

Minutes of the Special Meeting of the Gallup City Council, City of Gallup, New Mexico held at El Morro Events Center, 210 South Second Street, immediately after the Closed Session scheduled at 9:00 a.m. on Wednesday, April 15, 2026.

The meeting was called to order by Mayor DePauli.

Upon roll call, the following were present:

Mayor:	Marc DePauli
Councilors:	Sierra Yazzie Asamoah-Tutu Sarah Piano
Arrived Late:	Linda Garcia, Councilor
Absent:	Ron Molina, Councilor
Also present:	Frank Chiapetti, City Manager Erika Pirotte, Deputy City Attorney

Following the Closed Session, Councilor Piano made the motion to proceed with the Special Meeting. Seconded by Councilor Yazzie. Roll call: Councilors Piano, Yazzie and Mayor DePauli all voted yes.

Patty Holland, Chief Financial Officer, delivered a PowerPoint presentation on the Financial Management Process for the City of Gallup. The presentation focused on fund accounting structures, noting the existence of 74 active funds as of December 2025, categorized into General Government and Enterprise/Proprietary classifications. Ms. Holland reviewed the City's specific fund codes, including General Fund (101), Special Revenue (200), Capital Projects (300), Debt Service (400) and Enterprise (500), explained the options of maintaining a balanced budget or planned use of reserves, summarized the annual budget process, reviewed the internal management and reported approval procedures enforced by the Department of Finance. Ms. Holland addressed operational matters including employee retention, newly established positions, staff etiquette and reminded staff to be cognizant of funding constraints.

Mayor DePauli temporally paused Ms. Holland's presentation for the Council to take action regarding the following Discussion/Action Topic:

1. Purchase of Building at 601 E. Coal – Frank Chiapetti, City Manager

Councilor Piano made the motion to conduct a study on the building's feasibility and to authorize a soft offer to be made on the property whereas any final offer would be brought to the Council for approval. Seconded by Councilor Yazzie. Roll call: Councilors Piano, Yazzie, Mayor DePauli all voted yes. Councilor Garcia abstained. Motion carried.

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Ms. Pirotte certified for the record the matters discussed during the Closed Session prior to the Special Meeting were limited to the potential purchase or acquisition of real property.

The Mayor and Councilors conducted a Work Session regarding the following item:

1. Proposed Budget for Fiscal Year 2027 – Frank Chiapetti, City Manager

Ms. Holland resumed her presentation displaying an Excel spreadsheet depicting the City's cash balances, which highlighted the elimination of approximately \$2.7 million in requests from the General Fund. She noted a required minimum balance of \$500,000 for Lodger's Tax and the elimination of \$412,000 from their current budget.

Brief discussion followed regarding use of the Convention Center Fees to offset costs to the overall Lodger's Tax Fund balance, Red Rock Park's exclusion from Lodger's Tax for the upcoming year, insufficient fees collected to pay Red Rock Park and the City's policy that requires a minimum balance in the Lodger's Tax fund.

Ms. Holland presented additional budget cuts, including \$280,000 in Solid Waste and \$2.2 million to the Navajo Gallup Fee, which are all based on the 180-day cash-on-hand reserve requirement. She outlined potential relief measures for the General Fund, including moving specific expenditures to the Fire and Law Enforcement Protection Funds and noted that the General Fund subsidizes Airport Capital and 603 Operations. She informed Council that departmental reviews would follow the lay-out provided and that capital costs would be presented on screen. She reported that a balanced budget would not be finalized during the current session and requested Council's direction when it comes to matters discussed by staff including a hiring freeze and/or defunding open, long-term vacancies in the Police and Fire Departments.

Mayor DePauli mentioned grant funds, capital funds, third party budgeting, environmental surcharge funding, Solid Waste Department funds and debt service.

Ms. Holland further detailed the procedural overview and the meeting's running order, noting the first year a formal budget book was not distributed to Mayor and Council.

The directors and managers from departments and divisions presented a recap of their capital budget proposals for FY 2027. The projections in various revenue accounts and the operational budget proposals for the City Council, Municipal Court, City Manager, Special Activities, Legal Department, Geographic Information Systems (GIS) and Finance Department were also reviewed. Mr. Chiapetti and department/division directors/managers answered questions posed by Mayor and Councilors. There was no action taken by Mayor and Councilors during the Work Session.

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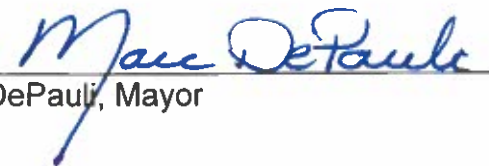
Councilor Garcia made the motion to adjourn the meeting. Seconded by Councilor Yazzie. Roll call: Councilors Garcia, Yazzie, and Mayor DePauli all voted yes.

Discussion concerning the proposed budget for Fiscal Year 2027 will continue at the Work Session scheduled on Thursday, April 16, 2026 at 9:00 a.m.

ATTEST:



Alicia Martinez, Deputy City Clerk



Marc DePauli, Mayor