, Legal Notice, and Zoning Certification Letter are attached.

New Mexico law provides that a local governing body shall hold a public hearing on the question of whether the Alcoholic Beverage Control Division should approve the transfer of the license. The City Council may disapprove the transfer

if: (1) the proposed location is within an area where the sale of alcoholic beverages is prohibited by the laws of New Mexico; (2) the issuance would be in violation of a zoning or other ordinance of the governing body; or (3) the issuance would be detrimental to the public health, safety or morals of the residents of the City. The location is not in a prohibited area and the issuance would not be in violation of a zoning or other City ordinance. To disapprove the transfer on public health, safety or moral grounds, the City Council must find the issuance of the license would be detrimental to the public health, safety or morals of City residents by substantial evidence presented during the Public Hearing. Testimony concerning the negative effects of alcohol alone is not sufficient to justify such a finding.

Within thirty (30) days after the Public Hearing, the City must notify the Alcoholic Beverage Control Division of the Council's decision to approve or disapprove the transfer of the license. If the City Council fails to approve or disapprove the transfer within thirty (30) days after the Public Hearing, the Director of the Alcoholic Beverage Control Division may give final approval to the transfer of the license. If the City Council approves the transfer, the Director shall approve the transfer. If the City Council disapproves the transfer, the Director shall disapprove the transfer. The New Mexico Court of Appeals has initial jurisdiction of appeals from Division decisions.

Legal references: Section 60-6B-4 NMSA 1978; *City of Santa Fe v. Woodard*, 1996-NMSC-058

Fiscal Impact:	Section 3-3-3 of the Code imposes an annual license tax upon persons holding state licenses; Gross Receipts Tax revenue from the sale of alcoholic beverages
Recommendation:	None. This is a quasi-judicial hearing.
Speaker's Name	Tanisha T. Cooke, Burnt Corn Holdings, LLC / Jerry A. Hamm, Transfer Agent

Documents:

[VIRGIES CHANGE OF OWNERSHIP DISPENSER LICENSE.PDF](#)
[LIQLEGAL-CHG OWNER VIRGIES.PDF](#)
[ZONING CERTIFICATION LETTER- VIRGIES JANUARY 2026 SIGNED.PDF](#)

F. Comments By Mayor And City Councilors

G. Comments By City Manager And City Attorney

H. Motion To Adjourn

Pursuant to the "Open Meetings Act", NMSA 1978, Section 10-15-1 through 10-15-4 of the State of New Mexico, this Agenda was posted at a place freely accessible to the public 72 hours in advance of the scheduled meeting.

Auxiliary aides for the disabled are available upon request. Please contact Alfred Abeita, City Clerk, at (505) 863-1254 at least one (1) week prior to the meeting or as soon as possible in advance of the meeting to make any necessary arrangements.

