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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 5 Ordinance/Resolution# 12-039

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of September 6, 2011
 (Adoption Date)

TITLE: A RESOLUTION TO AUTHORIZE AND APPROVE SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY (NMFA).

PURPOSE(S) OF ACTION:

The proposed action will allow the City to finance the acquisition of fire fighting equipment.

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Robert Scaling	<u>Department/Section:</u> Finance	<u>Phone:</u> 541-2035
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The Fire Department is requesting to purchase two (2) new Class A 1500 GPM Pumpers from Pierce Manufacturing of Appleton, WI. This purchase is a continuation of the Fire Department's ongoing 20 year vehicle cycling plan put into effect in 2008. These units will replace older front line apparatus that have reached their life and maintenance cycles as front line units and need to be moved to reserve status in order to maintain reliable and safe service. These two units are currently 10 years old and are at 105,401 and 122,311 road miles. Additionally, two other apparatus that are current reserves will be removed from service altogether. All apparatus typically have a useful operating life of fifteen (15) to twenty (20) years.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A"; NMFA Public Project Revolving Fund Infrastructure Application.

(Continue on additional sheets as required)

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See Budget Narrative below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
	<input type="checkbox"/>	Proposed funding is from fund balance in the __ Fund.	
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY ____.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

The actual cost of the equipment being purchased plus the loan processing cost is unknown as of this submission. A budget does exist for this acquisition and may be sufficient to cover all related costs. If the existing budget is not sufficient, future Council action will be needed to adjust the existing budget.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will enable City staff to submit the refunding application to NMFA.
2. Vote "No"; this will deny City staff the opportunity to submit the refunding application to NMFA and realize the interest savings opportunity.
3. Vote to "Amend"; this could require staff to explore other financing options not currently recommended by the City's financial advisor.
4. Vote to "Table"; this could delay this financing opportunity and reduce the projected interest savings.

REFERENCE INFORMATION:

N/A

(Continue on additional sheets as required)

RESOLUTION NO. 12-039**A RESOLUTION TO AUTHORIZE AND APPROVE SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY (NMFA).**

The City Council is informed that:

WHEREAS, the City of Las Cruces ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the City of Las Cruces City Council ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

WHEREAS, the Governing Body intends to undertake acquisition of fire fighting equipment ("Project") for the benefit of the Governmental Unit and its citizens; and

WHEREAS, the application prescribed by the Authority has been completed and submitted to the Governing Body and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

NOW THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT all action (not inconsistent with the provisions hereof) heretofore taken by the Governing Body and the officers and employees thereof directed toward the Application and the Project, be and the same is hereby ratified, approved and confirmed.

(II)

THAT the completed Application submitted to the Governing Body, be and the same is hereby approved and confirmed.

(III)

THAT the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority for its review, and are further authorized to take such other action as may be requested by the Authority in its consideration and review of the Application and to further proceed with arrangements for financing the Project.

(IV)

THAT all acts and resolutions in conflict with this resolution are hereby rescinded, annulled and repealed.

(V)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2011.

APPROVED

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima

Councillor Silva

Councillor Connor

Councillor Pedroza

Councillor Small

Councillor Sorg

Councillor Thomas

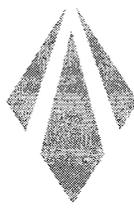
Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney



NMFA U	EXHIBIT "A"
App. #:	-PP
FA assigned:	
Legislative Authorization	

PUBLIC PROJECT REVOLVING FUND INFRASTRUCTURE APPLICATION

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

		Application Date:	8/19/11
Applicant/Entity:	City of Las Cruces		
Address:	P.O. Box 20000, Las Cruces NM 88004-9002		
County	Dona Ana	Census Tract:	
Federal Employer Identification Number (EIN) as issued by the IRS:			
Legislative District:	Senate:	House:	
Phone: 575-646-4019	Fax: 575-646-4019	Email Address:	rscaling@las-cruces.org
Individual Completing Application:	Erik Harrigan		
Address:	6301 Uptown Blvd. NE Suite 110 Albuquerque NM 87110		
Phone: 505-872-5992	Fax: 505-872-5979	Email Address:	Erik.harrigan@rbccm.com

B. CONSULTING PROFESSIONALS (Financial Advisor/Bond/Legal Counsel, Architect, Engineer, etc.), if available:

Firm:	RBC Capital Markets		
Contact:	Kevin Powers		
Address:	6301 Uptown Blvd. NE, Ste. 110, Albuquerque, NM 87110		
Phone: 505-872-5993	Fax: (505) 872-5979	Email Address:	kevin.f.powers@rbccm.com

C. BOND COUSNSEL PRIMARY CONTACT PERSON:

Name:	Duane Brown		
Contact:	Modrall Law Firm		
Address:	P.O. Box 2168, Albuquerque, NM 87103		
Phone: 505-848-1807	Fax: 505-848-9710	Email Address:	duanebrown@modrall.com

II. PROJECT SUMMARY

- A. Project Description.** Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

Description of the project. Two (2) Class A 1500 GPM Pumpers for Fire Department, plus applicable professional fees

1. Proposed Project Start Date: N/A Proposed Project Completion Date: N/A
When do you need NMFA funds available? November 2011

2. How will the ongoing maintenance, operation, and replacement of this project be funded? By the City of Las Cruces

3. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments.

B. Total Project Cost & Sources of Funds Detail.

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Planning and Design	\$	\$	\$	\$ 0.00
Construction	\$	\$	\$	\$ 0.00
Equipment	\$940,000	\$	\$	\$940,000.00
Infrastructure Activities				
Facility Acquisition	\$	\$	\$	\$ 0.00
Land Acquisition	\$	\$	\$	\$ 0.00
Utilities (Electric, Gas, Water, etc.)	\$	\$	\$	\$ 0.00
Project Proceeds	\$	\$	\$	\$ 0.00
Deposit to Refunding Fund	\$	\$	\$	\$ 0.00
Cost of Issuance (Excluding NMFA processing fee)	\$10,000	\$	\$	\$10,000.00
Other	\$	\$	\$	\$ 0.00
Total Cost:	\$950,000.00	\$ 0.00	\$ 0.00	\$950,000.00

*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
Prior Debt Service Reserve Fund	\$	

	72	
	\$	
	\$	
Total:	\$ 0.00	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

- C. Will this project require right-of-way acquisition? Yes No
 If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.
- D. Who will hold title to the land where the project is to be located? City of Las Cruces
 If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements.)
- E. Does this project require a Joint Powers Agreement (JPA)? Yes No
 If yes, provide a copy of (attach) the JPA, which should include a list of the current membership

III. FINANCING

- A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).
- Municipal Local Option GRT – please specify: _____
 - County Option GRT – please specify: _____
 - Other Tax-Based Revenue: _____
 - State-Shared GRT
 - Law Enforcement Funds
 - Fire Protection Funds
 - Net System Revenues: _____
 - Other Revenue: City Vehicle Acquisition Fund
2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes No If yes, specify:
3. Preferred financing term: 8 years
- B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes No

The City has no other debt pledged from this source

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS**A. The following items must accompany this application in order for this application to be considered complete:**

- Equipment cost breakdown (if applicable)
- Three most recently completed fiscal year audit reports
- Current unaudited financials
- Current fiscal year budget
- Verification of ownership of land where project will be located
- Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- Joint Powers Agreement (if applicable)

B. In addition, complete the following information, using additional paper as necessary. These items will be required prior to disbursement of NMFA proceeds:

- Provide a detailed drawdown schedule for project payments
 - Final technical information for the project, stamped and approved by a registered engineer
 - Cost breakdown of the project, certifiable by either an engineer or architect
 - Area map, site map, and floor map (if applicable)
 - Verification of ownership of land where project will be located
 - Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
 - Documentation showing status of right-of-way acquisition (if applicable)
 - Explanation of land ownership arrangements (if applicable)
 - List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
 - Is there litigation pending which would have a bearing on this project or applicant? Yes No
- If yes, provide a complete summary of all circumstances relating to such litigation.

- Indicate the regular meeting dates for your authorizing body: _____

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

(highest elected official)

Title:

Jurisdiction:

Print Name:

Date:

Signature:

Date:

Finance Officer/Director: