

Regular Meeting of the City Council, City of Farmington, New Mexico, held in the Council Chamber at City Hall at 7:00 p.m. on Tuesday, May 10, 2011. 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	Dan Darnell Mary M. Fischer Gayla McCulloch Jason Sandel

constituting all the members of said Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Bob Campbell
CITY ATTORNEY	Jay B. Burnham
CITY CLERK	Dianne Fuhrman

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

INVOCATION: The invocation was offered by Pastor Les Cumiford of World Harvest Center.

Metropolitan Redevelopment Agency Commission Chairman Derald Polston led the Pledge of Allegiance.

Recognition of General Services Director Rod Hunt

Mayor Roberts thanked General Services Director Rod Hunt for his dedicated service to the City of Farmington for the past 9 years, noting that Mr. Hunt has resigned his position and will be relocating to Fallon, Nevada. He wished Mr. Hunt well in his new endeavors.

CONSENT AGENDA: The Mayor announced that those items on the agenda that are marked with an asterisk (*) have been placed on the Consent Agenda and will be voted on 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 Meetings of the City Council held April 12, 2011 and April 26, 2011 and the minutes of the Regular Work Session of the City Council held April 19, 2011.

*BID: The Purchasing Officer requested that the Bid for purchase of 121kV power circuit breakers (Electrical Engineering) be awarded to Western United Electric Supply Corporation on its low bid after application of five percent in-state preference of \$149,388. He also requested that Item A-1 for a Field Service Engineer be awarded to Western United Electric Supply Corporation in the amount of \$5,840, explaining that this item was not considered when determining the low bid because the services must be provided by the awarded bidder. Bids opened May 3, 2011 with four bidders participating.

*ADOPTION OF RESOLUTION NO. 2011-1390 authorizing the execution and delivery of a Loan Agreement and Intercept Agreement by and between the City and the New Mexico Finance Authority to pay a principal amount of \$475,426 for the purpose of financing the costs of purchasing two fire pumps.

*PROJECT AGREEMENT NO. 11-OP-CIOT-035 between the City and the New Mexico Department of Transportation for "Click It or Ticket Mobilization Project" funding in the amount of \$4,928 (term to June 5, 2011).

*PROJECT AGREEMENT NO. 11-RF-DS-035 between the City and the New Mexico Department of Transportation for "Selective Traffic Enforcement (S.T.E.P) - 100 Days and Nights of Summer" grant funding in the amount of \$16,231 (term to September 30, 2011).

*WARRANTS PAYABLE for the time period of April 24, 2011 through May 8, 2011, for current and prior years, in the amount of \$4,169,661.27.

Councilor Sandel asked that Resolution No. 2011-1390 be removed from the Consent Agenda.

Thereupon, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to approve the Consent Agenda, with the exception of Resolution No. 2011-1390, and upon voice vote the motion carried unanimously.

NATIONAL PUBLIC WORKS WEEK PROCLAMATION

The Mayor presented Public Works Director Jeff Smaka and City Engineer Nica Westerling with a Proclamation declaring May 15 through 21, 2011 as "National Public Works Week."

REQUEST FROM SUSIE NEELY TO GRANT A SPECIAL DISPENSER PERMIT TO ALLOW ALCOHOLIC BEVERAGES (BEER ONLY) TO BE SERVED AT A FUNDRAISING EVENT AT RICKETTS PARK

Susie Neely, Chairman of the Fundraising Committee for the 2012 Ricketts Park Renovation Project, requested permission to serve beer at Ricketts Park on Friday, June 3, 2011 from 5:00 p.m. to 8:00 p.m. during a fundraising event. Noting that the invitees will be the reserved ticket holders from the Connie Mack World Series, she stated that approximately 500 people are expected to attend the event. She reported that officers from the Farmington Police Department will be providing security.

Steve Gates, architect for the renovation project, displayed a 15-second virtual tour of the facility once the proposed renovations are complete.

Announcing that she will be voting in opposition to the proposed permit, Councilor Fischer stated that she does not support the serving of alcoholic beverages at any City facility.

Thereupon, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to grant a Special Dispenser Permit to allow alcoholic beverages (beer only) to be served at a fundraising event scheduled to be held at Ricketts Park, 1101 Fairgrounds Road, between the hours of 5:00 p.m. and 8:00 p.m. on June 3, 2011. The roll was called with the following result:

Those voting aye:	Dan Darnell Gayla McCulloch Jason Sandel
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Those voting nay:	Mary M. Fischer
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The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried.

PRESENTATION/PROPOSED CITY COUNCIL REDISTRICTING PLANS

Utilizing a powerpoint presentation, Michael Sharp, Vice President of Research & Polling, Inc., stated that the 2010 Census reports Farmington's current population to be 45,877, a 19.5 percent increase from 2000. He reviewed the guidelines for redistricting as established by State Statute which require the preservation of minority voting strengths and the development of compact and contiguous districts. He examined the formula that was used to establish the ideal population of 11,469 per Council district; explained that the population of each Council district must be within ± 5 percent of the ideal population; and noted that redistricting is based on population figures, not on the number of registered voters in a district. Mr. Sharp presented the Council with five alternative redistricting plans (labeled Plans A

through E) and reviewed the rationale behind each of the proposed boundaries.

Mayor Roberts asked the Council for their input on the proposed Plans. Councilor Sandel stated that he supports Plans A thru C. Councilor Fischer stated that she is opposed to Plan C because it takes her residence outside of the district she currently represents. All of the Councilors voiced support for Plans A and B. Mr. Sharp noted that Plan A is the least disruptive as it simply moves a portion of District 1 into District 2, thereby creating four districts with almost identical population.

In response to comments concerning split precincts, City Clerk Dianne Fuhrman noted that Governor Susana Martinez recently approved legislation authorizing the use of voting centers. Mr. Sharp explained that voting centers operate in the same manner as early voting precincts and will eliminate the confusion created by precinct boundaries.

Councilor Sandel reiterated his position that the City Council is representing too many constituents when compared to other municipalities of similar size. He also argued that additional Council seats would eliminate the quandary associated with the recusal of a Councilor in instances where a supermajority vote is required. Discussion followed concerning whether to call a special election for the purpose of considering the addition of City Council districts. Councilor Darnell stated that he does not believe that he is representing more constituents than what is feasibly possible and stated that he does not support the suggestion at this time. Councilors Fischer and McCulloch concurred. Mayor Roberts contended that he feels that he fairly represents the entire population of Farmington, but stated that he can see the benefits of providing additional opportunity for constituent involvement in local government.

Councilor Sandel stated that he supports redistricting boundaries that take into account the communities of interest within Farmington. Following discussion, it was the consensus of the Council to further consider Plans A and B and eliminate the other options.

There was no response to the Mayor's call for public comment. As a result, he asked that this item be scheduled for further discussion at a subsequent meeting of the Council.

RECOMMENDATIONS FROM THE PLANNING AND ZONING COMMISSION:

CONSENT AGENDA: Community Development Director Mary Holton requested that those Planning and Zoning Commission recommendations marked with an asterisk () be placed on the Planning and Zoning Commission Consent Agenda and voted on by one motion. She asked that if any item proposed 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 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. ABD 11-01 from M&H Construction, represented by Mike Clawson, requesting abandonment of an area 14 feet wide and 163 feet long on the south side of West Animas Street and an area 14 feet wide and 119 feet long on the west side of South Locke Avenue adjacent to Lot 1A of the West Broadway Addition, Replat A, located at 400 West Cedar Street, in the MU, Mixed-Use, District, subject to a plat being recorded within one year of approval to memorialize the abandonment and any technical corrective changes being made, as required by City Code.
- *(2) Approval of proposed amendment to Section 5.2.6B of the Unified Development Code concerning the parking of vehicles in the required front yard of a residence, as recommended by the Unified Development Code Implementation Committee and the Planning and Zoning Commission. The recommendation is as follows:
 - "(4) No off-street parking shall be permitted in the required front yard of any residential district except

upon a driveway providing access to a garage, carport or parking area of the dwelling."

- * (3) Approval of proposed amendment to Section 8.8.7 of the Unified Development Code concerning the application process for vacation of a plat, as recommended by the Unified Development Code Implementation Committee and the Planning and Zoning Commission. The amendment will add the words "vacation plat" and "abandonment plat" to the index in Article 12, and will replace the word "vacation" with the words "abandonment/vacation" in Section 8.8.7. Section 8.8.7 will also be amended as follows:

- "F. Expiration of an Abandonment/Vacation Application
An Abandonment/Vacation application will expire automatically unless an abandonment/vacation plat is recorded in the office of the San Juan County Clerk within one year from the date of the approval by City Council. City Council may extend an approved unexpired abandonment/vacation plat for up to a year upon the written request of the petitioner."

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

UNFINISHED BUSINESS:

- (1) Adoption of the recommendation from the Planning and Zoning Commission, as contained within the Community Development Department Petition Report, to approve Petition No. ZC 11-05 from the Community Development Department requesting a zone change from the IND, Industrial, District to the MU, Mixed-Use, District for 25 City-owned properties and 23 privately-owned properties (a total of 48 tracts) located in the Animas District of the Metropolitan Redevelopment Area.

Mayor Roberts reported that this item was tabled at the April 26, 2011 regular City Council meeting.

Directing the Council's attention to page 9.1 of the agenda materials, Community Development Director Mary Holton reported that it is the policy of the Community Development Department to require developers of new residential projects, which are proposed to be located adjacent to an existing nonresidential development and/or an existing residential development of a different density, to bear the responsibility for complying with Section 5.10 of the Unified Development Code ("UDC") dealing with residential protection standards. She noted that the policy could be codified in the UDC in an effort to better enforce the policy. Furthermore, she asked that staff be directed to conduct a series of community meetings for the purpose of discussing with the Unified Development Code Implementation Committee ("UDCIC") the types of uses that should be permitted by right or by special use permit in the MU district. She also noted that the 23 private land owners whose properties are included in the proposed petition have asked that staff relay their support of the proposed zone change to the Council. Furthermore, Ms. Holton reported that staff met with Don Becker, owner of Medallion Heating located at 108 Quince Street, and stated that staff is withdrawing 11 of the City-owned properties located south of Piñon Street and west of Miller Avenue in an attempt to protect his industrial use.

Councilor Darnell announced that he has been discussing this issue with an industrial operator who is currently leasing property in the Animas District but plans to relocate the business to property that he owns in a different location within the Animas District. He questioned how the policy would affect the business operation if a residential use is constructed before the business is relocated. In response, Ms. Holton stated that the business owner would be responsible for the mitigation. Councilor Darnell stated that he is not favorable to forcing industrial business owners out of the city limits by requiring costly mitigation measures.

Councilor Fischer reiterated her concerns that the goals of the Metropolitan Redevelopment Area ("MRA") are not conducive to industrial businesses because there is little that can be done to mitigate odors,

noise and dust. She contended that the goals of the MRA are anti-business.

Councilor McCulloch announced that she supports the MU zone designation, but stated that she wants to ensure that the existing industrial users are not burdened with the mitigation costs if a residential use is developed nearby.

Councilor Sandel stated that he would like for a comprehensive plan to be developed and presented to the Council for consideration before any action is taken on Petition No. ZC 11-05.

Reading from a prepared statement, Derald Polston, Chairman of the Metropolitan Redevelopment Agency Commission ("MRAC"), reviewed the reasons why the area should be zoned MU. He contended that the Animas District can provide a link between the downtown area and the river development; noted that San Juan Regional Medical Center is located within the Animas District and has expressed the need for additional mixed-use developments such as a pharmacy, office space and/or a restaurant complex; and stated that there is a potential for the construction of a convention center or sports stadium in the Animas District that could increase tourism and improve the economic health of the overall community. He assured the Council that the MRA is willing to negotiate with the existing industrial users to develop a win/win solution. He strongly urged the Council to approve Petition No. ZC 11-05.

George Sharpe, a member of MRAC, stated that he believes it is imperative that the industrial uses be protected. However, he stated that he supports the goals of the MRA and disagrees with staff's recommendation to withdraw the 11 City-owned parcels from the petition. He contended that the policy should be codified in the UDC as a protection for the existing industrial users.

Cy Cooper, owner of Cy Cooper Company located at 615 W. Maple Street, stated that he is not opposed to the goals of the MRA, but asked the Council for assurance that he will be able to continue to use his property for industrial purposes. He also voiced concern for the number of City-owned parcels located within the Animas District, contending that these properties should be sold to private individuals for development. Mr. Cooper also pointed out that there is no property available within the city limits of Farmington for industrial development.

Don Becker stated that he supports the proposed petition, provided that the 11 City-owned parcels mentioned above are excluded from the rezoning request. He announced that he supports the goals of the MRA, but reiterated his concerns that the industrial users will be forced out of the area once the residential uses are developed. Agreeing with Mr. Cooper's comments, Mr. Becker contended that the MRAC is comprised of individuals who do not own property nor do they have a financial interest in the Animas District. He asked that the property owners be given the opportunity to voice their opinions.

Larry Hilliard addressed the Council on behalf of Ideal Baptist Church. He stated that the proposed MU zone designation is advantageous to the church and stated that the church officials will likely submit a petition to rezone the property if the subject petition is denied.

Announcing that an adjoining property owner recently petitioned the City to rezone his property to residential, Barry Digman stated that, had this request been approved, it would have been his responsibility to install sound abatement structures if he chose to construct a new industrial building on his property. He stated that he does not believe that the industrial users in the Animas District are aware of the costly implications of the MRA.

Following further discussion, a motion was made by Councilor Sandel, seconded by Councilor Fischer to table indefinitely Petition No. ZC 11-05 to afford staff the opportunity to conduct a series of community meetings for the purpose of discussing with the Unified Development Code Implementation Committee the types of uses that should be permitted by right or by special use permit in the Mixed-Use district, and upon voice vote the motion carried unanimously.

REAPPOINTMENTS AND APPOINTMENT TO THE ELECTRICAL CODE ADVISORY COMMITTEE

After providing the Council with background, educational and professional information on the following individuals, Mayor Roberts asked the Council's consideration of the reappointments of Joe Martinez and Leo Hardie (terms to December 2013) and the appointment of Roger Sheak (term to December 2013) to the Electrical Code Advisory Committee.

Thereupon, a motion was made by Councilor Sandel, seconded by Councilor McCulloch to confirm the reappointments of Joe Martinez and Leo Hardie as members of the Electrical Code Advisory Committee, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

A motion was also made by Councilor McCulloch, seconded by Councilor Fischer to confirm the appointment of Roger Sheak as a member of the Electrical Code Advisory Committee, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION

Mayor Roberts provided the Council with background, educational and professional information on Amy Ziesmer, Cheryl Ragsdale and Paul Thompson and asked the Council's consideration of appointing them to the Planning and Zoning Commission (terms to May 2013).

Following consideration, a motion was made by Councilor Darnell, seconded by Councilor Sandel to confirm the appointments of Amy Ziesmer and Paul Thompson as members of the Planning and Zoning Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

A motion was also made by Councilor Darnell, seconded by Councilor McCulloch to confirm the appointment of Cheryl Ragsdale as a member of the Planning and Zoning Commission, as recommended by the Mayor, and upon voice vote the motion carried unanimously.

RECONSIDERATION OF THE GENERAL FUND CASH RESERVE POLICY/RESOLUTION NO. 2011-1391

Administrative Services Director Andy Mason reported that the Cash Reserve Policy that was adopted by the Council at the April 12, 2011 regular City Council meeting was difficult to understand and apply. As a result, he stated that staff has revised the policy to provide for greater flexibility and more options for using the cash reserves. He directed the Council's attention to page 10.3 of the agenda materials and explained the four levels of cash reserve funding and the circumstances for which the funds can be used. In closing, he requested adoption of Resolution No. 2011-1391.

Councilor Sandel maintained his position that 25 percent of the annual budgeted expenditures is prudent during these volatile economic times and contended that the proposed policy is not based on financially sound business practices.

Mr. Mason noted two corrections to the proposed Cash Reserve Policy; the first being on page 10.2 of the agenda materials concerning the definition of cash reserve and the second being on page 10.4 dealing with the circumstances for using the cash reserve funds. He explained that cash reserves are defined as the funds equal to the General Fund's equity in pooled cash at the beginning of the fiscal year and clarified that all funds exceeding the 20.8 percent reserve will be available for transfer to the 408 Capital Fund.

Following lengthy discussion of the revised policy, a motion was made by Councilor McCulloch, seconded by Councilor Darnell to adopt Resolution No. 2011-1391 adopting a Revised Cash Reserve Policy for the General Fund, as amended. The roll was called with the following result:

Those voting aye:	Dan Darnell Gayla McCulloch
Those voting nay:	Mary M. Fischer Jason Sandel

The Mayor voted in favor of the motion and declared the motion carried.

RESOLUTION NO. 2011-1392/CASH AND DIVIDEND POLICY FOR THE ELECTRIC UTILITY FUND

City Manager Rob Mayes explained that the purpose of the proposed Electric Utility Fund Cash and Dividend Policy is to ensure that the Electric Utility maintains a prudent level of cash reserve for the operation and maintenance of its facilities; provide reliable, quality and reasonably-priced services to its customers; mitigate current and future risks due to unforeseen circumstances; and to provide for the annual payment of a dividend to the City for its ownership interest in the utility. He reviewed in depth the provisions of the proposed policy and requested adoption of Resolution No. 2011-1392.

Councilor Fischer stated that she does not agree with using the revenues from the Electric Utility Dividend on operating costs for the General Fund.

Lengthy discussion followed concerning the proposed policy and anticipated improvements for the Electric Utility System. Electric Utility Director Maude Grantham-Richards assured the Council that the Cash and Dividend Policy will not hinder the ability of the Electric Utility to develop additional resources as they become necessary.

Following further discussion, a motion was made by Councilor Sandel, seconded by Councilor Fischer to amend the final paragraph of Resolution No. 2011-1392 to state "That the attached document entitled "General Fund Cash Reserve Policy - Revised" be adopted as a financial policy for the purpose of enhancing the prudent financial management of the City's assets, provided that all funds transferred in accordance with the Cash and Dividend Policy be maintained in a separate account and utilized for one-time expenditures that do not increase recurring operating costs." The roll was called with the following result:

Those voting aye: Mary M. Fischer
Jason Sandel

Those voting nay: Dan Darnell
Gayla McCulloch

The Mayor voted against the motion and declared the motion failed.

Following further discussion, a motion as made by Councilor McCulloch, seconded by Councilor Darnell to adopt Resolution No. 2011-1392 adopting a Cash and Dividend Policy for the Electric Utility Fund. The roll was called with the following result:

Those voting aye: Dan Darnell
Gayla McCulloch

Those voting nay: Mary M. Fischer
Jason Sandel

The Mayor voted in favor of the motion and declared the motion carried.

In accordance with the State Open Meetings Act, City Attorney Jay Burnham presented and read by title a resolution setting and establishing the regular day, time and place for regular City Council meetings as the second and fourth Tuesdays of each month at 7:00 p.m. in the Council Chamber of the Municipal Building, 800 Municipal Drive, Farmington, New Mexico. The title of the resolution being:

A RESOLUTION SETTING AND ESTABLISHING A REGULAR MEETING DAY, TIME AND PLACE FOR CITY COUNCIL MEETINGS PURSUANT TO CITY COUNCIL RESOLUTION NO. 96-844 AS RATIFIED AND AMENDED

After consideration of the proposed resolution, a motion was made by Councilor Darnell, seconded by Councilor McCulloch that said resolution be passed and adopted as presented. The roll was called with the following result:

Those voting aye: Dan Darnell
Mary M. Fischer

Gayla McCulloch
Jason Sandel

Those voting nay: None

The presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried and the resolution was duly passed and adopted.

Mr. Burnham also presented for discussion a proposed ordinance establishing the Animal Services Advisory Commission. The title of such proposed ordinance being:

AN ORDINANCE ESTABLISHING THE CITY OF FARMINGTON ANIMAL SERVICES ADVISORY COMMISSION.

In response to inquiry from Mayor Roberts, Mr. Burnham announced that the purpose of the proposed Commission is to review and recommend procedures and protocols related to animal welfare, cruelty and neglect, education and outreach programs and to coordinate and develop partnerships between the City and other animal organizations. He explained that all recommendations from the proposed Animal Services Advisory Commission must be approved by the City Council.

Mayor Roberts recognized animal activists Phil Morin, Betty Berry, Joyce Donald, Kristen Langenfeld and Dorothy and Peter Saltzman who were present in the audience. He also stated that he supports an amendment to the proposed ordinance to require all potential members of the Animal Services Advisory Commission to reside within the city limits of Farmington, with the exception of the veterinary professional.

Councilor Fischer noted that Farmington currently has two humane societies and questioned whether it would be more prudent for the Commission to be comprised of two representatives from a local animal organization.

Addressing the Council, Mr. Morin stated that he believes that it would be beneficial for the Commission to be comprised of both residents and nonresidents since the existing Animal Shelter services the entire county.

In response to inquiry from Councilor Sandel, Assistant City Manager Bob Campbell announced that staff is working with representatives from the adjoining governing bodies to develop a county-wide animal welfare ordinance. He stated that it will be presented to the Council for consideration in the next few months.

There being no further discussion, Mr. Burnham announced that the proposed ordinance will be presented for final action at the May 24, 2011 regular City Council meeting.

ORDINANCE NO. 2011-1243/RESOLUTION NOS. 2011-1393 AND 2011-1394
POLLUTION CONTROL REFUNDING REVENUE BONDS (SOUTHERN CALIFORNIA
EDISON COMPANY FOUR CORNERS PROJECT

The Mayor announced that, at the request of Southern California Edison Company (the "Company"), the City is proposing to issue \$55,540,000 aggregate principal amount of City of Farmington, New Mexico Pollution Control Refunding Revenue Bonds (Southern California Edison Company Four Corners Project), 2011 Series [the "Bonds"]. The Bonds will be issued for the benefit of the Company for the purpose of refunding the City's Pollution Control Refunding Revenue Bonds (Southern California Edison Company Four Corners Project) 1999 Series A which refunded other bonds which previously had refinanced prior obligations originally issued for the Company for air and water pollution control facilities (hereinafter referred to as the "Project") located at Units 4 and 5 at the Four Corners Generating Station being located outside of the City and within San Juan County (the "County").

The Mayor then announced that the Council, at this meeting, is to consider the adoption of an ordinance (the "Ordinance") providing for the issuance and certain terms of the Bonds and the execution and delivery of certain instruments pertaining to the Bonds. City Clerk Dianne Fuhrman announced that copies of such proposed Ordinance in preliminary draft form previously were filed with her on May 5, 2011. Ms. Fuhrman stated that copies of the proposed Ordinance (in preliminary draft form) were

made available to the Mayor and each Councilor. Thereupon, there was officially filed with the City Clerk, which was available to the Mayor and each Councilor, a copy of the Ordinance in its final form which is in substantially the form previously filed with the City Clerk.

Councilor Darnell thereupon introduced the Ordinance entitled as follows:

ORDINANCE NO. 2011-1243

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE CITY OF FARMINGTON, NEW MEXICO OF ITS REVENUE BONDS DESIGNATED "POLLUTION CONTROL REFUNDING REVENUE BONDS (SOUTHERN CALIFORNIA EDISON COMPANY FOUR CORNERS PROJECT) 2011 SERIES" IN THE AGGREGATE PRINCIPAL AMOUNT OF \$55,540,000 TO BE ISSUED PURSUANT TO THE PROVISIONS OF THE POLLUTION CONTROL REVENUE BOND ACT, SECTIONS 3-59-1 TO 3-59-14 NMSA 1978, AS AMENDED, FOR THE PURPOSE OF REFUNDING OUTSTANDING REVENUE BONDS ISSUED UNDER SUCH ACT TO REFUND PRIOR REVENUE BONDS, THE ORIGINAL SERIES OF WHICH WERE ISSUED FOR PROJECTS CONSISTING OF AN INTEREST IN CERTAIN AIR AND WATER POLLUTION CONTROL FACILITIES AT THE FOUR CORNERS GENERATING STATION, AN ELECTRIC POWER GENERATING PLANT LOCATED IN SAN JUAN COUNTY, NEW MEXICO, AN INTEREST IN WHICH IS OWNED BY SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF CALIFORNIA, SAID REVENUE BONDS TO BE PAYABLE BY THE CITY SOLELY FROM THE REVENUES PAYABLE TO THE CITY BY SOUTHERN CALIFORNIA EDISON COMPANY PURSUANT TO A CERTAIN INSTALLMENT SALE AGREEMENT BETWEEN THE CITY, VENDOR, AND SOUTHERN CALIFORNIA EDISON COMPANY, VENDEE, AND CERTAIN OTHER MONEYS PLEDGED THEREFOR HEREUNDER, SAID REVENUE BONDS AND INTEREST THEREON 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 A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS AND DECLARING AN EMERGENCY.

The Mayor then asked if anyone would like to be heard with respect to the Ordinance. After all persons wishing to speak were heard and after a discussion thereof, the Mayor, pursuant to Section 3-17-3 NMSA 1978, declared that the Ordinance is an emergency, such declaration being set forth in full in the statement attached to the Ordinance.

Councilor Darnell then moved that the Ordinance be passed and adopted. Councilor Sandel seconded the motion.

The question being upon the passage and adoption of the Ordinance, the roll was called with the following result:

Those Voting Aye:	Dan Darnell Gayla McCulloch Jason Sandel
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Those Voting Nay:	Mary M. Fischer
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The Mayor thereupon declared that a majority of all members of the Council having voted in favor thereof, the motion was carried and the Ordinance has been duly passed and adopted.

The Mayor announced that the Council now is to consider the adoption of a resolution providing for the sale and certain terms of the Bonds and the execution and delivery of certain instruments and documents pertaining to the Bonds.

Ms. Fuhrman announced that copies of such proposed resolution in preliminary draft form previously were filed with her on May 5, 2011 and stated that copies of the proposed resolution (in preliminary draft form) were made available to the Mayor and each Councilor. Thereupon, there was officially filed with the City Clerk and was available to the Mayor and each Councilor, a copy of the resolution in its final form which is in substantially the form previously filed with the City Clerk.

Councilor Darnell thereupon introduced the resolution, entitled as follows:

RESOLUTION NO. 2011-1393

PERTAINING TO ISSUANCE OF \$55,540,000 PRINCIPAL AMOUNT OF CITY OF FARMINGTON, NEW MEXICO POLLUTION CONTROL REFUNDING REVENUE BONDS (SOUTHERN CALIFORNIA EDISON COMPANY FOUR CORNERS PROJECT), 2011 SERIES INCLUDING ESTABLISHING CERTAIN TERMS THEREOF, SPECIFYING CERTAIN MATTERS WITH RESPECT THERETO, AUTHORIZING THEIR SALE, AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS IN CONNECTION THEREWITH, RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY AND CERTAIN OTHER MATTERS.

Councilor Darnell then moved that the resolution be passed and adopted. Councilor McCulloch seconded the motion.

The question being upon the passage and adoption of the resolution, the roll was called with the following result:

Those Voting Aye:	Dan Darnell Gayla McCulloch Jason Sandel
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Those Voting Nay:	Mary M. Fischer
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The Mayor thereupon declared that at least a majority of all members of the Council having voted in favor thereof, the motion was carried and the resolution duly passed and adopted.

The Mayor then announced that the Council now is to consider the adoption of a resolution authorizing execution and delivery of the First Amendment to Installment Sale Agreement pertaining to the City's Pollution Control Refunding Revenue Bonds (Southern California Edison Four Corners Projects) Series A and B which were previously issued by the City.

Ms. Fuhrman announced that copies of such proposed resolution in preliminary draft form previously were filed with her on May 5, 2011 and stated that copies of the proposed resolution (in preliminary draft form) were made available to the Mayor and each Councilor. Thereupon, there was officially filed with the City Clerk and was available to the Mayor and each Councilor, a copy of the resolution in its final form which is in substantially the form previously filed with the City Clerk.

Councilor Darnell thereupon introduced Resolution No. 2011-1394, entitled as follows:

A RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF FIRST AMENDMENT TO INSTALLMENT SALE AGREEMENT PERTAINING TO THE CITY OF FARMINGTON, NEW MEXICO POLLUTION CONTROL REFUNDING REVENUE BONDS (SOUTHERN CALIFORNIA EDISON COMPANY FOUR CORNERS PROJECT) SERIES 2005 A AND B; AND OTHERWISE RELATING TO THE FOREGOING.

Councilor Darnell then moved that Resolution No. 2011-1394 be passed and adopted. Councilor Sandel seconded the motion.

The question being upon the passage and adoption of the resolution, the roll was called with the following result:

Those Voting Aye:	Dan Darnell Gayla McCulloch Jason Sandel
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Those Voting Nay:	Mary M. Fischer
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The Mayor thereupon declared that at least a majority of all members of the Council having voted in favor thereof, the motion was carried and the resolution duly passed and adopted.

In closing, Mr. Burnham announced that the City will be receiving an issuance fee of \$55,540 as a result of the bond issuance.

DISCUSSION AND ACTION UPON ITEM REMOVED FROM THE CONSENT AGENDA:

- (1) ADOPTION OF RESOLUTION NO. 2011-1390 authorizing the execution and delivery of a Loan Agreement and Intercept Agreement by and between the City and the New Mexico Finance Authority to pay a principal amount of \$475,426 for the purpose of financing the costs of purchasing two fire pumpers.

In response to inquiry from Councilor Sandel, Fire Chief Terry Page reported that the proposed fire pumpers will replace two older-model trucks and assured him that no additional personnel will be required as a result of the purchase.

Thereupon, a motion was made by Councilor Sandel, seconded by Councilor Darnell to adopt Resolution No. 2011-1390 authorizing the execution and delivery of a Loan Agreement and Intercept Agreement by and between the City and the New Mexico Finance Authority to pay a principal amount of \$475,426 for the purpose of financing the costs of purchasing two fire pumpers. The roll was called with the following result:

Those voting aye:	Mary M. Fischer Dan Darnell Gayla McCulloch Jason Sandel
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Those voting nay:	None
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There presiding officer thereupon declared that four Councilors having voted in favor thereof, the said motion carried.

CLOSED MEETING

A motion was made by Councilor Darnell, seconded by Councilor McCulloch to close the meeting to discuss requests for proposals for annual financial audit services and the Community Development Block Grant Downtown Façade Improvement Program. The roll was called with the following result:

Those voting aye:	Dan Darnell Mary M. Fischer Gayla McCulloch Jason Sandel
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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 10:49 p.m. with all members of the Council being present.

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

The open meeting was reconvened by the Mayor in the Council Chamber at 11:16 p.m. with all members of the Council being present.

REQUEST FOR PROPOSALS FOR ANNUAL FINANCIAL AUDIT SERVICES

Purchasing Officer Eddie Smylie announced that proposals for annual financial audit services (Administrative Services/Finance Operations) opened on April 26, 2011 with nine offerors participating. He recommended that the contract be awarded to Moss Adams, LLP as the top evaluated firm.

Councilor Sandel initiated discussion concerning the cost proposed by Moss Adams, LLP in comparison to the other offerors. He attributed that increased cost to amendments that were made to the proposal process, particularly with regard to the decrease in the amount of points awarded for cost of service. He asked that this proposal be rejected and that staff be directed to issue another request for proposals.

Thereupon, a motion was made by Councilor Sandel to reject the proposal from Moss Adams, LLP and to direct staff to issue a new request for proposals that more heavily factors in the price of the service. The motion died for lack of a second.

In response, Administrative Services Director Andy Mason explained that the Government Finance Officers Association strongly discourages governmental entities from considering the cost of auditor services when considering the scope of a proposal.

Following further discussion, a motion was made by Councilor Fischer, seconded by Councilor Darnell to award the proposal for annual financial audit services to Moss Adams, LLP, as recommended by the Purchasing Officer. The roll was called with the following result:

Those voting aye:	Dan Darnell Mary M. Fischer Gayla McCulloch
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Those voting nay:	Jason Sandel
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The presiding officer thereupon declared that three Councilors having voted in favor thereof, the said motion carried.

Explaining their positions on the matter, Councilor Fischer stated that she believes that the experience that Moss Adams has with electric utility accounts will be beneficial and Councilor Darnell contended that the proposal process was fair.

REQUEST FOR PROPOSALS FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT
DOWNTOWN FAÇADE IMPROVEMENT PROGRAM

Purchasing Officer Eddie Smylie announced that proposals for the Community Development Block Grant Downtown Façade Improvement Program (Community Development) opened on April 13, 2011 with four offerors participating. He recommended that contracts be awarded to Three Rivers Brewery (\$20,000), Shiprock Trading Company (\$22,000) and Nygren Investments (\$12,917.15) as the best evaluated firms. He also noted that Impala Networks has withdrawn their proposal.

Thereupon, a motion was made by Councilor Darnell, seconded by Councilor McCulloch to award the proposal for Community Development Block Grant Downtown Façade Improvements to Three Rivers Brewery (\$20,000), Shiprock Trading Company (\$22,000) and Nygren Investments (\$12,917.15), as recommended by the Purchasing Officer, and upon voice vote the motion carried unanimously.

There being no further business to come before the Council, the meeting was adjourned at 11:22 p.m.

The City Clerk certified that notice of the foregoing meeting was given by posting pursuant to Resolution No. 96-844, et seq.

Approved this 24th day of May, 2011.

Entered in the permanent record book this 25th day of May, 2011.

Tommy Roberts, Mayor

SEAL

ATTEST:

Dianne Fuhrman, City Clerk