

Special Meeting
August 25, 2010



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

Special Meeting

August 25, 2010

1:00 P.M.

Conference Rm 2007-C (2nd floor), City Hall

MEMBERS PRESENT:

STAFF:

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

- Terrence Moore, City Manager
- Harry (Pete) Connelly, Interim City Attorney
- Esther Martinez, City Clerk

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

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27 Councillor Connor Moved to Allow Councillor Silva to attend the meeting via telephone and
28 Councillor Small Seconded the motion.

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32 Mayor Miyagishima called for the roll on the Motion to Allow Councillor Silva to attend the meeting
33 via telephone and it was APPROVED. 6-0 Councillor Sorg was Absent.

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

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42 None given.

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II. ORDINANCES FOR DISCUSSION

(1) **Council Bill No. 11-007; Ordinance No. 2587**: An Ordinance Authorizing the Issuance and Sale of the City of Las Cruces, New Mexico Municipal Gross Receipts Tax Refunding and Improvement Revenue Bonds (Streets Projects), Series 2010A, in an Aggregate Principal Amount of \$12,450,000 for the Purpose of Defraying the Cost of Refunding the Outstanding City of Las Cruces New Mexico Municipal Gross Receipts Tax Revenue Bonds (Streets Projects) Series 1999A, Prepaying the Outstanding New Mexico Finance Authority Street Project Loans and Reconstructing, Resurfacing, Repairing and Necessitated by the Street Modifications; Providing that the 2010A Bonds will be Payable from the Revenues Derived from the First One Quarter of One Percent (1/4%) Increment of Municipal Gross Receipts Tax Distributed to the City; and Authorizing the Issuance and Sale of the City of Las Cruces, New Mexico Municipal Gross Receipts Tax Refunding Revenue Bonds (Flood Control Projects), Series 2010B, in an Aggregate Principal Amount of \$4,560,000 for the Purpose of Defraying the Cost of Refunding the Outstanding City of Las Cruces New Mexico Municipal Gross Receipts Tax Revenue Bonds (Flood Control Projects), Series 1999B, and Prepaying the Outstanding New Mexico Finance Authority Flood Control Loans; Providing that the 2010B Bonds will be Payable from the Revenues Derived from the Fifth One Quarter of One Percent (1/4%) Increment of Municipal Gross Receipts Tax Distributed to the City; 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 Action Previously Taken in Connection Therewith; and Repealing All Action in Conflict Herewith.

Councillor Small Moved to Adopt Council Bill No. 11-007; Ordinance No. 2587 and Councillor Connor Seconded the motion.

Kevin Powers, RBC Marketing gave an overhead presentation and said we refinanced five outstanding Municipal Gross Receipts Tax obligations which two were bonds and three were Finance Authority transactions and we added \$3 million in new money for street projects. This was done competitively and the best bid was submitted by Stone and Youngbird at a rate of 2.01%. We ended up saving \$1,228,213.72 by doing this transaction.

Mayor Miyagishima said this is saving us approximately \$120,000 a year.

Kevin Powers said yes.

1 Councillor Silva said the \$1 million in savings is through a lot of different variables; correct?

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3 Kevin Powers said that is correct.

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5 Duane Brown, Modrall Sperling Law Firm said we have passed out the final version of Ordinance
6 2587 which includes the numbers that we received this morning and we will need to amend this
7 ordinance to include this substitute ordinance.

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9 Mayor Miyagishima said the differences between the original and the substituted ordinance are the
10 insertions of the amounts of \$12,255,000 for the streets, \$4,390,000 for the flood and listing the
11 purchaser as Stone and Youngbird.

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15 Councillor Connor Moved to Amend Council Bill No. 11-007; Ordinance No. 2587 to include the
16 substitute ordinance and Councillor Pedroza Seconded the motion.

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20 Mayor Miyagishima called for the roll on the Motion to Amend Council Bill No. 11-007; Ordinance
21 No. 2587 to include the substitute ordinance and it was APPROVED. 6-0 Councillor Sorg was
22 Absent.

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26 Mayor Miyagishima called for the roll on the Motion to Adopt Council Bill No. 11-007; Ordinance
27 No. 2587 as Amended and it was APPROVED. 6-0 Councillor Sorg was Absent.

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31 (2) **Council Bill No. 11-008; Ordinance No. 2588:** An Ordinance Authorizing the Issuance and
32 Sale of the City of Las Cruces, New Mexico State Shared Gross Receipts Tax Refunding
33 Revenue Bonds, Series 2010, in an Aggregate Principal Amount of \$26,060,000 for the
34 Purpose of Refunding, Refinancing, Prepaying and Discharging the City's Outstanding New
35 Mexico Finance Authority Convention Center Loan; Providing that the Refunding Bonds
36 will be Payable and Collectible from the Pledged Convention Center Fee Revenues, the
37 Pledged Lodgers' Tax Revenues and the Pledged State Shared Gross Receipts Tax Revenues
38 Distributed to the City; Authorizing the Execution and Delivery of a Bond Purchase
39 Agreement in Connection with the Sale of the Refunding Bonds; Approving Certain Other
40 Agreements and Documents in Connection Therewith; Prescribing Other Details Concerning
41 the Refunding Bonds and the Funds Appertaining Thereto; Ratifying Action Previously
42 Taken in Connection Therewith; and Repealing All Action in Conflict Herewith.

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2 Councillor Connor Moved to Adopt Council Bill No. 11-008; Ordinance No. 2588 and Councillor
3 Thomas Seconded the motion.

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7 Kevin Powers, RBC Marketing gave an overhead presentation and said the issuance size for this is
8 \$24,330,000 and the interest rate is a little higher for these bonds because they have a longer term.
9 These should be repaid between 2011 and 2037 and the total interest cost is \$18 million. We were
10 able to save about a million one in present value savings by doing this transaction. We are
11 establishing a debt service fund with this transaction and we are paying the cost of issuance at a
12 discounted cost.

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14 Duane Brown, Modrall Sperling Law Firm said we need to amend this ordinance to include the
15 substituted ordinance which includes the correct dollar amounts and interest rates.

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19 Councillor Connor Moved to Amend Council Bill No. 11-008; Ordinance No. 2588 to include the
20 substitute ordinance and Councillor Thomas Seconded the motion.

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24 Mayor Miyagishima called for the roll on the Motion to Amend Council Bill No. 11-008; Ordinance
25 No. 2588 to include the substitute ordinance and it was APPROVED. 6-0 Councillor Sorg was
26 Absent.

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30 Mayor Miyagishima called for the roll on the Motion to Adopt Council Bill No. 11-008; Ordinance
31 No. 2588 as Amended and it was APPROVED. 6-0 Councillor Sorg was Absent.

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35 **III. RESOLUTION FOR DISCUSSION**

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37 (3) ***Resolution No. 11-050:** A Resolution Establishing a Policy for the Payment of Aircraft
38 Rescue and Firefighting / Police Services Rendered by the Las Cruces Fire Department and
39 the Las Cruces Police Department During the Training Sessions Conducted by the United
40 States Navy at the Las Cruces International Airport and to Adjust the 2010/11 Budget.

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1 Councillor Connor Moved to Adopt Resolution No. 11-050 and Councillor Thomas Seconded the
2 motion.

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6 Chief Travis Brown, LCFD gave a verbal presentation and said we were notified that the Navy will
7 be here for their training sessions in September and they will be bringing in approximately 50 pilots
8 and about 100 staff members for the period of about two months.

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10 Councillor Silva asked how much are we pulling from the General Fund for this project?

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12 Chief Travis Brown said we have estimated the amounts for the Police Security function as
13 \$27,821.45 and the Fire Department services is \$55,598.40 but the Navy will reimburse us and those
14 funds will go back into the account.

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18 Mayor Miyagishima called for the roll on the Motion to Adopt Resolution No. 11-050 and it was
19 APPROVED. 6-0 Councillor Sorg was Absent.

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23 **Meeting Adjourned at 1:44 p.m.**