

Special Meeting
August 11, 2010



**City Council
of the
City of Las Cruces**

Special Meeting

**August 11, 2010
1:00 P.M.**

Council Chambers, City Hall

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MEMBERS PRESENT:

STAFF:

- 14 Mayor Ken Miyagishima
- 15 Councillor Miguel Silva, District 1
- 16 Councillor Dolores Connor, District 2
- 17 Councillor Olga Pedroza, District 3
- 18 Councillor Nathan Small, District 4
- 19 Councillor Gill Sorg, District 5
- 20 Councillor Sharon Thomas, District 6

- Terrence Moore, City Manager
- Marcy Driggers, Senior Assistant City Attorney
- Esther Martinez, City Clerk

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23 Mayor Miyagishima called the meeting to order and led the Pledge of Allegiance.

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27 **II. CONFLICT OF INTEREST INQUIRY BY MAYOR AS REQUIRED BY LCMC**
28 **SECTION 2-27(E)(2).** *At the opening of each council meeting, the chairperson shall ask*
29 *if any member of the city council, city manager, or any member of the city staff has any*
30 *known conflict of interest with any item on the agenda.*

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None given.

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VI. ORDINANCES FOR DISCUSSION

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(1) **Council Bill No. 11-004; Ordinance No. 2584:** A Supplement Ordinance Authorizing the Issuance and Sale of \$ _____ City of Las Cruces, New Mexico Joint Utility Refunding Revenue Bonds, Series 2010, to be issued to Refund, Refinance, Prepay and Discharge the City's Outstanding New Mexico Finance Authority Utility System Loans; Establishing the Maturity Dates, Interest Rates, Redemption Provisions and Other Details of the Bonds; Approving the Execution of Certain Documents Relating to the Bonds; Ratifying Certain

1 Actions Previously Taken in Connection with the Bonds; Repealing All Action Inconsistent
2 with this Ordinance.

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4 Councillor Connor Moved to Adopt Council Bill No. 11-004; Ordinance No. 2584 and Councillor
5 Small Seconded the motion.

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9 Kevin Powers, RBC Capital Markets gave an overhead presentation and said at 10:00 a.m. this
10 morning, the City received sealed bids for almost \$25 million in bonds to refinance eight separate
11 loans. These loans were made to the City for the benefit of the Joint Utility System and in reviewing
12 these loans, we discovered that the interest rate was higher than it is currently; so, this is a great
13 opportunity for the City to save some debt service money in the future. We set this date a month ago
14 to sale the bonds which was a wise decision because they are selling high this week. We did an
15 online bidding process which shows our AA2 rating, debt service schedule and the perimeters for
16 the structure of the bid. The best bid we received was from Robert W. Baird & Company, Inc and
17 the interest rate was 3.19% and the second best bid was from Piper Jaffray and their interest rate was
18 3.27%. Since this is a refinance, we need to resize the issue so we are generating just enough money
19 to pay the old bonds and pay the cost of issuance on the transaction. The bid we receive is so good
20 that we were able to downsize the bond issue to \$24,840,000 which gave us a saving of \$2,649,000.

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22 Councillor Sorg asked would it be possible for us to have a triple A rating?

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24 Kevin Powers said probably not because the city has to have a population of a half million or more.

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26 Councillor Sorg said I would suggest that we look into doing more business like this while the
27 market is still so good.

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29 Duane Brown, Modrall Sperling Law Firm said at the time of the first read for this ordinance, we
30 didn't know the size of the bond issue but that was determined today when the bids came in so we
31 have submitted a substitute ordinance that includes the amounts that were initially left blank in the
32 original ordinance.

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36 Councillor Connor Moved to Amend Council Bill No. 11-004; Ordinance No. 2584 to include the
37 substitute ordinance and Councillor Small Seconded the motion.

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1 Mayor Miyagishima called for the roll on the Motion to Amend Council Bill No. 11-004; Ordinance
2 No. 2584 to include the substitute ordinance and it was Unanimously APPROVED. 7-0

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6 Mayor Miyagishima called for the roll on the Motion to Adopt Council Bill No. 11-004; Ordinance
7 No. 2584 as Amended and it was Unanimously APPROVED. 7-0

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11 **Meeting Adjourned at 1:33 p.m.**