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POPULATION 14,000

CITY COUNCIL *Special Meeting*

May 27, 2011

9:30 A.M.

AGENDA

Call to Order / Pledge of Allegiance
Open Special Session

1. Proclamation: Declaring May 30, 2011 a Day to Remember and Honor US Service Members
2. Approval of Assistant City Administrator Job Description
3. Mayor's Appointment of Assistant City Administrator
4. Out of State Travel Request by Chief Carillo to Attend the National Center of Rural Law Enforcement Executives Board Meeting in Little Rock , Arkansas from June 28th through 30th
5. Resolution: To Adopt the 2011-2012 Preliminary City Budget and Approve Submission to DFA
6. Public Hearing: To Consider an Ordinance Authorizing the Execution and Delivery of a Loan Agreement between the City of Deming and the New Mexico Finance Authority in the Amount of \$1,000,000 to Finance the Expansion and Renovation of the Fire Station
7. Adjourn Meeting

The Next Regularly scheduled workshop/meeting is June 13th, 2011 commencing at 4:00 p.m. and 6:00 p.m.

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CITY COUNCIL SPECIAL MEETING MINUTES

May 27, 2011

Council Present: Andres Z. Silva, Mayor William Shattuck, Mayor Pro Tem
Joe "Butter" Milo, Councilor Linda Enis, Councilor
David Sanchez, Councilor

Absent:

Staff Present: Richard F. McInturff, Administrator Aaron Sera, Community Services Director
Mary Jo Valdez, City Clerk Richard Kocab, Assistant Treasurer
Lawrence Brookey, Public Works Director Laura Holguin, Sr. Budget Analyst
Lloyd Valentine, Sr. Budget Analyst Delbert Rivera, Battalion Chief
Wesley Hooper, Project Coordinator Michael Carillo, Chief of Police

Mayor Silva led the pledge of allegiance and called the meeting to order at 9:30 a.m.

1. Proclamation: Declaring May 30, 2011 a Day to Remember and Honor US Service Members

Mayor Silva recognized the attendance of Mr. and Mrs. Dodson on behalf of CPL Travis Dodson, and Mr. Dominguez on behalf of LCPL Juan Dominguez, both United States Marines.

Mayor Silva read the proclamation into record and presented certificates to Mr. and Mrs. Dodson and Mr. Dominguez honoring each of their sons who were seriously wounded in action during their deployment.

2. Approval of Assistant City Administrator Job Description

Mr. McInturff stated that the position of Assistant City Administrator is appointed by the Mayor. Mr. McInturff stated that the position will assist in the duties required to be performed by the City Administrator such as in the preparation of annual budgets, personnel matters, and planning of future development; the position will also be responsible for performing those duties as established in the Community Services Director's position description. Mr. McInturff stated that the position will require a four-year college degree; adding that a combination of education and experience would be accepted. Mr. McInturff stated that the position would also require the appointee to possess a valid New Mexico Driver's License. Mr. McInturff recommended that Council approve the job description.

Councilor Enis motioned to approve the Assistant City Administrator's job description, second by Councilor Milo; carried unanimously.

3. Mayor's Appointment of Assistant City Administrator

Mayor Silva stated that Mr. Sera has been employed with the City for approximately two years; asking Council to accept his recommendation of Aaron Sera as the Assistant City Administrator. Mayor Silva added that it is appropriate to make changes to prepare for the transition when Mr. McInturff is ready to retire; adding that it may be approximately four to five years before Mr. McInturff retires.

Councilor Enis motioned to accept Mayor Silva's recommendation to appoint Mr. Sera as the Assistant City Administrator, second by Councilor Sanchez; carried unanimously.

Proclamation In Remembrance and Honor of United States Service Members

WHEREAS, the preservation of basic freedoms and world peace has always been a valued objective of this great country; and

WHEREAS, thousands of American men and women have selflessly given their lives in service as peacemakers and peacekeepers; and

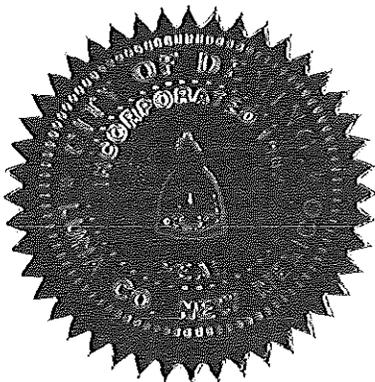
WHEREAS, greater strides should be made to demonstrate the appreciation and gratitude these loyal Americans and their families deserve and to commemorate the ultimate sacrifice they made; and

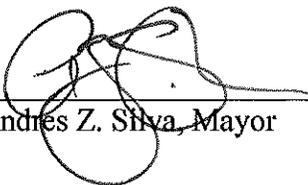
WHEREAS, Memorial Day is the day of the year for the Nation to appropriately remember American heroes by inviting the citizens of this Nation to respectfully honor them at a designated time; and

WHEREAS, Memorial Day needs to be made relevant to both present and future generations of Americans.

NOW, THEREFORE, I, ANDRES Z. SILVA, as Mayor of the City of Deming, New Mexico, do hereby declare May 30, 2011 a day to honor all service members and veterans and especially two members of our community, CPL Travis Dodson and LCPL Juan Dominguez, who were wounded in action while protecting this country. It is my prayer that this moment of remembrance will bring all Americans together in a spirit of respect, patriotism and gratitude. It is our intention to help restore the recognition our service members deserve for the sacrifices they make on behalf of our great Nation.

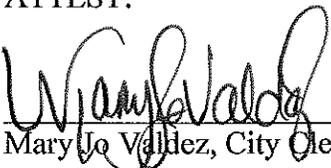
SIGNED this 27th day of May 2011 in the City of Deming, New Mexico.





Andres Z. Silva, Mayor

ATTEST:



Mary Jo Valdez, City Clerk

4. Out of State Travel Request by Chief Carillo to Attend the National Center of Rural Law Enforcement Executives Board Meeting in Little Rock, Arizona from June 28th through 30th

Chief Carillo addressed Council requesting their approval to travel out of state to attend the National Center of Rural Law Enforcement Executives Board meeting in Little Rock, Arizona on June 28th through 30th. Chief Carillo stated that the organization provides funding for attendees to participate in their training. Chief Carillo stated that he has been successful in nominating officers from Deming and deputies from Luna County and surrounding areas to attend the trainings; adding that the trainings are beneficial and they bring recognition to Deming and New Mexico. Chief Carillo stated that expenses will be paid for by the organization.

Councilor Milo motioned to approve the out of state travel request by Chief Carillo to attend the National Center of Rural Law Enforcement Executives Board Meeting in Little Rock, Arizona, second by Councilor Sanchez; carried unanimously.

5. Resolution: To Adopt the 2011-2012 Preliminary City Budget and Approve Submission to DFA

Mr. McInturff stated that Council and staff extensively reviewed the budget in detail during the Council Retreat earlier in the month. Mr. McInturff stated that the preliminary budget includes a COLA of 1.25 % and merit increases of 1.75% to take effect July 2, 2011. Mr. McInturff stated that the estimated general fund beginning cash balance is \$7.9 million and the estimated ending cash balance is almost at \$7.5 million. Mr. McInturff stated that staff is planning on a deficit mostly caused by capital outlay projects. Mr. McInturff stated that there is \$1.8 million allocated for the Fire Department Addition; \$2.4 million for the Peru Mill Industrial Park project; and \$205,000 for the MAP project on Pear and Country Club.

Mr. McInturff stated that there will be adjustments made to the funds once there are more accurate figures obtained on the proposed projects. Mr. McInturff stated that the Operation Stone Garden grant in the amount of \$551,000 will be used for overtime and equipment. Mr. Sera informed Council that the City has been allocated \$425,000 for the CDBG project next year. Mr. McInturff stated that the Proprietary Fund's estimated beginning cash balance is \$7.4 million and the estimated ending cash balance is \$6.75 million. Mr. McInturff stated that there are many projects included in the utility fund including running effluent lines to the proposed sports complex which will cost \$330,000 of which \$240,000 will come from a Water Trust Board grant; the replacement of sewer liners will cost approximately \$1.8 million which will be funded by loan money; the landfill closure which will cost approximately \$150,000; the well comprehensive plan will cost approximately \$200,000; and a project to install electric meters in the water department which will run approximately \$300,000 and will be partially funded by grant monies. Mr. McInturff stated that the Fire Department remodel debt service will be adjusted to \$0 for the final budget as the first payment is not due until the following fiscal year. Mr. McInturff stated that the estimated beginning cash balance for the Fiduciary Fund is \$15,337 and the estimated ending cash balance is \$14,219. Mr. McInturff informed Council on agency funding amounts. Mr. McInturff stated that the overall budget size is approximately \$30 million.

Mayor Pro Tem Shattuck motioned to adopt the resolution approving the 2011-2012 preliminary City Budget and to also approve submission to DFA, second by Councilor Milo; carried unanimously.

6. Public Hearing: To Consider an Ordinance Authorizing the Execution and Delivery of a Loan Agreement between the City of Deming and the New Mexico Finance Authority in the Amount of \$1,000,000 to Finance the Expansion and Renovation of the Fire Station

Mayor Silva conducted a public hearing to consider an ordinance authorizing the execution and delivery of a loan agreement between the City of Deming and the New Mexico Finance Authority in the amount of \$1,000,000 to finance the expansion and renovation of the fire station.

Mr. McInturff stated that the original ordinance was adopted on February 14, 2011; adding that the proposed ordinance will be deleting the prior ordinance and replacing the ordinance with the new proposed ordinance language. Mr. McInturff stated that the loan will be payable solely from the Pledged Revenues which come from state funding for the Fire Department. Mr. McInturff stated that the funds will be intercepted and placed into an account until the payments are due; adding that no tax base revenues shall be pledged to the loan agreement. Mr. McInturff suggested designating the Mayor to execute the documents. Mr. McInturff explained

**STATE OF NEW MEXICO
MUNICIPALITY OF CITY OF DEMING
RESOLUTION No. 11-17**

2011-2012 Fiscal Year

WHEREAS, the Governing Body in and for the Municipality of the City of Deming, State of New Mexico, has developed a preliminary budget for fiscal year 2011-2012, and

WHEREAS, said budget was developed on the basis of need and through cooperation with all user departments, elected officials and other department supervisors, and

WHEREAS, the official meetings for the review of said documents were duly advertised in the Deming Headlight, in compliance with the State Open Meetings Act, and

WHEREAS, it is the majority opinion of this Council that the preliminary proposed budget meets the requirements as currently determined for the 2011-2012 fiscal year, and

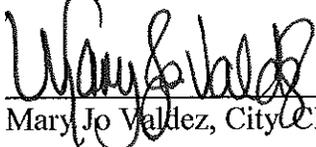
WHEREAS, a final budget will be prepared and submitted to the Local Government Division of the Department of Finance and Administration for approval in July of 2011.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Governing Body of the municipality of the City of Deming, State of New Mexico hereby adopts and approves submission of the preliminary budget to the Local Government Division of the Department of Finance and Administration for review.

PASSED, ADOPTED, AND APPROVED this 27th day of May, 2011.

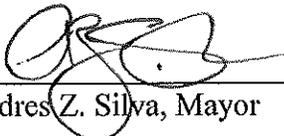


ATTEST:



Mary Jo Valdez, City Clerk

MUNICIPAL GOVERNING BOARD OF
Deming, NEW MEXICO



Andres Z. Silva, Mayor

STATE OF NEW MEXICO
LUNA COUNTY
CITY OF DEMING

The City Council (the "Governing Body") of the City of Deming, New Mexico, met in full conformity with law and the rules and regulations of the Governing Body at 309 S. Gold Avenue, in Deming, New Mexico on the 27th day of May, 2011, at the hour of 9:30 a.m. Upon roll call, the following members were found to be present:

Present: Mayor Andres Z. Silva
Mayor Pro-Tem William C. Shattuck
Councilor Linda Enis
Councilor Joe Milo
Councilor David Sanchez

Absent: _____

Also Present: Richard F. McInturff, Administrator
Mary Jo Valdez, City Clerk

Thereupon, there was officially filed with the City Clerk a copy of a proposed Amended Ordinance in final form.

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CITY OF DEMING, NEW MEXICO
AMENDED ORDINANCE NO. 1208

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND INTERCEPT AGREEMENT BY AND BETWEEN THE CITY OF DEMING, NEW MEXICO (THE "GOVERNMENTAL UNIT") AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE GOVERNMENTAL UNIT TO PAY A PRINCIPAL AMOUNT OF \$1,000,000 FOR THE PURPOSE OF FINANCING THE EXPANSION AND RENOVATION OF THE GOVERNMENTAL UNIT'S MAIN FIRE STATION AND PAYING A LOAN PROCESSING FEE; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES DISTRIBUTED BY THE STATE TREASURER TO THE GOVERNMENTAL UNIT PURSUANT TO SECTION 59A-53-7, NMSA 1978; PROVIDING FOR THE DISTRIBUTION OF FIRE PROTECTION FUND REVENUES TO BE REDIRECTED BY THE STATE TREASURER TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT PURSUANT TO AN INTERCEPT AGREEMENT; APPROVING THE FORM AND TERMS OF, AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; SETTING THE MAXIMUM INTEREST RATE OF THE LOAN; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS AMENDED ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT.

Capitalized terms used in the following recitals have the same meaning as defined in Section 1 of this Amended Ordinance unless the context requires otherwise.

WHEREAS, the Governmental Unit is a legally and regularly created, established, organized and existing municipality under the general laws of the State; and

WHEREAS, the Governing Body has determined and hereby determines that the Project may be financed with amounts borrowed under the Loan Agreement and that it is in the best interest of the Governmental Unit and its residents that the Loan Agreement and Intercept Agreement be executed and delivered and that the financing of the acquisition of the Project take place by executing and delivering the Loan Agreement and Intercept Agreement; and

WHEREAS, the Governmental Unit may use the Pledged Revenues to finance the Project; and

WHEREAS, the Governing Body has determined that it may lawfully pledge the Pledged Revenues for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than as described in Exhibit "A" to the Loan Agreement, the Pledged Revenues have not heretofore been pledged to secure the payment of any obligation, which is currently outstanding; and

WHEREAS, the Loan Agreement shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues, and shall not constitute a general obligation of the Governmental Unit, or a debt or pledge of the faith and credit of the Governmental Unit or the State; and

WHEREAS, the Loan Agreement shall be executed and delivered pursuant to Section 3-31-1 through 3-31-12, NMSA 1978, and with a first lien, but not necessarily an exclusive first lien, on the Pledged Revenues; and

WHEREAS, the Governmental Unit desires to provide that distributions of the Pledged Revenues be redirected to the NMFA or its assigns pursuant to the Intercept Agreement between the Governmental Unit and the NMFA (the "Intercept Agreement") for the payment of amounts due under the Loan Agreement; and

WHEREAS, other than the Pledged Revenues, no tax revenues collected by the Governmental Unit shall be pledged to the Loan Agreement; and

WHEREAS, there have been presented to the Governing Body and there presently are on file with the City Clerk, this Amended Ordinance and the forms of the Loan Agreement and Intercept Agreement, which are incorporated by reference and considered to be a part hereof; and

WHEREAS, the Governing Body hereby determines that the Project to be financed by the Loan is to be used for governmental purposes of the Governmental Unit and will not be used for purposes which would cause the Loan Agreement to be deemed a "private activity bond" as defined by the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Governing Body intends by this Amended Ordinance to authorize the execution and delivery of the Loan Agreement in the amount and for the purposes set forth herein; and

WHEREAS, all required authorizations, consents and approvals in connection with (i) the use and pledge of the Pledged Revenues to the NMFA (or its assigns) for the payment of the amounts due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the Project, and (iii) the authorization, execution and delivery of the Loan Agreement and Intercept Agreement which are required to have been obtained by the date of this Amended Ordinance, have been obtained or are reasonably expected to be obtained.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF DEMING, NEW MEXICO:

Section 1. Definitions. As used in this Amended Ordinance, the following capitalized terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Act” means the general laws of the State, Sections 3-31-1 through 3-31-12, NMSA 1978, as amended, Sections 59A-53-1 through 59A-53-17, NMSA 1978, as amended, and enactments of the Governing Body relating to the Loan Agreement and Intercept Agreement, including this Amended Ordinance.

“Aggregate Annual Debt Service Requirement” means the total principal and interest payments due and payable pursuant to the Loan Agreement and on all Parity Obligations secured by a pledge of the Pledged Revenues for any one Fiscal Year.

“Authorized Officers” means the Mayor and the City Clerk.

“Bonds” means public project revolving fund revenue bonds, if any, issued hereafter by the NMFA to fund or reimburse the Loan Agreement.

“Closing Date” means the date of execution, delivery and funding of the Loan Agreement.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“Completion Date” means the date of final payment of the cost of the Project.

“Distributing State Agency” means the department or agency of the State, as described on the Term Sheet, authorized to distribute the Pledged Revenues on behalf of the Governmental Unit.

“Expense Fund” means the expense fund created pursuant to the Indenture to be held and administered by the Trustee to pay Expenses.

“Expenses” means the cost of execution of the Loan Agreement and the costs of issuance of the Bonds, if any, and the periodic and regular fees and expenses incurred by the NMFA in administering the Loan Agreement, including legal fees.

“Fiscal Year” means the period commencing on July 1 in each calendar year and ending on the last day of June of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the Governmental Unit as its fiscal year.

“Governing Body” means the City Council of the Governmental Unit, or any future successor governing body of the Governmental Unit.

“Governmental Unit” means the City of Deming, New Mexico.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this entire Amended Ordinance and not solely to the particular section or paragraph of this Amended Ordinance in which such word is used.

“Indenture” means the General Indenture of Trust and Pledge dated as of June 1, 1995, as amended and supplemented, by and between the NMFA and the Trustee, or the Subordinated General Indenture of Trust dated as of March 1, 2005, as supplemented, by and between the NMFA

and the Trustee, as determined by the NMFA pursuant to a Pledge Notification or Supplemental Indenture (as defined in the Indenture).

“Intercept Agreement” means the Intercept Agreement, dated the Closing Date, between the Governmental Unit and NMFA providing for the direct payment by the Distributing State Agency to the NMFA of Pledged Revenues in amounts sufficient to pay principal and interest due on the Loan Agreement, and any amendments or supplements to the Intercept Agreement.

“Loan” means the funds to be loaned to the Governmental Unit by the NMFA pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated the Closing Date between the NMFA and the Governmental Unit which provides for the financing of the Project and requires payments by or on behalf of the Governmental Unit to the NMFA and/or the Trustee and any amendments or supplements thereto, and including the exhibits attached to the Loan Agreement.

“NMFA” means the New Mexico Finance Authority.

“NMFA Debt Service Account” means the debt service account in the name of the Governmental Unit established under the Indenture and held by the NMFA to pay principal and interest, if any, on the Loan Agreement as the same become due.

“NMSA” means the New Mexico Statutes Annotated, 1978 compilation, as amended and supplemented.

“Ordinance” means Ordinance No. 1208, adopted by the Governing Body on February 14, 2011 and this Amended Ordinance, adopted by the Governing Body on May 27, 2011, approving the Loan Agreement and the Intercept Agreement and pledging the Pledged Revenues to the payment of the Loan Agreement as shown on the Term Sheet, as supplemented and amended from time to time.

“Parity Obligations” means the Loan Agreement and any other obligations, now or hereafter issued or incurred, payable from or secured by a lien or pledge of the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the Loan Agreement, including those obligations described on the Term Sheet.

“Pledged Revenues” means the fire protection fund revenues distributed to the Governmental Unit, which is utilizing the Project and benefiting from the Loan Agreement, which distribution is made annually by the State Treasurer pursuant to Section 59A-53-7, NMSA 1978, as amended, in the amount certified by the State Fire Marshal or the State Fire Board.

“Processing Fee” means the processing fee to be paid on the Closing Date by the Governmental Unit to the NMFA for the costs of originating and servicing the loan, as shown on the Term Sheet.

“Program Account” means the account in the name of the Governmental Unit established under the Indenture and held by the Trustee for deposit of the net proceeds of the Loan Agreement for disbursement to the Governmental Unit for payment of the costs of the Project.

“Project” means the project described in the Term Sheet.

“State” means the State of New Mexico.

“Term Sheet” means Exhibit “A” to the Loan Agreement.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., or any successor trustee company, national or state banking association or financial institution at the time appointed Trustee by the NMFA.

Section 2. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Amended Ordinance) by the Governing Body and officers of the Governmental Unit directed toward the acquisition of the Project and the execution and delivery of the Loan Agreement and the Intercept Agreement, be, and the same hereby are, ratified, approved and confirmed.

Section 3. Authorization of the Project, the Loan Agreement and the Intercept Agreement. The acquisition of the Project and the method of financing the Project through execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized and ordered. The Project is for the benefit and use of the Governmental Unit.

Section 4. Findings. The Governmental Unit hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. The Project is needed to meet the needs of the Governmental Unit and its residents and the issuance and delivery of the Loan Agreement is necessary or advisable.

B. Moneys available and on hand for the Project from all sources other than the Loan are not sufficient to defray the cost of acquiring the Project.

C. The Pledged Revenues may lawfully be pledged to secure the payment of amounts due under the Loan Agreement.

D. It is economically feasible to defray, in whole or in part, the costs of the Project by the execution and delivery of the Loan Agreement.

E. The Project and the execution and delivery of the Loan Agreement and the Intercept Agreement pursuant to the Act to provide funds for the financing of the Project are necessary and in the interest of the public health, safety and welfare of the residents of the Governmental Unit.

F. The Governmental Unit will acquire the Project, in whole or in part, with the net proceeds of the Loan.

G. Other than as described in the Term Sheet, the Governmental Unit does not have any outstanding obligations payable from Pledged Revenues which it has incurred or will incur prior to the initial execution and delivery of the Loan Agreement and the Intercept Agreement.

H. The net effective interest rate on the Loan does not exceed twelve percent (12.0%) per annum, which is the maximum rate permitted by State law.

Section 5. Loan Agreement and Intercept Agreement - Authorization and Detail.

A. Authorization. This Amended Ordinance has been adopted by the affirmative vote of at least three-fourths (3/4) majority of all of the members of the Governing Body. For the purpose of protecting the public health, conserving the property, protecting the general welfare and prosperity of the residents of the Governmental Unit and acquiring the Project, it is hereby declared necessary that the Governmental Unit, pursuant to the Act, execute and deliver the Loan Agreement evidencing a special, limited obligation of the Governmental Unit to pay a principal amount of \$1,000,000, and the execution and delivery of the Loan Agreement and the Intercept Agreement are hereby authorized. The Governmental Unit shall use the proceeds of the Loan to finance the Project and to pay the Processing Fee. The Project will be owned by the Governmental Unit.

B. Detail. The Loan Agreement and Intercept Agreement shall be in substantially the forms of the Loan Agreement and Intercept Agreement presented at the meeting of the Governing Body at which this Amended Ordinance was adopted. The Loan shall be in an original aggregate principal amount of \$1,000,000, shall be payable in installments of principal due on May 1 of the years designated in Exhibit "B" to the Loan Agreement and bear interest payable on November 1 and May 1 of each year, beginning on November 1, 2012, at the rates designated in Exhibit "B" to the Loan Agreement.

Section 6. Approval of Loan Agreement and Intercept Agreement. The forms of the Loan Agreement and the Intercept Agreement, as presented at the meeting of the Governing Body at which this Amended Ordinance was adopted are hereby approved. Authorized Officers are hereby individually authorized to execute, acknowledge and deliver the Loan Agreement and the Intercept Agreement, with such changes, insertions and omissions that are consistent with this Amended Ordinance as may be approved by such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the Governmental Unit on the Loan Agreement and the Intercept Agreement and attest the same. The execution of the Loan Agreement and the Intercept Agreement by an Authorized Officer shall be conclusive evidence of such approval.

Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the pledge of the Pledged Revenues as set forth in the Loan Agreement and shall be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon and other obligations of the Governmental Unit thereunder, shall be a special, limited obligation of the Governmental Unit, payable solely from the Pledged Revenues as provided in this Amended Ordinance and the Loan Agreement and shall not constitute a general obligation of the Governmental Unit or the State, and the holders of the Loan Agreement may not look to any general or other fund of the Governmental Unit for payment of the obligations thereunder. Nothing contained in this Amended Ordinance or in the Loan Agreement, or any other instruments, shall be construed as obligating the Governmental Unit (except with respect to the application of the Pledged Revenues), as incurring a pecuniary liability or a charge upon the general credit of the Governmental Unit or against its taxing power, nor shall a breach of any agreement contained in this Amended Ordinance, the Loan Agreement, or any other instrument impose any pecuniary liability upon the Governmental Unit or any charge upon its general credit or against its taxing power. The Loan Agreement shall never constitute an

indebtedness of the Governmental Unit within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Governmental Unit or a charge against its general credit or taxing power. Nothing herein shall prevent the Governmental Unit from applying other funds of the Governmental Unit legally available therefore to payments required by the Loan Agreement, in its sole and absolute discretion.

Section 8. Disposition of Proceeds: Completion of Acquisition of the Project.

A. Program Account and Debt Service Account. The Governmental Unit hereby consents to creation of the NMFA Debt Service Account to be held and maintained by the NMFA and to the Program Account, held and maintained by the Trustee pursuant to the Indenture, each in connection with the Loan. The Governmental Unit hereby approves of the deposit of the portion of the proceeds of the Loan Agreement in the Program Account, and in the NMFA Debt Service Account, and the payment of the Processing Fee to the NMFA, as set forth in Exhibit "A" to the Loan Agreement.

The proceeds derived from the execution and delivery of the Loan Agreement shall be deposited promptly upon the receipt thereof in the NMFA Debt Service Account, the Program Account, and the Processing Fee to be paid to the NMFA, all as provided in the Loan Agreement and the Indenture.

Until the Completion Date, the money in the Program Account shall be used and paid out solely for the purpose of acquiring the Project in compliance with applicable law and the provisions of the Loan Agreement and the Indenture.

The Governmental Unit will acquire the Project with all due diligence.

B. Completion of the Project. Upon the Completion Date, the Governmental Unit shall execute and send to the NMFA a certificate stating that acquisition of, and payment for the Project have been completed. As soon as practicable, and, in any event, not more than sixty (60) days from the Completion Date, any balance remaining in the Program Account shall be transferred and deposited into the NMFA Debt Service Account, as provided in the Loan Agreement and the Indenture.

C. NMFA and Trustee Not Responsible. The NMFA and the Trustee shall in no manner be responsible for the application or disposal by the Governmental Unit or by its officers of the funds derived from the Loan Agreement or of any other funds herein designated.

Section 9. Deposit of Pledged Revenues, Distributions of the Pledged Revenues and Flow of Funds.

A. Deposit of Pledged Revenues. Pursuant to the Intercept Agreement the Pledged Revenues shall be paid to the NMFA for deposit in the NMFA Debt Service Account and remittance to the Trustee in an amount sufficient to pay the principal and interest due under the Loan Agreement. The Governmental Unit shall pay Pledged Revenues in an amount sufficient to pay Loan Agreement Payments, to the NMFA or its assignee to be deposited in the NMFA Debt Service Account.

B. Termination on Deposits to Maturity. No payment shall be made into the NMFA Debt Service Account if the amount in the NMFA Debt Service Account totals a sum at least equal to the entire aggregate amount to become due as to principal, interest, if any, and any other amounts due under, the Loan Agreement, in which case moneys in such account in an amount at least equal to such principal and interest requirements shall be used solely to pay such obligations as the same become due, and any moneys in excess thereof in such accounts shall be transferred to the Governmental Unit and used as provided below.

C. Use of Surplus Revenues. After making all the payments hereinabove required to be made by this Section and any payments required by outstanding Parity Obligations, any moneys remaining in the NMFA Debt Service Account shall be transferred to the Governmental Unit on a timely basis and shall be applied to any other lawful purpose, including, but not limited to, the payment of any Parity Obligations or bonds or obligations subordinate and junior to the Loan Agreement, or other purposes authorized by the Governmental Unit, the Constitution and laws of the State, as the Governmental Unit may from time to time determine.

Section 10. Lien on Pledged Revenues. Pursuant to the Loan Agreement, the Pledged Revenues are hereby authorized to be pledged to, and are hereby pledged, and the Governmental Unit grants a security interest therein for, the payment of the principal, interest, if any, and any other amounts due under the Loan Agreement, subject to the uses hereof permitted by and the priorities set forth in this Amended Ordinance. The Loan Agreement constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, on the Pledged Revenues as set forth herein and therein and the Governmental Unit shall not create a lien on the Pledged Revenues superior to that of the Loan Agreement.

Section 11. Authorized Officers. Authorized Officers are hereby individually authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Amended Ordinance, the Loan Agreement, the Intercept Agreement and all other transactions contemplated hereby and thereby. Authorized Officers are hereby individually authorized to do all acts and things required of them by this Amended Ordinance, Loan Agreement and the Intercept Agreement for the full, punctual and complete performance of all the terms, covenants and agreements contained in this Amended Ordinance and the Loan Agreement and the Intercept Agreement, including but not limited to, the execution and delivery of closing documents in connection with the execution and delivery of the Loan Agreement and the Intercept Agreement and the publication of the summary of this Amended Ordinance set out in Section 17 of this Amended Ordinance (with such changes, additions and deletions as may be necessary).

Section 12. Amendment of Ordinance. Prior to the date of the initial delivery of the Loan Agreement to NMFA, the provisions of the Ordinance and this Amended Ordinance may be supplemented or amended by resolution of the Governing Body with respect to any changes which are not inconsistent with the substantive provisions of the Ordinance and this Amended Ordinance. The Ordinance and this Amended Ordinance may be amended without receipt by the Governmental Unit of any additional consideration, but only with the prior written consent of the NMFA.

Section 13. Ordinance Irrepealable. After the Loan Agreement and Intercept Agreement have been executed and delivered, the Ordinance and this Amended Ordinance shall be and remain

irrepealable until all obligations due under the Loan Agreement shall be fully paid, canceled and discharged, as herein provided.

Section 14. Severability Clause. If any section, paragraph, clause or provision of the Ordinance or this Amended Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance or this Amended Ordinance.

Section 15. Repealer Clause. All bylaws, orders, resolutions, and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 16. Effective Date. Upon due adoption of this Amended Ordinance, it shall be recorded in the book of the Governmental Unit kept for that purpose, authenticated by the signatures of the Mayor and City Clerk of the Governmental Unit.

(Remainder of page left blank intentionally)

(Signature page follows)

PASSED, APPROVED AND ADOPTED this 27th day of May, 2011.



CITY OF DEMING, NEW MEXICO

By: 
Andres Z. Silva, Mayor

[SEAL]

ATTEST:

By: 
Mary Jo Valdez, City Clerk

Councilor Enis then moved adoption of the foregoing Amended Ordinance, duly seconded by Councilor Sanchez.

The motion to adopt said Amended Ordinance, upon being put to a vote, was passed and adopted on the following recorded vote:

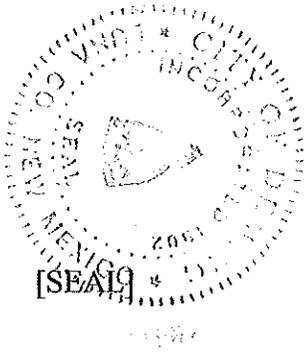
Those Voting Aye: Mayor Pro-Tem Shattuck
Councilor Enis
Councilor Milo
Councilor Sanchez
Mayor Silva

Those Voting Nay: _____

Those Absent: _____

Five (5) members of the Governing Body having voted in favor of said motion, the Mayor declared said motion carried and said Amended Ordinance adopted, whereupon the Mayor and the City Clerk signed the Amended Ordinance upon the records of the minutes of the Governing Body.

After consideration of matters not relating to the Amended Ordinance, the meeting on the motion duly made, seconded and unanimously carried, was adjourned.



CITY OF DEMING, NEW MEXICO

By: 
Andres Z. Silva, Mayor

ATTEST:

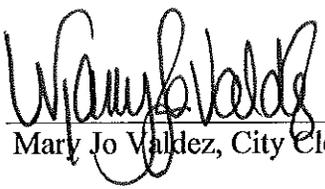
By: 
Mary Jo Valdez, City Clerk

EXHIBIT "A"

Meeting Agenda
of the May 27, 2011
City Council Meeting

(See attached)



Phone (575) 546-8848 • Fax (575) 546-6442
E-MAIL: deming@cityofdeming.org • Website: www.cityofdeming.org
P.O. BOX 706 • DEMING, NEW MEXICO 88031
POPULATION 14,000

CITY COUNCIL *Special Meeting*

May 27, 2011

9:30 A.M.

AGENDA

Call to Order / Pledge of Allegiance
Open Special Session

1. Proclamation: Declaring May 30, 2011 a Day to Remember and Honor US Service Members
2. Approval of Assistant City Administrator Job Description
3. Mayor's Appointment of Assistant City Administrator
4. Out of State Travel Request by Chief Carillo to Attend the National Center of Rural Law Enforcement Executives Board Meeting in Little Rock , Arkansas from June 28th through 30th
5. Resolution: To Adopt the 2011-2012 Preliminary City Budget and Approve Submission to DFA
6. Public Hearing: To Consider an Ordinance Authorizing the Execution and Delivery of a Loan Agreement between the City of Deming and the New Mexico Finance Authority in the Amount of \$1,000,000 to Finance the Expansion and Renovation of the Fire Station
7. Adjourn Meeting

The Next Regularly scheduled workshop/meeting is June 13th, 2011 commencing at 4:00 p.m. and 6:00 p.m.

Exhibit "A"

STATE OF NEW MEXICO
LUNA COUNTY
CITY OF DEMING

I, Mary Jo Valdez, the duly qualified and acting City Clerk of the City of Deming, New Mexico (the "Governmental Unit"), do hereby certify:

1. The foregoing pages are a true, perfect, and complete copy of the record of the proceedings of the City Council of the City of Deming, New Mexico (the "Governing Body"), constituting the Governing Body of the Governmental Unit had and taken at a duly called meeting held at 309 S. Gold Avenue, in Deming, New Mexico, on May 27, 2011, at the hour of 9:30 a.m., insofar as the same relate to the execution and delivery of the proposed Loan Agreement and Intercept Agreement, a copy of each of which is set forth in the official records of the proceedings of the Governing Body kept in my office. None of the action taken has been rescinded, repealed, or modified.

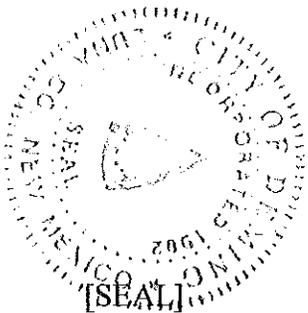
2. Said proceedings were duly had and taken as therein shown, the meeting therein was duly held, and the persons therein named were present at said meeting, as therein shown.

3. Notice of said meeting was given in compliance with the permitted methods of giving notice of meetings of the Governing Body as required by the Governmental Unit's open meetings standards presently in effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of May, 2011.

CITY OF DEMING, NEW MEXICO

By: Mary Jo Valdez
Mary Jo Valdez, City Clerk



that the ordinance will be passed by a super majority of Council. Mr. McInturff explained the term sheet (Exhibit "A") stating that the project is the expansion and renovation of the fire station; the principal amount of the loan is for \$1,000,000; the City qualifies for a disadvantaged funding amount of \$200,000; interest is at a blended rate of 2.634%; and the processing fee, totaling \$15,000, has been included in a related loan, NMFA loan No. 2528-PP. Mr. McInturff explained the debt service schedule (Exhibit "B") stating that the first interest payment will be due in November 2012.

Mayor Silva opened the public for public comments.

With no public comments made, Mayor Silva closed public comments.

Councilor Enis motioned to delete the prior ordinance and replace it with the amended ordinance as presented and to designate the Mayor as the authorized signer, second by Councilor Sanchez; carried unanimously.

7. Adjourn Meeting

With no further business to conduct, Councilor Milo motioned to adjourn the meeting at 10:13 a.m., second by Councilor Sanchez; carried unanimously.

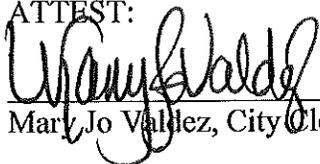
The next Regularly scheduled workshop/meeting is June 13th, 2011 commencing at 4:00 p.m. & 6:00 p.m.

CITY OF DEMING, NEW MEXICO



Andres Z. Silva, Mayor

ATTEST:



Mary Jo Valdez, City Clerk

