

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, January 6, 2026.

The meeting was called to order by Mayor DePauli.

Upon roll call, the following were present:

Mayor: Marc DePauli

Councilors: Linda Garcia
Sierra Yazzie Asamoah-Tutu
Sarah Piano
Ron Molina

Also present: Frank Chiapetti, City Manager
David Eason, City Attorney

Comments by Public on Non-Agenda Items:

Lynn Huenemann, Homeless and Unhoused Task Force Member, welcomed the new Mayor and Councilor Yazzie and advocated for the recognition of Gallup's Cultural diversity, the importance of maintaining native languages and encouraged support of multicultural opportunities.

Presented to the Mayor and Councilors were the following Presentation and Information Items:

1. Retail Coach Annual Review Presentation – Keegan Mackenzie-Chavez, Community Development Project Manager and Kaleb Wilson, The Retail Coach Project Manager

Ms. Mackenzie-Chavez introduced Kaleb Wilson, The Retail Coach Project Manager, to present a PowerPoint Presentation summarizing the firm's retail recruitment initiatives and updates for the year. A copy of the presentation is attached hereto and made a part of these official Minutes.

Mr. Wilson shared information regarding the firm's foundational background and corporate history, explained the retail recruitment's strategic process and outlined his and his partner's professional qualifications and experience. He recapped the terms of the contract which started in 2023 and was most recently amended last year. Mr. Wilson detailed the firm's eight-step strategic framework utilized to recruit retailers and developers to Gallup including:

- Analyzing the Market
- Determining Opportunities
- Identifying Development Opportunities
- Identifying Retailers for Recruitment
- Marketing and Branding
- Recruiting Retailers and Developers
- Downtown Revitalization
- Coaching and Ongoing Support

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He provided an analysis of Gallup's retail trade area, using cellular tracking data to verify the city's actual consumer reach, summarized the Retail Demand Outlook report; highlighting potential growth in the Primary Retail Trade Area, reviewed recruitment successes, provided a detailed status report on the current pipeline, provided feedback pertaining to workforce concerns and the market's focus, size and competition.

Discussion followed regarding primary barriers to retail development, specifically noting that standard household income data may be skewed when compared to national average and the substantial population increase on the weekends. Concerns regarding the limited number of leads and strategic models including a Sam's Club citing Wal-Mart's high performance as proof of the concept and Home Depot's success despite initial concerns as a template for future prospects with similar concerns. Further discussion focused on downtown vacancies, the creation of new development sites, the role of resident advocacy in retail recruitment and the importance of communication.

James Rich, franchisee and resident, expressed hope that staff would defend the local workforce on behalf of business owners during the recruitment of competitors, expressed concern regarding the use of public assets to recruit private entities, recommendation to prioritize incentives for existing local business owners and proposed that staff formally invite local business owners to participate in future meetings.

2. City + Community Meet N' Greet Idea – Keegan Mackenzie-Chavez, Community Development Project Manager

Ms. Mackenzie-Chavez outlined a collaborative proposal with the Tourism and Marketing and Community Development departments to launch monthly Meet N' Greet events in an effort to enhance community transparency regarding local government operations. She said the series would begin with sessions featuring the Mayor, City Council and City departments; followed by smaller groups, provided a tentative schedule and solicited feedback from Mayor and Councilors.

Discussion followed regarding protocols for staff-led Q&A sessions, transparency in public communication, the benefits of providing staff the opportunity to answer questions posed by the public, importance of informing the public and community engagement, advice with regard to hosting constructive sessions and more convenient meeting times.

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

1. Approval of minutes from the Regular Meeting on December 2, 2025 and the Special Meeting on December 9, 2025
2. Request for Parking Lot Closures for Friday Night Rides, Cars & Coffee
3. Request for the use of \$108,742.76 from General Fund to Cover Furnishing Shortfall at the Public Safety Building Safety Building & Municipal Court

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Councilor Piano requested Item 3 pulled from the Consent Agenda for additional discussion.

Councilor Molina made the motion to approve Items 1 and 2 of the Consent Agenda. Seconded by Councilor Piano. Roll call: Councilors Molina, Piano, Garcia, Yazzie and Mayor DePauli all voted yes.

3. Request for the use of \$108,742.76 from General Fund to Cover Furnishing Shortfall at the Public Safety Building Safety Building & Municipal Court – Erin Toadlena-Pablo, Chief of Police and Judge Janell Griego

In response to Council inquiries, Project Manager, Keegan Mackenzie-Chavez provided a status update on the procurement of furniture for the Municipal Court. She noted that surplus funds from the Police Department were reallocated; however, the project encountered a delay when the design firm incorrectly utilized a GSA contract. Ms. Mackenzie-Chavez explained while staff remediated the pricing error; market prices continued to increase and explained an effort to lower costs by removing the kennel shading from the contract, which will be constructed in-house by Public Works and Parks Department staff.

Discussion followed regarding legislative funding allocated to outfit the Public Service Officers (PSO's), the increase associated with the expansion of space and accommodation of new hires, enhanced budgeting efficiency, use of existing and donated furniture, clarification on the type of costs included in the budget, essential requirements compared to non-essential requests, annual inflation, Purchasing Department's efforts to secure high-quality and reasonably priced items, navigating market challenges and the importance of proactive procurement.

Frances Rodriguez, Purchasing Director, provided a brief clarification regarding the GSA contract requirements, highlighted the time-intensive task to obtain prices on an existing contract for each item listed and avoid starting the process over; which would have resulted in significant delays and further cost increases.

Erin Gutierrez, Court Administrator, highlighted the need for new furniture to support significant growth in staffing and programming, mentioned the lack of adequate furnishings and outdated equipment, negative impact on daily operations and the importance of providing a professional and functional workspace to ensure staff efficiency and departmental standards.

Councilor Garcia made the motion to approve the request. Seconded by Councilor Molina. Roll call: Councilors Garcia, Molina, Yazzie, Piano and Mayor DePauli all voted yes.

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

1. Ambulance Supplemental Payment Program Memorandum of Agreements and IGT's – Jon Pairett, Fire Chief

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Chief Pairett summarized the history of Emergency Medical Services (EMS) and current billing practices provided by the Gallup Fire Department, noted a consistent annual increase in EMS-related service calls, mentioned the disparity between service costs and insurance remittances, announced the transition to a new EMS billing provider that resulted in lower costs and increased funding going into the City's General Fund. Chief Pairett provided an overview of the Ambulance Supplemental Payment Program (ASPP), a cost-recovery mechanism utilized by governmental healthcare providers to bridge the gap between actual service costs and Medicaid reimbursement limits, outlined the operational requirements; noting that Council had previously authorized the application process and the RFP to secure a contractor for Medicaid compliance and reporting. Chief Pairett requested authorization for the City Manager to execute the final agreements and approval to initiate Intergovernmental Transfers (IGTs) from the General Fund that are necessary to trigger federal matching funds, which will be returned to the City to offset operational deficits.

Discussion followed regarding the project's fiscal viability, including the Return on Investment (ROI) and funding mechanisms, the Intergovernmental Transfer (IGT) cost structures, the fund flow process and the anticipated administrative burden. It was noted the retroactive data from the prior calendar year would be used to project revenues and cost recovery.

Mr. Eason provided an overview of his research regarding the Memorandum of Agreements (MOA's) and the program's incentive structure. He noted that while the program is designed to leverage federal Medicaid matches based on state recoveries, several operational questions remain, including; the need for clarification regarding financial security ensuring local entities receive, at minimum, a full return on their initial investment and clarification with regard to whether supplemental funds must be restricted to Medicaid-funded services or if they can be retained if not fully expended. Mr. Eason requested additional time to review the documents and redraft sections to ensure fiscal certainty before staff proceeds.

Chief Pairett clarified the intended use of program funds, noting the use of a documented EMS improvement plan to justify the use of funds to make necessary improvements; remaining revenue goes back to the General Fund, which allows the City to be reimbursed for Fire Department expenditures and provides additional support for other General Fund-dependent operations.

Councilor Piano made the motion to approve City Manager's authority to accept the MOAs upon the City attorney's review and use of the General Fund to start the IGT's. Seconded by Councilor Garcia. Roll call: Councilors Piano, Garcia, Yazzie, Molina and Mayor DePauli all voted yes.

2. Budget Adjustment for Water and Wastewater Capital – Jacqueline Leyba, Deputy Chief Financial Officer

Ms. Leyba presented a budget adjustment to reallocate unspent funds from finalized capital projects within the Water and Wastewater Departments, confirmed the closure of

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five (5) Water projects and one (1) Wastewater project, noting that the resulting cash transfers would effectively reconcile the capital account. She detailed an interdepartmental loan involving the General Fund and the Electric Department for the North Side Sewer Interceptor; of the transferred funds, \$1.1 million is designated to reduce the principal on that loan. The requested adjustments total \$197,051. for Water and \$1,123,585. for Wastewater.

Discussion followed regarding the use of an interdepartmental loan for the sewer interceptor and intended allocation of the remaining Water Department budget.

Councilor Molina made the motion to approve the budget adjustments. Seconded by Councilor Piano. Roll call: Councilors Molina, Piano, Garcia, Yazzie and Mayor DePauli all voted yes.

Comments by Mayor and Councilors

Councilor Piano wished everyone a Happy New Year, welcomed Councilor Yazzie and Mayor DePauli to their first City Council Meeting and expressed excitement to work with them.

Councilor Garcia thanked City staff for their work during a recent scheduled power outage, reported on her visit to the Warming Center at the Howard Johnson Ballroom and invited Behavioral Health Manager Debra Martinez to provide further details regarding the Center. Councilor Garcia commended Public Works Director Robert Hamblen and his team for their feature in the Gallup Journey, announced a classic car show traveling from Santa Monica to Detroit that included a stop in Gallup, welcomed Mayor DePauli and Councilor Yazzie and noted their attendance at the NCI's 24th Annual New Year's Eve Sobriety Pow Wow, highlighting the events significance in honoring those in recovery.

Ms. Martinez detailed coordinated efforts with Gallup Express for participant transportation to and from the facility, presented current statistics and noted that Staff will continue to track and analyze data to evaluate the centers impact and service levels.

Councilor Molina shared a personal reflection on Gallup's multiculturalism, referencing earlier comments by Lynn Huenemann, contrasting his upbringing in Belen with his residency in Gallup and he and his wife's decision to raise their children here and expressed hope that all residents appreciate the unique nature of the community. Councilor Molina praised the success of the recent Community Meet N' Greet, encouraged residents with workforce improvement ideas to contact Frank Chiapetti, City Manager and formerly welcomed Mayor DePauli and Councilor Yazzie to Council.

Councilor Yazzie expressed her gratitude for everyone's support and encouragement during her transition into her new role as Councilor, welcomed viewers joining via Facebook Live and echoed Councilor Garcia's support for the local Warming Center and NCI's New Year's Eve Pow Wow advocating for the continued expansion of these emergency services. She offered a heartfelt tribute to the late Elvira Amador, a

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prominent community advocate with Somo Un Pueblo Unidos, who defended the rights of immigrants and working-class, announced a fundraiser for the Amador family and wished everyone a Happy New Year.

Mayor DePauli emphasized the importance of community development through expanded educational opportunities, announced the development of a local police academy at UNM-Gallup; describing it as a wonderful start for local workforce development, invited Deputy Chief Padavich to provide further details and expressed gratitude to the citizens of Gallup for his election.

Deputy Chief Padavich recalled that the last local academy graduates were Chief Toadlena-Pablo and the current Sheriff, nearly 24 years ago. He characterized the recent hiring of an academy director as the culmination of a four-year advocacy effort for a community-based academy, noted that the new, "Satellite Academy," model will benefit those with family commitments and serve as a valuable resource for local agencies.

Comments by City Manager and City Attorney

Mr. Chiapetti commended all department heads, staff and agencies involved in managing the recent scheduled power outage, recognized field crews who perform technical repairs in extreme sub-zero temperatures to ensure quality service to citizens, emphasized the City's commitment to transparency and urged the public to offer gratitude to all frontline employees. Mr. Chiapetti recognized the recent passing of Phyllis Casuse, a lifelong Gallup resident and retired employee of Gallup-McKinley County Schools.

Mr. Eason provided a Legislative update on the Navajo Gallup Water Supply Project, reporting that on January 5th, Senator Lujan and Representative Leger Fernandez confirmed the reporting of the Commerce, Justice, Science, Energy and Water Development, Interior and Environment Appropriations Act, 2026 to the House floor. He highlighted Section 209 of the Bill as a pivotal "game-changer" for the region, due to two critical provisions: an increased funding authorization to \$1.815 billion ensuring the project's completion and a \$76 million cap on the City's capital contribution, a policy goal Staff has pursued for over two years. Mr. Eason noted the high probability of the bill's passage, reported the remaining obligation toward the capital contribution and confirmed the City's future access to 7,500 acre-feet of surface water annually upon completion.

Mayor DePauli noted the bill's non-partisan status.

There being no further business, Councilor Molina made the motion to adjourn. Seconded by Councilor Garica. Roll call: Councilors Molina, Garcia, Piano, Yazzie and Mayor DePauli all voted yes.

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ATTEST:


Alicia Martínez, Deputy City Clerk



Marc DePauli, Mayor