

Regular Meeting of the City Council, City of Farmington, New Mexico, held in the Council Chamber at City Hall at 6:00 p.m. on Tuesday, August 23, 2016. The open regular session was held in full conformity with the laws and ordinances and rules of the Municipality.

Upon roll call, the following were found to be present, constituting a quorum:

MAYOR	Tommy Roberts
COUNCILORS	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett

constituting all the members of said Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Julie Baird
CITY ATTORNEY	Jennifer Breakell
CITY CLERK	Dianne Smylie

The meeting was convened by the Mayor. Thereupon the following proceedings were duly had and taken:

INVOCATION: The invocation was offered by Pastor David Florez of The Journey Church.

Mayor Roberts led the Pledge of Allegiance.

CONSENT AGENDA: The Mayor announced that those items on the agenda marked with an asterisk (*) have been placed on the Consent Agenda and will be voted on without discussion by one motion. He stated that if any item did not meet with approval of all Councilors or if a citizen so requested, that item would be removed from the Consent Agenda and heard under Business from the Floor.

*MINUTES: The minutes of the Regular Meeting of the City Council held August 9, 2016.

*DECLARATION OF SURPLUS PROPERTY: The Chief Procurement Officer recommended that worn-out, unusable or obsolete vehicles (Administrative Services, Central Warehouse, General Services and Vehicle Maintenance) be declared surplus to the needs of the City and not essential for municipal purposes, and that the City Manager or his designee be authorized to dispose of such surplus property pursuant to State Statutes.

*BID: The Chief Procurement Officer recommended that the bid for slope stabilization at the Four Corners Regional Airport (Administration) be awarded to Meridian Contracting on its low bid meeting specifications of \$166,107, and that the bid received from Hank Williams, Inc. be rejected for not having the correct New Mexico license classification that allows work on airports. Bids opened July 28, 2016 with two bidders participating.

*PUBLIC CELEBRATION PERMIT APPLICATION AND WAIVER to the 300-Foot Separation Requirement from a Church from Wines of the San Juan (License No. 6085) for a reception to be held on September 14, 2016 at 302 East Main Street.

*PUBLIC CELEBRATION PERMIT APPLICATION AND WAIVER to the 300-Foot Separation Requirement from a Church from Wines of the San Juan (License No. 6085) for a class reunion to be held on October 1, 2016 at 302 East Main Street.

*WARRANTS PAYABLE for the time period of August 7, 2016 through August 20, 2016, for current and prior years, in the amount of \$5,273,017.61.

There being no requests to remove any items, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch to approve the Consent Agenda, as presented, and upon voice vote the motion carried unanimously.

RECOMMENDATIONS FROM THE PLANNING AND ZONING COMMISSION:

CONSENT AGENDA: Community Development Director Mary Holton requested that the Planning and Zoning Commission recommendations marked with an asterisk () be placed on the Planning and Zoning Commission Consent Agenda and voted on without discussion by one motion. She asked that if the items proposed did not meet with approval of all Councilors or if a citizen so requested, the item would be removed from the Consent Agenda and heard in regular order.

- * (1) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to approve Petition No. PP 16-65 from Joe Kozimor, represented by Cheney-Walters-Echols, requesting preliminary plan approval for Little Creek Subdivision, Phase VI, a 46-lot subdivision of 12.64 acres located north of Piedras Street.
- * (2) Adoption of the recommendation from the Planning and Zoning Commission as contained within the Community Development Department Petition Report to approve Petition No. PFP 16-67 from Kenneth Kendrick, represented by Souder Miller Associates, requesting preliminary plan/final plat approval for the Kendrick Subdivision on 34.13 acres of land located south of Murray Drive, east of the City's Water/Wastewater Treatment Plant and west of Curtis Place.

There being no requests to remove any items, a motion was made by Councilor McCulloch, seconded by Councilor Sharer to approve the Planning and Zoning Commission Consent Agenda, as presented, and upon voice vote the motion carried unanimously.

CITY MANAGER BUSINESS

City Manager Rob Mayes presented and read by title Resolution No. 2016-1602 authorizing applications for financial assistance from the New Mexico Finance Authority. The title of the resolution being:

A RESOLUTION AUTHORIZING AND APPROVING SUBMISSION OF COMPLETED APPLICATIONS FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY TO FINANCE (I) IMPROVEMENTS TO THE CITY'S CONVENTION CENTER AND (II) AN ENERGY CONSERVATION AND EFFICIENCY PROJECT, ALL WITHIN THE CITY OF FARMINGTON, NEW MEXICO.

Mr. Mayes noted that Resolution Nos. 2016-1602, 2016-1603 and 2016-1604 are all related since they pertain to the submission of applications for financial assistance through the New Mexico Finance Authority for energy conservation improvements at the Civic Center and other City facilities. He explained that the Civic Center has been separated from the other facilities because the loan will be repaid with revenue collected through the Convention Center Fee which generates approximately \$840,000 per year. He advised the Council that staff is only pledging \$710,000 annually towards the loan, thereby allowing some room for a decrease in revenue if the economy continues to decline. He also explained that Paul Cassidy, the City's financial advisor, has recommended that both projects be combined into one transaction to save money on the issuance fees and stated that Mr. Cassidy has also identified a qualified energy conservation bond that offers a rebate program that could allow the City to recover \$989,000 in interest costs incrementally over the 15-year period. He noted that this is a federally-funded program that is subject to annual appropriations and, as a result, stated that the rebate is not being built into the program proforma.

In response to inquiry from Mayor Roberts, Mr. Mayes explained that the New Mexico Finance Authority will sell the bonds and then issue loans to the City of Farmington and the other participating entities. He assured the Mayor that the City is only financially responsible for the loan agreement and not the entire bond issue.

There being no further discussion, a motion was made by Councilor Duckett, seconded by Councilor Rodgers that Resolution No. 2016-1602 be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1602 was duly passed and adopted.

Mr. Mayes also presented and read by title Resolution No. 2016-1603 authorizing a loan agreement with the New Mexico Finance Authority for energy conservation and efficiency improvements. The title of the resolution being:

A RESOLUTION DECLARING THE INTENT OF THE CITY COUNCIL OF CITY OF FARMINGTON, NEW MEXICO, TO CONSIDER FOR ADOPTION AN ORDINANCE AUTHORIZING EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE NEW MEXICO FINANCE AUTHORITY IN A PRINCIPAL AMOUNT OF \$5,500,000 FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING ENERGY CONSERVATION AND EFFICIENCY IMPROVEMENTS WITHIN THE CITY; AND DIRECTING THE CITY MANAGER AND CITY CLERK TO PUBLISH NOTICE OF INTENT TO CONSIDER AN ORDINANCE AUTHORIZING SUCH LOAN IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE CITY.

There being no discussion, a motion was made by Councilor Duckett, seconded by Councilor Rodgers that Resolution No. 2016-1603 be passed and adopted as presented. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1603 was duly passed and adopted.

Lastly, Mr. Mayes presented and read by title Resolution No. 2016-1604 authorizing a loan agreement with the New Mexico Finance Authority for improvements to the Civic Center. The title of the resolution being:

A RESOLUTION DECLARING THE INTENT OF THE CITY COUNCIL OF CITY OF FARMINGTON, NEW MEXICO, TO CONSIDER FOR ADOPTION AN ORDINANCE AUTHORIZING EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE NEW MEXICO FINANCE AUTHORITY IN A PRINCIPAL AMOUNT OF \$11,500,000 FOR THE PURPOSE OF IMPROVING, EQUIPPING, FURNISHING AND REHABILITATING THE CITY'S CONVENTION CENTER; AND DIRECTING THE CITY MANAGER AND CITY CLERK TO PUBLISH NOTICE OF INTENT TO CONSIDER AN ORDINANCE AUTHORIZING SUCH LOAN IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE CITY.

It was noted that the Council has been provided an amended Resolution that increases the maximum principal amount from 11,500,000 to 12,500,000.

There being no discussion, a motion was made by Councilor Duckett, seconded by Councilor Rodgers that Resolution No. 2016-1604 be passed and adopted as amended. The roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Resolution No. 2016-1604 was duly passed and adopted.

CITY ATTORNEY BUSINESS

City Attorney Jennifer Breakell presented for discussion a proposed ordinance dealing with food catering/vending wagons and trucks. The title of such proposed ordinance being:

AN ORDINANCE AMENDING CHAPTER 8, ARTICLE 13 OF THE CITY CODE DEALING WITH FOOD CATERING/VENDING WAGONS AND TRUCKS.

There being no discussion, Ms. Breakell announced that the proposed ordinance will be presented for final action at the September 13, 2016 regular City Council meeting.

Ms. Breakell also presented a proposed ordinance pertaining to Pollution Control Revenue Refunding Bonds, 2016 Series A (Public Service Company of New Mexico San Juan and Four Corners Project) and recommended that the ordinance, if adopted, be given the number 2016-1291. The title of the ordinance being:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE CITY OF FARMINGTON, NEW MEXICO OF ITS REVENUE BONDS DESIGNATED "POLLUTION CONTROL REVENUE REFUNDING BONDS, 2016 SERIES A (PUBLIC SERVICE COMPANY OF NEW MEXICO SAN JUAN AND FOUR CORNERS PROJECT)" TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT OF \$46,000,000 TO BE ISSUED PURSUANT TO THE PROVISIONS OF THE POLLUTION CONTROL REVENUE BOND ACT, CHAPTER 397, LAWS OF 1973 OF THE STATE OF NEW MEXICO, 31ST LEGISLATURE, 1ST SESSION, AS AMENDED FOR THE PURPOSE OF REFUNDING OUTSTANDING REVENUE BONDS ISSUED UNDER SUCH ACT TO REFUND PREVIOUSLY ISSUED REVENUE BONDS UNDER SUCH ACT TO REFUND PREVIOUSLY ISSUED REVENUE BONDS UNDER SUCH ACT TO FINANCE A PORTION OF THE COSTS TO PUBLIC SERVICE COMPANY OF NEW MEXICO PUBLIC SERVICE COMPANY OF NEW MEXICO (THE "COMPANY"), A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW MEXICO (THE "STATE") OF (I) ACQUIRING, CONSTRUCTING, AND INSTALLING CERTAIN AIR AND WATER POLLUTION CONTROL SYSTEMS AND FACILITIES (THE "SAN JUAN FACILITIES") RELATING TO UNIT 3 AT THE SAN JUAN GENERATING STATION (THE "SAN JUAN PLANT") LOCATED IN SAN JUAN COUNTY, NEW MEXICO, INTERESTS IN WHICH ARE OWNED BY THE COMPANY AND (II) ACQUIRING, CONSTRUCTING, RECONSTRUCTING, IMPROVING, MAINTAINING, EQUIPPING OR FURNISHING CERTAIN AIR AND WATER POLLUTION CONTROL FACILITIES (THE "FOUR CORNERS FACILITIES", AND TOGETHER WITH THE SAN JUAN FACILITIES, THE "FACILITIES") RELATING TO UNITS 4 AND 5 AT THE FOUR CORNERS GENERATING STATION (THE "FOUR CORNERS PLANT", AND TOGETHER WITH THE SAN JUAN PLANT, THE "PLANTS") AN ELECTRIC POWER GENERATING PLANT LOCATED IN SAN JUAN COUNTY, NEW MEXICO, INTERESTS IN WHICH ARE OWNED BY THE COMPANY, SAID REVENUE BONDS TO BE PAYABLE BY THE CITY SOLELY FROM THE REVENUES PAYABLE TO THE CITY BY PUBLIC SERVICE COMPANY OF NEW MEXICO PURSUANT TO CERTAIN INSTALLMENT SALE AGREEMENTS DATED AS OF _____, 2016 BETWEEN THE CITY, AS VENDOR, AND PUBLIC SERVICE COMPANY OF NEW MEXICO, AS VENDEE, AND CERTAIN OTHER MONEYS PLEDGED THEREFOR HEREUNDER, SAID REVENUE BONDS NEVER TO CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND NEVER TO CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS AND DECLARING THAT EMERGENCY CIRCUMSTANCES EXIST WITH RESPECT THERETO.

Addressing the Council as the Assistant Treasurer for PNM Resources, Michael Rico introduced fellow colleagues Gregory Theobald, PNM Financial Analyst, Craig Scully of Katten Muchin Rosenman LLP, bond counsel for PNM, and David Lucas of Sherman and Howard, special bond counsel to the City. He urged the Council to adopt the two proposed ordinances dealing with the refinancing of the Pollution Control Revenue Refunding Bonds for the San Juan and Four Corners Projects.

After consideration of Ordinance No. 2016-1291, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch
Nate Duckett

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1291 was duly passed and adopted.

Lastly, Ms. Breakell presented a proposed ordinance pertaining to Pollution Control Revenue Refunding Bonds, 2016 Series B (Public Service Company of New Mexico San Juan and Four Corners Project) and recommended that the ordinance, if adopted, be given the number 2016-1292. The title of the ordinance being:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE CITY OF FARMINGTON, NEW MEXICO OF ITS REVENUE BONDS DESIGNATED "POLLUTION CONTROL REVENUE REFUNDING BONDS, 2016 SERIES B (PUBLIC SERVICE COMPANY OF NEW MEXICO SAN JUAN AND FOUR CORNERS PROJECTS)" TO BE ISSUED IN AN AGGREGATE PRINCIPAL AMOUNT OF \$100,000,000 TO BE ISSUED PURSUANT TO THE PROVISIONS OF THE POLLUTION CONTROL REVENUE BOND ACT, CHAPTER 397, LAWS OF 1973 OF THE STATE OF NEW MEXICO, 31ST LEGISLATURE, 1ST SESSION, AS AMENDED FOR THE PURPOSE OF REFUNDING OUTSTANDING REVENUE BONDS ISSUED UNDER SUCH ACT TO REFUND PREVIOUSLY ISSUED REVENUE BONDS UNDER SUCH ACT TO REFUND PREVIOUSLY ISSUED REVENUE BONDS UNDER SUCH ACT TO FINANCE THE COST TO PUBLIC SERVICE COMPANY OF NEW MEXICO (THE "COMPANY") A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF NEW MEXICO (THE "STATE") OF (I) CERTAIN FACILITIES (THE "SAN JUAN FACILITIES") FOR THE ABATEMENT, CONTROL, REDUCTION OR PREVENTION OF AIR AND WATER POLLUTION CAUSED BY THE OPERATION OF UNITS 1, 2, 3 AND 4 ("UNITS 1, 2, 3 AND 4") AT THE SAN JUAN GENERATING STATION (THE "SAN JUAN PLANT") LOCATED IN SAN JUAN COUNTY, NEW MEXICO, INTERESTS IN WHICH ARE OWNED BY THE COMPANY AND (II) CERTAIN FACILITIES (THE "FOUR CORNERS FACILITIES" AND TOGETHER WITH THE SAN JUAN FACILITIES, THE "FACILITIES") FOR THE ABATEMENT, CONTROL, REDUCTION OR PREVENTION OF AIR AND WATER POLLUTION CAUSED BY THE OPERATION OF UNITS 4 AND 5 ("UNITS 4 AND 5") AT THE FOUR CORNERS GENERATING STATION, (THE "FOUR CORNERS PLANT", AND TOGETHER WITH THE SAN JUAN PLANT, THE "PLANTS"), AN ELECTRIC POWER GENERATING PLANT LOCATED IN SAN JUAN COUNTY, NEW MEXICO, INTERESTS IN WHICH ARE OWNED BY THE COMPANY, SAID REVENUE BONDS TO BE PAYABLE BY THE CITY SOLELY FROM THE REVENUES PAYABLE TO THE CITY BY THE COMPANY PURSUANT TO A CERTAIN INSTALLMENT SALE AGREEMENT BETWEEN THE CITY, AS VENDOR, AND THE COMPANY, AS VENDEE, AND CERTAIN OTHER MONEYS PLEDGED THEREFOR HEREBUNDER, SAID REVENUE BONDS NEVER TO CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND NEVER TO CONSTITUTE OR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS AND DECLARING THAT EMERGENCY CIRCUMSTANCES EXIST WITH RESPECT THERETO.

After consideration of Ordinance No. 2016-1292, a motion was made by Councilor Rodgers, seconded by Councilor McCulloch that said ordinance be passed and adopted as presented. The roll was called with the following result:

Those voting aye: Linda G. Rodgers
Sean E. Sharer
Gayla A. McCulloch
Nate Duckett

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and Ordinance No. 2016-1292 was duly passed and adopted.

CLOSED MEETING

A motion was made by Councilor Duckett, seconded by Councilor McCulloch to close the meeting to discuss acquisition of real property (riverine trail system), pursuant to Section 10-15-1H(8) NMSA 1978. The

roll was called with the following result:

Those voting aye:	Linda G. Rodgers Sean E. Sharer Gayla A. McCulloch Nate Duckett
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Those voting nay:	None
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The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried.

The Mayor convened the closed meeting at 6:25 p.m. with all members of the Council being present.

Following the closed meeting, during which meeting the matter discussed was limited only to that specified in the motion for closure, a motion was made by Councilor McCulloch, seconded by Councilor Rodgers to open the meeting for further business, and upon voice vote the motion carried unanimously.

The open meeting was reconvened by the Mayor at 6:36 p.m. with all members of the Council being present.

PURCHASE AGREEMENT/KENNY AND CANDY KENDRICK TRUST AND KEN INVESTMENT, LLC

Parks, Recreation and Cultural Affairs Director Cory Styron recommended approval of the Purchase Agreement between the City and the Kenny and Candy Kendrick Trust and Ken Investment, LLC for purchase by the City of 14.55 acres of property located in the Kenny Kendrick and Ken Investment tracts for riverine trail purposes. Noting that the purchase price is \$431,000, he stated that this amount has been budgeted in the 201 Fund for Fiscal Year 2017.

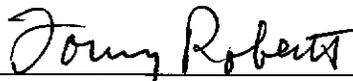
Thereupon, a motion was made by Councilor McCulloch, seconded by Councilor Duckett to approve the Purchase Agreement between the City and the Kenny and Candy Kendrick Trust and Ken Investment, LLC for 14.55 acres of land located in the Kenny Kendrick and Ken Investment tracts for riverine trail system improvements, as recommended, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 6:37 p.m.

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 2013-1466, et seq.

Approved this 13th day of September, 2016.

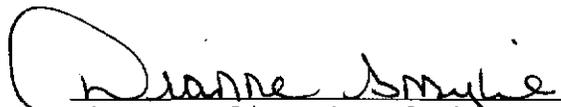
Entered in the permanent record book this 14th day of September, 2016.



Tommy Roberts, Mayor

SEAL

ATTEST:



Dianne Smylie, City Clerk