

CITY COMMISSION MEETING MINUTES
CITY OF TRUTH OR CONSEQUENCES, NEW MEXICO
CITY COMMISSION CHAMBERS, 405 W. 3RD St.
WEDNESDAY, OCTOBER 11, 2023

A. CALL TO ORDER:

The meeting was called to order by Mayor Amanda Forrister at 9:40 a.m., who presided and Angela A. Torres, City Clerk-Treasurer, acted as Secretary of the meeting.

B. INTRODUCTION:

1. ROLL CALL:

Upon calling the roll, the following Commissioners were reported present.

Hon. Amanda Forrister, Mayor
Hon. Rolf Hechler, Mayor Pro-Tem
Hon. Merry Jo Fahl, Commissioner
Hon. Shelly Harrelson, Commissioner
Hon. Destiny Mitchell, Commissioner was absent

Also Present: Angie Gonzales, City Manager
Traci Alvarez, Assistant City Manager
Jay Rubin, City Attorney
Angela A. Torres, City Clerk-Treasurer
Kristie Wilson, Finance Director
Luis Tavizon, Chief of Police
Arnie Castaneda, Water/Wastewater Director

There being a quorum present, the Commission proceeded with the business at hand.

2. SILENT MEDITATION:

Mayor Forrister called for fifteen seconds of silent meditation.

3. PLEDGE OF ALLEGIANCE:

Mayor Forrister called for Mayor Pro-Tem Hechler to lead the Pledge of Allegiance.

4. APPROVAL OF AGENDA:

City Attorney Rubin asked that item H1 be moved after G1.

Mayor Pro-Tem Hechler moved to approve the agenda with the stipulation that item H1 be moved after item G1. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

C. PRESENTATIONS:

1. Presentation of City of Truth or Consequences Employee Service Anniversary Awards:

City Manager Gonzales presented an Employee Service Anniversary Award to Joe Sorg for 3 years of service with the City of Truth or Consequences.

City Manager Gonzales presented an Employee Service Anniversary Award to Mindee Holguin for 3 years of service with the City of Truth or Consequences.

City Manager Gonzales presented an Employee Service Anniversary Award to Robert Waldron for 13 years of service with the City of Truth or Consequences.

City Manager Gonzales presented an Employee Service Anniversary Award to Scott Huron for 13 years of service with the City of Truth or Consequences.

City Manager Gonzales presented an Employee Service Anniversary Award to Jeanette Wood for 1 year of service with the City of Truth or Consequences.

D. PUBLIC COMMENT (3 Minute Rule Applies):

Gordon Edelheit addressed the Commission with comments related to:

- The Chamber of Commerce held a positive \$3 million request that was approved at the last vote. He trying to make sure that can be used for grants. The Chamber of Commerce is very supportive of the Commission to get these important things done.
- He is a candidate for City Commissioner. On Tuesday's from 9:00 a.m. until 10:30 a.m. until the date of the election, they will hold meet the candidates' meetings where constituents can ask the candidates questions. He appreciates the cooperation in the spirit of what they are doing.

Sergeant Jaffee Blomquist addressed the Commission with comments related to:

- He wanted to show support for the new Police Department building. The PD is growing with our community. Their current building is a former funeral home and mortuary, so their desks and workspaces are squeezed together. They have a lack of office space, and as they continue to grow. This issue will continue. A new building would be beneficial to our community is bigger office space, and by expanding the infrastructure, they can improve public safety, and services to the community. The current parking is not secure, and is not large enough. They need a holding cell, which would be a safe place to house juveniles while they mediate their families.

Michelle Atwell addressed the Commission with comments related to:

- She is in support of a new law enforcement complex for the T or C Police Department. She is with SCRDA, and they were in a deplorable area. About 2 years ago, they built a new 911 center, and the main reason was growth and safety. That goes in the lines with your police department. As Sergeant Blomquist was saying, just the security alone for not only the officers, but their equipment, and safety for the public. They are at a former funeral home. We all had to start somewhere, but your Police Department which is phenomenal, has grown, and with growth of infrastructure, we are desperately in need of a more up to date technology Police Department that will support the citizens of Truth or Consequences. I know the battle, and the road that you may have to go down to get that, but SCRDA is a prime example of improvement and services of what we provide now. With a new building, the Police Department will be able to function more appropriately, and create a safer environment.

Lt. Donald Venable addressed the Commission with comments related to:

- He is speaking on behalf of the NMHP who sent a letter in from Lt. Matt Hubert. To the honorable Truth or Consequences City Commissioners. I whole heartedly support turning the old armory into a space for the Truth or Consequences Police Department. The current Truth or Consequences Police Department building does not have the space needed to meet the needs of a modern Police Department. There is inadequate space to train the departments officers, let alone invite officers from other departments to the training. There is no place for weight training, there is insufficient locker space, and no shower facilities for the officers. There is also nowhere to bunk overnight. I am the Commander of the newly formed Truth or Consequences troop of the New Mexico Highway Patrol. We provide numerous man hours through the Truth or Consequences Police Department each and every month without compensation. We do it as a labor of love for the community. While we are currently recruiting locally, we do have members like myself, who live outside the city and drive in from places like Las Cruces or Silver City, the personal cost to the troopers is high. We pay for our own vehicles, our insurance, our uniforms, etc. We are not even reimbursed on our fuel which is about \$85 for each shift we work for the city. That is paid by the individual trooper out of his or her pocket. Just having a barracks to be able to sleep in would save us the cost of a hotel room when we work back-to-back holidays, like in the case of the Fiesta. It would also enable us to send more people to the events if they knew they had a place to stay. That extra presence, and free labor greatly benefits the City of Truth or Consequences. It would also help keep us safer. We generally work between 1:00 and 3:00 in the morning, and sometimes it would be safer to bunk first before driving home. It's a win for everyone. It keeps us safe, and keeps us from having to pay for a hotel, plus the community gets multiple extra officer man hours free of charge during events because officers are more likely to participate when they know they will have a place to stay overnight. I urge you all to vote to turn the old armory into a space for the Truth

or Consequences Police Department. This space is urgently needed. Thank you for your time and consideration in this matter. Sincerely, Matt Hubert.

Kyleen Coulter addressed the Commission with comments related to:

- She is the new evidence tech with T or C PD. She is here to discuss the evidence situation there, and why the armory would be an advantage for that situation. As a former funeral home, there is of course not a place for evidence storage in the design of the building. While there is evidence storage in what was probably where they used to store bodies, it's not really large enough for the number of cases we see, and the kind of storage that we have to keep. The ventilation isn't great either were we have the drug storage, and things like that. Its not really up to the standards that we need to have for state and national requirements, and to get us up to that level that we need to have. That's sort of the situation we have with records as well. While our current records are stored in the building, our back log of records are stored in a metal shed behind the building with a padlock, which is kind of a problem when you consider our flooding situation. We just had a 40-minute talk on that. Then there's sometimes the rodent situation. They get into things like that, and it's not an ideal situation for either our evidence storage, or our record situation. We also don't have a place to store our larger evidence like vehicles, bicycles and things like that. We simply don't have the space. I know that a concern for the citizens has been the budget, but this would come from a completely different funding source. I think that that's something important for people to consider as well.

Grecia Valenzuela addressed the Commission with comments related to:

- She is here to talk about the new building for the Police Department. She was previously the Administrative Aid for the Truth or Consequences Police Department for 3 years. She is currently employed at the Judicial District Attorney's Office as a legal secretary. She's still involved with Shop with a Cop and stuff. While employed at the Police Department she witnessed several floodings events that caused damage to the building and equipment, and they had to close their doors for a couple of days, making it hard for the public to get their stuff, and for us to do our jobs. Those floods could have potentially ruined important records. As the Administrative Aid, she was also sometimes left alone in the office for hours at a time due to high call volume. When an angry person or victim comes in wanting to speak or an officer, it kind of gets scary. The doors are not secured, and the window is only shatter proof. It's not bullet proof. Those walls are so thin anything could happen. Somebody could punch through the wall. There were times when I was scared, and I was wondering what do I do if something happens and nobody is here. The officers have guns, tasers, batons, but us civilian staff have nothing. I am in support of it because I was there once, and its scary being in that situation, and I feel like the civilian staff need more protection. Therefore, I am asking the public and the commission to please support the Police Department in a new building.

Jamie Sweeney addressed the Commission with comments related to:

- She is the Code Enforcement Officer for the Truth or Consequences Police Department. She has been with the city for over 9 years, minus the 11 months that she did leave. She is here to discuss the pressing need for new Police Department in our community. Over the next few minutes, she'll outline the compelling reasons why our new facility is not just a necessity, but an investment in their safety, their efficiency, and their public image. First and foremost, overcrowding has become a critical issue in current Police Department. Our officers and staff work tirelessly to keep the community safe, but they are hindered by the lack of space and resources. The cramped conditions not only affect their productivity, but also compromise their well-being. We owe it to them to provide an environment where they can effectively serve and protect us. Additionally, the current building has suffered some flooding issues putting essential equipment and sensitive records at risk. This not only jeopardizes our ability to maintain a transparent and accountable police force, but it also endangers the safety of our community. Investing in a new building with modern infrastructure will mitigate these risks, and ensure our operations continue without interruption. Perhaps one of the most pressing concerns is the outdated evidence room. Our community deserves a Police Department that can securely and effectively handle evidence, ensuring the integrity of criminal investigations. A new facility will include the state of the art evidence storage facilities, reducing the risk of contamination, and ensuring that justice is served. It's not just about addressing these problems, it's also about improving our services. A new Police Department building will enable us to harness the latest technology, and training methods, providing our officers with the tools they need to excel in their jobs. This means faster response times, more effective crime prevention, and a better community engagement. Now let's talk about our public image. Perception is crucial, and the current state of our Police Department doesn't reflect our officer's professionalism and dedication. A new modern facility will send a clear message to our community that we are committed to providing the highest level of service and care. It will foster trust and confidence in our police force which is essential for effective law enforcement and community cooperation. In conclusion, the need for the new Police Department building is undeniable. Our current building is overcrowded, we have flooding, and we have an outdated evidence room. A new building will give us the opportunity to provide updated services, and the desire to improve our public image will compel us to take this crucial step forward. This is not just about bricks and mortar. It's also about investing in our community's safety, wellbeing, and future. I urge each and every single person in our community to support this endeavor. Together we can create a Police Department that serves and truly represents our communities' values.

Virginia Hicks addressed the Commission with comments related to:

- She works at the District Attorney's Office as a District Attorney. She has worked there about 10 years, and she knows the building at the PD. The officers that work in that building have dealt with serious and dangerous things on a daily basis. The District Attorney's Office actually moved to that beautiful new building, and that has changed their productivity level. She is in indefinite agreement with a new building. It will create a safe clean building for officers to go back to, since they're dealing with such a stressful situation on a daily basis. That's enough stress they have to deal with. It will create more work product from them. If evidence is destroyed, we cannot prosecute a case. That is definitely an issue for the District Attorney's Office. She again is in indefinite agreement with a new building. It's been needed for quite some time, and she believes the previous Chief of Police was trying to work on getting the armory as well. She was in agreement then as well. It is a big stressor to have their building flooded, and to have drips on the public who go into the office. It's not a welcoming environment, so to create something that's safe for the officers, as well as the public, and civilians that work there. I just think it's absolutely needed.

Kathleen Sloan addressed the Commission with comments related to:

- When they moved the Police Department into the funeral parlor 10 or 15 years ago, it wasn't bedded very well. She remembers concerns about moving into that building, and it was supposed to be a cost saving measure. That money could have been put into a different building. The question she is asking is are we sure the armory is a good choice. Why is the armory a good choice? There is nothing in the packet with plans. There is only the financing which seems premature. Are you going to use the old plans? Was there such a cost analysis done for the armory? She's just questioning whether the armory has been bedded as a good choice. The GRT was voted by the people, and it went to a vote. It was a public vote, and it was \$0.25 of every \$10.00 goes to the Police Department, and that was for retention, and payment to officers. It was not for capital projects. There was a new law passed that said you can use this GRT for anything. You don't have to put it in a particular pot to use for a particular purpose. It sounds like the Police Department is using it for this purpose, so that sounds okay, but the people, that's not what they voted this tax money for. GRT has been used as financing for tons of our water projects, and utility projects. It is a source of our funding for capital projects. This money is now in a general pot of money that could be used for water, waste water, anything. Her other question is according to the 2020 census, we are down 2%, but she keeps hearing that we're growing. Does anybody have evidence of that?

Corrin Barner addressed the Commission with comments related to:

- She came in today because she has ongoing questions about the project on Broadway and Main Street about the water leakage. It's been unclear to her living here when she sees water on the streets. She didn't know if the project

report was going to relate to everything. She also talked to her neighbors, and they are also unclear about what's going on. She has been curious if there's somewhere to look about the progress on the projects that have been going on, and if she can get that information before she leaves that would be great. It is also a great concern to her as a business owner on Broadway, just watching the work progress, it seems to be opened up completely. She has never been certain if it were things that just came up, or if there wasn't a real good plan that was in place. She would like to get a better confidence about how the progress of that road work has been designed and carried out.

E. REPORTS:

City Manager Gonzales reported the following:

- Truth or consequences is a professional organization and we need to act like it, and we need to look like it too. We need to be helping our Police Department, and helping our facilities, and our employees be professional. We have the ability to be better, and we need the help to be better.

City Attorney Rubin reported the following:

- We had a meeting in September where we had a presentation with State Engineers Office, and I think we left it where they were supposed to supply you with a report, and then if you read the report, then you were to bring it back and put it on the agenda. I'm not sure where we left off? You my got a report? If you're interested in putting back on the agenda, feel free to maybe contact or reach out to the State Engineers Office.

City Commission Reports:

Commissioner Fahl reported the following:

- I just want to thank the Commission for approving the Turtleback Trail Plan at our last meeting. I wanted you to know the original steering committee is going to be meeting again. They will be trying to look at some of the projects they think would be easy to do. Foot bridges will not be looked at. There's a project and a funding source that we find is within the city's jurisdiction. Then we'll talk to staff and come back to Commission with them.
- We know our water and waste water people work so hard, but I did see something on Facebook about the water. Something they talked about was that we know that it is a natural seepage. I think somehow when people call and complain, and we know it's a spring we should maybe see if there is some sort of way that we can put up a sign to try and prevent us from getting complaints so often. For instance, the one on Magnolia is a spring that seeps up.
- I attended the Sierra County Recreation Tourism Board meeting last week and one thing that was decided was that they're going to start meeting quarterly, so I don't have to report on that as often.

Commissioner Harrelson reported the following:

- I would appreciate the community supporting our school sports team.
- The recent fairs turned out very well. I would like to thank the community for supporting the kids so well. Everyone worked very hard and did great.
- I would also like to say that I am a huge supporter of using old buildings. Being a local, I like to see them re-purposed instead of being torn down. I do support the armory being re-purposed.
- I just want to remind the community to always promote what is positive in the community. I would also like to support all of the people writing all of the positive things going on in our community.

Mayor Pro-Tem Hechler reported the following:

- I wanted to alert the City Manager on an email concerning VRBO. I wanted to make sure we follow up on that because that's one untapped source for Lodger's Tax money that we need to jump on. It could potentially be more revenue for our community.
- I met with Gina and Mr. Will Powell who is an architect in Main Street, and we looked at the Lee Belle Johnson Center, and raised the floorboards, and saw the issues. That building will have to be vacated here shortly. It needs to be fixed up in some way, and we need to figure out what that is going to cost and how we are going to do that. I'm hoping that we can use some Lodgers Tax money to get a Comprehensive Engineering Study done that will identify what needs to be done to refurbish this building, and at what cost. The alternative would be to tear the building down, which could cost \$150,000 – \$250,000, and then we would have a vacant spot. We may even have an open meeting about this building down the line.
- I have the meeting set for this Friday. I've invited Alyssa O'Brian from Urban Forestry Division and State Forestry to come down to help identify the types of trees, and the number of trees that we need to plant in Ralph Edwards Park. I've also invited Taylor Sanchez from Sierra Soil and Water to talk to us about getting rid of the evasive trees and shrubs along the Rio Grande in Ralph Edwards Park. The city's done a wonderful job in fixing the park up. We have lots of new features, and we need to finish this park which includes planting new shrubs and trees, and fixing up the riverbank so people sitting on the benches can actually see the river and the wildlife, and then just maintain it from that point forward. That meeting will be on Friday. There are also volunteers ready to help plant and maintain those trees that will be placed in the park.

Mayor Forrister reported the following:

- Thursday will be the pink volleyball game. Please come and support our girls and wear your pink. We are on a 10 game win streak.
- I would like to give kudos to the community for coming together during the county fair. The 4H and FFA kids are some of the hardest working kids that I have ever met. The sale was Saturday night, and the sale items came out to \$272,450. A

lot of the people in our community added on to the sales which came out to \$115,924, so the grand total of sales was \$388,374 that goes back into the hands of those hard-working kids.

- I fully support the PD's decision with the renovation of the Armory, and I cannot wait to see what happens there.

F. CONSENT CALENDAR:

1. **City Commission Regular Minutes, September 27, 2023**
2. **Acknowledge Regular Lodgers Tax Advisory Board Minutes, July 24, 2023**
3. **September 2023 Accounts Payable**

Commissioner Fahl moved to approve the Consent Calendar as submitted. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

G. ORDINANCES/RESOLUTIONS/ZONING:

1. **Discussion/Action: Resolution No. 14 23/24 Budget Adjustment Request.**

Kristie Wilson, Finance Director reviewed the budget adjustments provided in the packet.

Commissioner Fahl made a motion to wait for the approval of Resolution No. 14 23/24 Budget Adjustment Request until after item H7 is presented. Mayor Pro-Tem Hechler seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

Item H1 was moved after item G1.

H1. Discussion/Action: Financing Options for the Law Enforcement Facility.

Copy of presentation attached hereto and made a part hereof.

Mark Valenzuela, Bosque Advisors, LLC: This is going to be a new process that he is recommending to the city, and city staff has agreed with the recommendation I've made. The recommendation is to sell these bonds to, not to the NM Finance Authority, which is what the city has primarily done for most of their gross receipts tax bonds. My recommendation is to take it out to the public on market. That is the first time that has ever happened for the City of T or C in the recent history. It requires more work for your bond attorney and myself, but it will tax the Chief and your administrative staff as well. Also, part of going to the public market is trying to transition the financing to be on its strongest foot, so the recommendation that I am making is that the city legally pledge as

the re-payment source of the Muni-State Share Gross Receipts Tax. Generally, this tax which is 1.225% is shared only with cities and the State of New Mexico. The state historically received 5% of gross receipts tax, and that has now been reduced. The state would share the 5% that they would earn with Municipalities in the amount of 1.225%. Counties don't get that, so it is a benefit to municipalities. It is generally for all cities, the strongest revenue stream, and therefore strongest credit when you go out and finance. The first recommendation is that this financing for the Law Enforcement Facility would be legally pledged with Muni-State Share Gross Receipts Tax of 1.225%. You have existing debt on that tax already, and I will take you through that in a moment. The Chief has 0.25% dedicated to the law enforcement. That 0.25% would still be used to make the bond debt. We are only legally pledging the 1.225% as a credit strength rather than the 0.25%. There is a 6-year history of the collections for a total gross receipts tax portion that he calls the Muni-State Share, and also what 0.25% would be, and the 5-year average on 0.25% is \$350,000 compared to the \$1.7 million for the 1.225% Muni-State Share. That by itself gives you a very strong credit coverage, and you will be much more inclined to buy these bonds in a public market and offer the lowest cost that's available, and part of the recommendation is to get the lowest cost. It is a new process and part of what is required is a bond rating. The city has never gone forward with a bond rating. That will be a new process, and I will help take you through that. Part of this is how you conduct that bond rating with the analyst that will be proving their opinion on the city's financial statements on this project, and the governance of the city. You have to pay for that rating, and in this case, it will likely be about \$15,000 for that fee. I recommend that you meet the analysts in person, and the best place to do that is in San Francisco or in New York, and it does require travel to those locations. It would be your administrative team and potentially the mayor, so there is a cost associated with that. We pay our own rate. The fee that we earn for doing the transaction for you is not increased for traveling with you to that activity. You can also do this via zoom. However, I don't necessarily like to have conversations like that over zoom. I like to have full attention for whoever is looking at your financials and making sure that they are listening to everything about T or C that they are going to be make a decision on. Dallas is also another location option, but there is a second side to this. In addition to meeting with the rating agencies whom we have to pay \$15,000 to do the rating, I would also recommend that we meet with bond insurance companies. There are only two in the United States, and they have offices in San Francisco or New York. While we can meet with rating analysts in person in either San Francisco or New York, we can also for free, meet with the bond insurance companies, which we may procure a product from. The recommendation is to sell up to \$4.5 million in bonds, secured with Muni-State Share Gross Receipts to take it out, as long as 30 years, I would hope that we could shorten that, and that will depend on the interest rate. The ordinance that will come before you will still have the opportunity to go to the Finance Authority. If the market was up, and something happens that will impact markets, you will still have the ability to go to the Finance Authority, and we will still follow that path as well. On slide 3 of the presentation, it lines up the Municipal Gross Receipts Tax that the Chief currently has in place, and uses to finance a loan against the Municipal State Share piece. The chart on the presentation shows that the revenues are so much stronger, which means you have so much more income available for this debt. That is a credit feature. All things being equal, the analyst will rate you higher because of the amount of income you

have coming in relative to the cost of the debt. When you have stronger credit, the analyst will be assessing that revenue stream, and it gives you more fixability as a city. One of the negatives of the Finance Authority is that they are going to require that you have a debt service reserve fund in place. It is a reserve worth about \$300,000 on this financing, that you will be required to keep in place for the full life of the debt which is 30 years. In the event that the city's revenues dropped, they would go after that revenue to make the next years payment. It is protection for them. Both investors would require it as well, but the bond insurance companies may offer you a solution to that. Slides 4 and 5 of the presentation show the existing debt that exists against the quarter percent that the Chief currently has outstanding. There are 3 debts that are being paid with that. I am also suggesting as part of this, that we clean up some of the debt by just paying those off. The first time I ever met with you, I talked about the number of loans that you have outstanding and would there be an opportunity to clean some of those up. This is the case where we can do that. We can also save a tiny bit of interest, but that is not the reason why it is being done. Slide 5 of the presentation is the Muni-State Share. You have existing debt against that, so we have to factor that in based on what we are structuring. Currently you are roughly paying \$275,000 on the loan with the Finance Authority. It cannot be paid off early, so we will have that outstanding, compared to what we would do here with this deal. Slides 6 and 7 of the presentation show are comparisons. It is 25-year financing. I am solving to get \$4 million to the Chief to fix up the facility. On page 6 shows the public bond market deal. We are trying to put \$4 million in the project fund to build that facility. The numbers shown on the presentation are all based on a prior transaction that we looked at in the market for a different community. We would spend \$32,000 on a bond insurance policy, and a surety policy. The bond insurance company will put up the reserve fund for you. You pay them a premium, and they will put up that \$300,000 for you, and should the situation occur that the city's revenues drop and they can't make the payment, the investors would go after that reserve fund at that company, and then we would all get together and talk about how to fix everything over that next year. The reserve fund protects you for a year, and then we would have to come back and figure out how to fix things, but for that service, they will charge you \$32,000. The underwriter would need another bank, because I am your fiduciary financial advisor, and I can't participate in selling bonds, so we would have to engage in an underwriting firm, and their total cost is roughly around \$35,000. Chris and I are also involved, and our fees are based on the fee schedule you already have approved. Then there is a small residual amount that is left over. That is what the market deal looks like. All in all, you are paying around \$7.33 million for that financing which includes principal and all of the interest over 25 years. The Finance Authority is going to require a reserve fund, so you would have to borrow the \$4 million, plus the reserve fund, and the fees. The fees are lower in this case, but you are still borrowing a higher amount, and when you look at your new debt service, you are paying \$7.479 million, so in this case the bond market is a better deal for you because you are not having to borrow as much money from the bond market. That is the recommendation that I am making as we move forward on the transaction. There are a lot of moving parts here. It is new to the city, but it is not new to Chris or I.

Mayor Pro-Tem Hechler: The problem is that we may be taking potential money from other sources. In other words, we could use that money elsewhere if we needed to, so

what we need to figure out is what our priority is, and is this a priority that we want over some other structures, or other systems that we need in the city. Is that correct?

Mark Valenzuela, Bosque Advisors, LLC: Yes, sir that is correct. I structured this to ensure that the 0.25% that the Chief already has in place is sufficient to cover it. It is not a decision about water systems or wastewater systems with GRT pledge, it is a decision for the Chief and how he wants to use the 0.25% that he already has in place.

Mayor Pro-Tem Hechler: The Chief would usually use the 0.25% for other things. In the past we used it for vehicles, so in the future we will have to come up with another source for that and other things such as training, so there will be a detriment to other things if we decide to go this way, so we have to really decide if this is essential for us to do, knowing that we are going to have to make up that money somewhere.

Commissioner Harrelson: I am assuming that the resources we would have to find from other areas would be short term. Correct?

Mark Valenzuela, Bosque Advisors, LLC: You have some existing debt that will pay off in 5 years, so it would be about a 5-year period. When that falls off the books, then you will have some more capacity there for those things.

Chief of Police Tavizon: I plan on seeking out some grant revenue to purchase vehicles. I am in contact with the Sheriff's Department, and we are already participating in the Stone Garden grant, and that also allows for the purchase of a vehicle.

Commissioner Fahl: So, you are comfortable with this money being dedicated for this potential new facility?

Chief of Police Tavizon: Yes ma'am.

Chris Muirhead, Modrall Sperling: In terms of the ordinance, this is just an introduction. The ordinance is what would ultimately approve authorizing debt after \$4.5 million with the Muni-State Share Gross Receipts Tax pledge. I think what you would do here is give guidance to staff and the team on whether or not you would like to pursue the public financing option process, and keeping the Finance Authority option on the table.

Mayor Pro-Tem Hechler: The structure of the building is good, and I think it makes more sense to use a building like that, in the location that it is in because the base is there that we can build upon vs. building a whole new building somewhere else, so financially that makes more sense to me.

Mayor Pro-Tem Hechler made a motion to allow city management to pursue the avenue of a public sale for bonds for this building as a first, but keeping the private sale under NMFA on the table in case we need to, but to go ahead and get the information that we need to move forward with this. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

G2. Discussion/Action: Publication of Ordinance No. 756 authorizing issuance and sale of \$4,500,000 City of Truth or Consequences Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2023 for the purpose of acquiring, constructing, furnishing, equipping, beautifying and making improvements to a Law Enforcement Facility.

Chris Muirhead, Modrall Sperling: This ordinance is just introduction. The actual consideration would be at the November Commission meeting. What it does is memorialize an action by the Commission for what Mr. Valenzuela was talking about. This highlights the differences of the USDA debt that was the pledge of your water system revenues on your G.O. bond, and this one which is just a pledge of the Muni-State Shared Gross Receipts Tax. Internally, you can decide how you want to pay the debt, and use legally available funds to do that, which would be the Muni-State Shared Gross Receipts Tax. It also leaves open the option of whether you decide to do a public marketing or through a private placement with a bank/lender such as NMFA. It delegates authority if and when you decide to adopt this ordinance to the Mayor and Manager to accept the final terms and parameters of \$4.5 million, and at that point you would make a decision with this ordinance of how you want this bond money to be spent. In this case, it is drafted for the law enforcement complex and facility in interest rates not to exceed 12%. They are higher, but they are still not bad. The approval would be, approving the scope it, and delegating to the Mayor and Manager to accept the final terms. We will go through this in a lot more detail in November. This is just an introduction. If this is adopted in November, we would wait for any protest period before we sold the bonds, just to make sure that we don't get ahead of things.

Commissioner Fahl: Me personally, and I think probably all of us up here are totally in support of using that building for our community. I think it is a wonderful thing. I hate to see those buildings just rot away, and as we all know here, if you don't use it, it will collapse so putting that building back into use is wonderful. We all understand that the current facility is not adequate, and we want to support moving it, so if this is a feasible way to go, then I am excited about that.

Commissioner Fahl made a motion to approve Ordinance No. 756 authorizing issuance and sale of \$4,500,000 City of Truth or Consequences Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2023 for the purpose of acquiring, constructing, furnishing, equipping, beautifying and making improvements to a Law Enforcement Facility for publication. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

H. NEW BUSINESS:

- 1. Discussion/Action: Financing Options for the Law Enforcement Facility.**

Item H1 was moved after item G1.

- 2. Discussion/Action: Out of State Travel Pertaining to Law Enforcement Funding Option.**

Mark Valenzuela, Bosque Advisors: As I mentioned earlier, this transaction being sold on the public market would require a bond rating, and my recommendation is to visit the analyst in person. Originally, when we were talking about this, I think we were talking about the chief participating in that. I think that the Mayor and the City manager should participate in it as well. However, it is your choice on who goes. I am roughly estimating about \$2,200 per person to go either to New York, and it would be around \$1,800 per person to go to San Francisco. This agenda item is to get your approval so your team can travel to meet with rating analysts and bond insurance companies either in San Francisco or New York.

Mayor Pro-Tem Hechler made a motion to approve Out of State Travel for 3 people to go to either New York or San Francisco to speak with rating analysts and bond insurance companies for the Law Enforcement Funding. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

- 3. Discussion/Update: Spaceport America Presentation. Charles Hurley and Dr. Francisco Pallares**

Item was removed from the agenda.

4. Discussion/Update: Water Update.

Arnie Castaneda, Water/Wastewater Director gave reported the following:

- Our active leak list has about 30 active leaks. We have slowed down a bit in trying to repair the leaks because our Vactor truck is currently in Las Cruces being repaired. The cost for the repair is approximately \$13,500. We use it a lot on a daily basis, and it needs some repairs. We are continuing to repair leaks with our backhoe. However, it is a slower process, so we are not keeping up like we normally do.
- We had a line break on September 25th in the intersection of Magnolia and 4th. The crew ended up working 18 hours straight. The guys were there from late afternoon to around 6:00 a.m. the following day, but we did get it repaired. At the same time, there was another leak on 3rd Street. We had to procure Smith Co. to help us with that one. Both crews were working simultaneously. The leak on 3rd Street was a cast iron pipe. He thinks that it was due to a shift in the soil, because the cast iron pipe cracked. It did not bust or break like our normal pipes do. It cracked along the side of the pipe. Smith Co. replaced a piece of it, and the cast iron pipe was corroded. It was an old pipe. He thinks that it had been there since the 40's or 50's. Inside of the pipe looked like a clogged artery, and he has no idea how the water is flowing through it. They spliced in a brand-new piece of pipe, so you can imagine the water pressure coming in through the brand-new pipe, and then hitting another "clogged artery". After that they started getting leak after leak, after leak.
- We are on our 4th leak on 3rd Street. He asked Smith Co. for a quote to replace the whole section in that area, which would be a block long. He is waiting on their quote to see how that comes out. These are the type of things we are dealing with right now. These leaks are just continuing. We fix one, and another one appears 20 ft. down the road, and another one appears after that.
- As for the McAdoo Project, we are working on trying to install a water line, but we are having trouble with the water table right now, and that is going to be very hard for us. We don't have the equipment for that. We are trying to work around it, and we will see what we can do about that.
- He attended a Water Trust Board meeting in Santa Fe last week. He did a presentation for infrastructure, requesting funds for \$16 million with a \$1.6 million match. Wilson & Company who are the engineers went for technical assistance, as well as Kathy Elliot with our city Lobbyist firm. The board approved a waiver for the city on the Morgan Booster project, and the Cantrell Dam project. There is \$150 million available in funds for communities, but there is \$300 million in requests right now. The board was willing to issue waivers on some of these projects so that they can expend this money. The communities that have funds from 2018 and 2019 were not approved, but communities like T or C whose funds are from 2020, our completion dates were within reach. In our case, he thinks it is 2024 for both the Booster and Cantrell Dam project so they decided to give us the waiver so we can qualify for these funds, with the understanding that we keep our completion dates as early as possible. If we deviate from those completion dates then the request that we have for our infrastructure might be in jeopardy. They made that very clear to the communities. They asked many questions of all of the communities about

how many people will be affected, and he mentioned that our entire community including Williamsburg would be affected. They asked if we had an engineer and if we had any engineering plans. Mark Nassy was there and he answered some of those questions. All in all, he thinks that we have a very good chance of getting these funds.

5. Discussion/Action: Approval of Purchase Requisitions over \$20,000.

Kristie Wilson, Finance Director reviewed the Purchase Requisitions over \$20,000 provided in the packet.

Mayor Pro-Tem Hechler moved to approve the Purchase Requisitions over \$20,000. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

6. Discussion/Action: Approve LERF grant funding for additional positions.

Chief of Police Tavizon: One of our units were in an accident, and it had less than 10,000 miles on it. They wanted me to total it out, but about time you pay \$24,000 in the equipment that it has, you are looking at \$70,000 for a new vehicle. I couldn't buy a brand-new vehicle for \$24,000 so once that is fixed, that will be back on the street. It will also be refunded by our insurance, so we get reimbursed. The state did something pretty unique that they haven't done in a while. They reached out to department heads, and they asked what they need in the community to help them fight crime, and lower some of the stats that are across the states where the crime has gone up. Some of the things that I looked at in this community is some of the drug problems that we have for the interstate. Fentanyl hitting the street pretty hard. We have had some officers doing some pretty amazing busts here, and that is just the stuff that we catch, and the stuff that we are not catching is still out there on the street effecting our community members, so the state made this funding available for Municipalities and other state and local agencies. I asked for an investigator, an evidence tech, and a police officer position. During the application process they came back and awarded us a total of \$393,750.00 over 3 years. A little bit of a hang up we have, which is a decision that you all are going to have to make on whether or not we are going to expand with additional officers to help fight our crime problem. This will fund 100% the first year, up to \$225,000 for salaries and benefits for the positions that we ask for. So, I can get 2 new officers, and an additional investigator to help on the task force. The only issue is the second year because they will only fund 50% of that for the second year, so the city is going to have to absorb that, and they will only fund a quarter percent of salary and benefits for the third year, and the city will have to pay out of our budget for those 2 years. The money is free. We won't have to pay anything back. It will be given to us under these specific conditions. There is no stipulation in the grant, but there have

been other grants in the past where the city would have to absorb it for 3 additional years after that 3-year term. This is just up to 3 years, and we can either absorb them with vacancies that may be open in the future or we will have to make a decision to keep them. The packet explains the details of what is permitted. I am looking into whether or not we can currently fund the new evidence tech position under it, or if I can only spend what is given after you all approve it.

Commissioner Harrelson: If you get a new building, you are wanting to possibly house the state police in there. If so, will they have their own evidence tech?

Chief of Police Tavizon: We would probably be doing it because the way it works now is the state police T or C section is taken to Socorro, so it would be a temporary holding spot for them here in a secured evidence vault, and then they would make arrangements to transport it there.

Commissioner Harrelson: So, what I am hearing is that there can be an MOU discussed after that, so for the second year, we can pay half and they can pay half for the evidence tech in that room? I am just trying to look at a way to spread the money and keep the people.

Chief of Police Tavizon: Yes, ma'am that could be a potential.

Commissioner Fahl moved to approve the LERF grant funding for additional positions. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

7. Discussion/Action: TCS-24-01 Airfield Maintenance and Consumables Grant.

Assistant City Manager Alvarez: This is the regular NMDOT Aviation grant that is allocated every two years for airfield maintenance. 2 years ago, it went from an annual grant of \$11,000 to a bi-annual grant of \$20,000 grant funds and \$2,000 in cash match. We purchase all variety of different items for maintenance out there. The packet includes the requested items that could potentially shift around depending on what our needs are, but the biggest focus that we have on these is fixing the hangar doors.

Mayor Pro-Tem Hechler moved to approve the TCS-24-01 Airfield Maintenance and Consumables Grant. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

Approval of ORDINANCES/RESOLUTIONS/ZONING:

G1. Discussion/Action: Resolution No. 14 23/24 Budget Adjustment Request.

Kristie Wilson, Finance Director: The one we just discussed for the Airfield Maintenance is #13 on the budget adjustment request. The other one is the addition to the water truck that is #9 on the budget adjustment request.

Commissioner Fahl moved to approve Resolution No. 14 23/24 Budget Adjustment Request. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

NEW BUSINESS CONTINUED...

8. Discussion/Action: NCA Architects Fee Proposal for Animal Shelter Renovations/Kennel Addition.

Assistant City Manager Alvarez: Normally this would come in front of you as a purchase requisition request, but being that this funding is through capital appropriation, there is quite a process and procedure that we have to go through before we get through the purchase order process. Given the fact that we are only going to have one meeting in November and one meeting in December, what I am bringing to you is the approval of the proposal, and in essence you are approving the purchase order in the future as it goes through as well. It would be for the amount that is allocated which is \$34,921 for GRT. This is going to be for the full design and construction oversight for the Animal Shelter.

Commissioner Fahl moved to approve the NCA Architects Fee Proposal for Animal Shelter Renovations/Kennel Addition. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

9. Discussion/Action: Review, Approve and/or Allocate Funds for the Veteran's Memorial Park & Museum Remaining Fiscal Year Billboard rental.

Tammy Gardner, Executive Assistant reviewed the Veteran's Memorial Park & Museum Lodgers Tax Application provided in the packet, and stated that the requested amount was \$3,834.12, but only \$2,875.59 was approved by the Lodgers Tax Advisory Board because they were coming to us before the fiscal year, so we can only pay for November through June.

Mayor Pro-Tem Hechler made a motion to allocate \$2,875.59 to the Veteran's Memorial Park & Museum for the remaining fiscal year Billboard rental. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Rolf Hechler, Mayor Pro-Tem voted aye
Hon. Merry Jo Fahl, Commissioner abstained from vote
Hon. Shelly Harrelson, Commissioner voted aye
Hon. Amanda Forrister, Mayor voted aye

Motion carried with a 3-0 vote, 1 abstained.

10. Discussion/Action: Review, Approve and/or Allocate Funds for the Veteran's Memorial Park & Museum Veteran's Day Celebration.

Tammy Gardner, Executive Assistant reviewed the Veteran's Memorial Park & Museum Lodgers Tax Application provided in the packet, and stated that the requested amount was \$503.00, and the full amount was approved by the Lodgers Tax Advisory Board.

Mayor Pro-Tem Hechler made a motion to allocate \$503.00 to the Veteran's Memorial Park & Museum for the Veteran's Day Celebration. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer.

Hon. Shelly Harrelson, Commissioner voted aye
Hon. Amanda Forrister, Mayor voted aye
Hon. Rolf Hechler, Mayor Pro-Tem voted aye
Hon. Merry Jo Fahl, Commissioner voted aye

Motion carried with a 3-0 vote, 1 abstained.

11. Discussion/Action: Review, Approve and/or Allocate Funds to the Friends of New Mexico Film.

Tammy Gardner, Executive Assistant reviewed the Friends of New Mexico Film Application provided in the packet, and stated that the requested amount was \$48,000.00, but only \$2,300.00 was approved by the Lodgers Tax Advisory Board because the application lists multiple projects instead of one individual project. It was unclear to the board what they could appropriate correctly, and there were a lot of things that were ineligible for Lodgers Tax Funds. This amount was allocated until more clarification is brought to the board for specific projects.

Commissioner Fahl made a motion to allocate the Lodgers Tax Advisory Boards recommended amount of \$2,300.00 to the Friends of New Mexico Film. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

12. Discussion/Action: Review, Approve and/or Allocate Funds to MainStreet Truth or Consequences.

Tammy Gardner, Executive Assistant reviewed the MainStreet Truth or Consequences Lodgers Tax Application provided in the packet for the 2nd Saturday Art Hop. She stated that the requested amount was \$2,875.10, and the full amount was approved by the Lodgers Tax Advisory Board.

Mayor Pro-Tem Hechler made a motion to allocate \$2,875.10 to MainStreet Truth or Consequences. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.

13. Discussion/Action: Annual request to hold one meeting in November and December 2023.

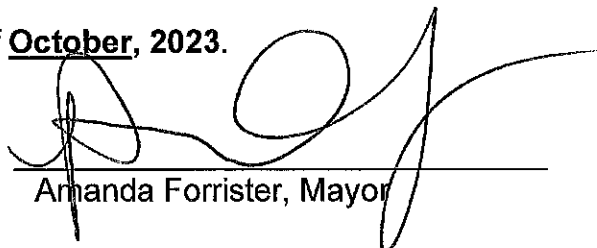
City Clerk Torres: This is our annual request to hold one Commission meeting in November, and one Commission meeting in December. The November meeting would be on November 15, 2023 and the December meeting would be on December 13, 2023.

Mayor Pro-Tem Hechler made a motion to approve the annual request to hold one meeting in November on November 15th and one meeting in December on December 13th 2023. Commissioner Harrelson seconded the motion. Roll call was taken by the Clerk-Treasurer. Motion carried unanimously.


J. ADJOURNMENT:

Mayor Forrister adjourned the meeting at 11:50 a.m.

Passed and Approved this 25th day of October, 2023.



Amanda Forrister, Mayor



Angela A. Torres, CMC, City Clerk

City of Truth or Consequences, New Mexico

October 11, 2023

Financing the Law Enforcement Facility

Mark Valenzuela
Managing Principal
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Nathaniel Gomez-Valenzuela
Analyst
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**Bosque
Advisors, LLC**



Overview of Financing

- \$4 million for law enforcement facility
 - Up to 30-year term to ensure affordability.
 - Bond rating with credit enhancement features
 - Debt service reserve fund may be mitigated
- Pledge: Muni-State Share Gross Receipts Tax
 - Strong revenue, good debt service coverages.
 - As a legal pledge of revenue, the bonds will be rated by bond rating agencies higher than with a single quarter percent increment.
 - Credit strength will lower interest cost and provide City flexibility.
- Repayment Source: 0.25 percent GRT
 - Current GRT will be used to repay the debt.
 - Will structure to ensure revenue is sufficient to cover the annual payment
 - Will structure around existing debt or payoff loans if possible.
- Credit rating
 - City has not been rated by bond rating agencies.
 - Will be the first time and will be important to structure the financing effectively to ensure good bond rating.
 - Recommend meeting in person with rating analysts.

City of TorC, NM - Gross Receipts Tax Structure

	First 6 Months, 2022	Last 6 Months, 2022
State Share	3.7750%	3.7750%
Muni-State Share	1.2250%	1.2250%
City of TorC local option	1.6875%	1.6875%
Sierra County local option	1.6875%	1.6875%
Total GRT Rate	8.3750%	8.3750%

Fiscal Year	Total GRT Collections	State Share (1.225%)	One quarter increment (0.25%)
2018	\$ 3,071,157	\$ 1,270,908	\$ 259,369
2019	3,587,044	1,485,206	303,103
2020	3,644,850	1,483,322	302,719
2021	3,761,612	1,524,083	311,037
2022	4,277,376	1,747,634	356,660
2023	5,886,072	2,347,145	479,009
Five year average		\$ 1,717,478	\$ 350,506



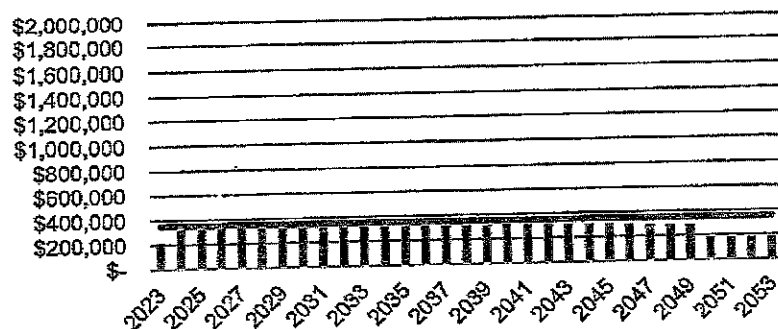
30-year financing with MGRT

- Minimum debt service (DS) coverage
 - Will not meet the current DS tests.
- Additional bonds tests (ABT)
 - Will not meet the current ABT threshold tests.
- Existing debt on parity lien
 - Will need to seek a subordinate lien financing structure.
 - Weakens the credit quality.
- Debt service reserve fund (DSRF)
 - Will be more difficult to acquire credit enhancements

30-year financing with Muni-State Share GRT

- Minimum debt service (DS) coverage
 - Will exceed the current DS tests.
- Additional bonds tests (ABT)
 - Will exceed the current ABT threshold tests.
- Existing debt on parity lien
 - Can issue as senior lien
 - Strengthens the credit quality.
- Debt service reserve fund (DSRF)
 - Credit enhancements will be readily available from market.

City of T or C, NM:
New \$4 million GRT Bonds
Law Enforcement Facility

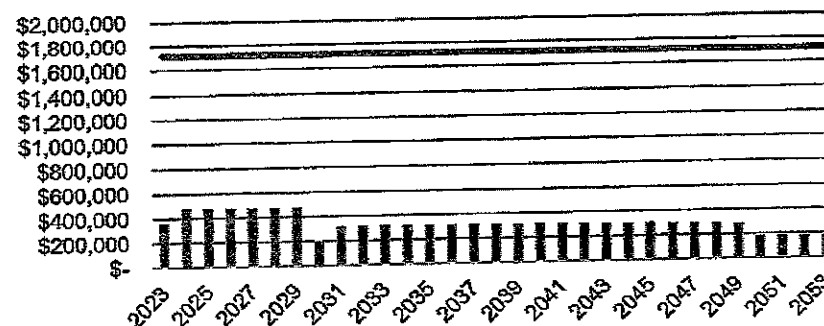


Existing Debt \$4 million GRT Bond* Revenue

Source: NMFA Files

Note: New money is preliminary, subject to changing market conditions and structures.

City of T or C, NM:
New \$4 million GRT Bonds
Law Enforcement Facility



Existing New \$4.42 million GRT Bond* Revenue

Source: NMFA Files

Note: New money is preliminary, subject to changing market conditions and structures.



Issuer: Type: Series: Dated Date Original Par: Current Par: Pledge: DSRF: Call Option Due:	Truth or Consequences GRT Revenue Debt PPRF-1850 - NMFA Loan			Truth or Consequences GRT Revenue Debt PPRF-4895 - NMFA Loan			Truth or Consequences GRT Revenue Debt PPRF-5198 - NMFA Loan			TORC NMFA Loans Total Debt Service		
	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	14,510	541	15,051	20,994	-	20,994	115,699	5,463	121,162	151,203	6,004	157,207
2025	14,719	369	15,088	-	-	-	116,127	5,035	121,162	130,846	5,404	136,250
2026	14,936	189	15,125	-	-	-	116,626	4,535	121,161	131,562	4,725	136,287
2027	-	-	-	-	-	-	117,279	3,882	121,161	117,279	3,882	121,161
2028	-	-	-	-	-	-	118,089	3,073	121,162	118,089	3,073	121,162
2029	-	-	-	-	-	-	119,010	2,152	121,162	119,010	2,152	121,162
2030	-	-	-	-	-	-	120,033	1,128	121,161	120,033	1,128	121,161
Total:	\$44,165	\$1,100	\$45,265	\$20,994	\$0	\$20,994	\$822,863	\$25,268	\$848,131	\$888,022	\$26,367	\$914,389
Notes												
Purpose:	Acquire building for law enforcement			Acquire PD body cameras and equipment			Refinance PPRF #2367 (Nov 2009)					



Issuer:	Truth or Consequences GRT Revenue Debt PPRF-4968A - NMFA Loan			Truth or Consequences GRT Revenue Debt PPRF-4968B - NMFA Loan			Truth or Consequences GRT Revenue Debt PPRF-4968C - NMFA Loan			TORC NMFA Loans Total Debt Service			
Type:	8/30/2019			8/30/2019			8/30/2019						
Dated Date:	\$1,433,058			\$888,657			\$228,432						
Original Par:	\$863,416			\$480,250			\$228,432						
Current Par:	\$135,871			\$88,865			\$22,843						
DSRF:	GRT - Muni-State Share (1.225%)			GRT - Muni-State Share (1.225%)			GRT - Muni-State Share (1.225%)						
Pledge:	Not callable			Not callable			Not Callable						
Call Provisions:	5/1			5/1			5/1						
Due:													
Calendar Year	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Minimum DS Coverage
2023	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	138,868	12,366	151,234	114,506	6,541	121,047	-	-	-	253,374	18,907	272,281	340,351
2025	140,673	10,700	151,373	115,995	5,158	121,153	-	-	-	256,668	15,858	272,526	340,657
2026	142,642	8,871	151,513	80,176	3,641	83,817	37,444	-	37,444	260,262	12,512	272,774	340,968
2027	144,754	6,903	151,657	81,362	2,528	83,890	37,481	-	37,481	263,597	9,430	273,027	341,284
2028	147,012	4,789	151,801	82,631	1,332	83,963	37,519	-	37,519	267,162	6,121	273,283	341,604
2029	149,467	2,481	151,948	5,580	25	5,605	115,988	-	115,988	271,035	2,506	273,541	341,926
2030	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
Total:	\$863,416	\$46,110	\$909,526	\$480,250	\$19,224	\$499,474	\$228,432	\$0	\$228,432	\$1,572,098	\$65,334	\$1,637,432	



Market Pricing

Sources:	
Per amount of financing	4,035,000
Premium	109,922
Cash Contribution	-
Total Sources	\$ 4,144,922
Uses	
Project Fund A Bonds	4,000,000
P&I and Surety Policy for DSRF	32,280
Underwriter Fees	8,070
Underwriter Discount	24,210
Costs of Issuance	76,665
Residual to DS Account	3,697
Total Uses	\$ 4,144,922

City of Truth or Consequences, NM - Bond Market - 25 year										
Number of Years	Calendar Year	Existing Debt with State Share GRT Pledge			New \$3.78 million GRT Bond*			Total Debt Service (DS)	GRT (1.225% increment)	DS Coverage
		Principal	Interest	Debt Service	Principal	Interest	Debt Service			
1	2023	\$ 250,197	\$ 21,842	\$ 272,039	\$ -	\$ 81,457	\$ 81,457	\$ 353,496	\$ 1,717,478	4.86
2	2024	253,374	18,907	272,281	30,000	182,150	212,150	484,431	1,717,478	3.55
3	2025	256,668	15,858	272,526	30,000	180,950	210,950	483,475	1,717,478	3.55
4	2026	260,262	12,512	272,774	30,000	179,750	209,750	482,524	1,717,478	3.56
5	2027	263,597	9,430	273,027	35,000	178,250	213,250	486,277	1,717,478	3.53
6	2028	267,162	6,121	273,283	35,000	176,500	211,500	484,783	1,717,478	3.54
7	2029	271,035	2,506	273,541	35,000	174,750	209,750	483,291	1,717,478	3.55
8	2030	-	-	-	35,000	173,000	208,000	288,000	1,717,478	8.26
9	2031	-	-	-	175,000	171,425	346,425	346,425	1,717,478	4.96
10	2032	-	-	-	180,000	162,675	342,675	342,675	1,717,478	5.01
11	2033	-	-	-	185,000	153,675	338,675	338,675	1,717,478	5.07
12	2034	-	-	-	190,000	144,425	334,425	334,425	1,717,478	5.14
13	2035	-	-	-	195,000	134,925	329,925	329,925	1,717,478	5.21
14	2036	-	-	-	200,000	125,175	325,175	325,175	1,717,478	5.28
15	2037	-	-	-	205,000	115,175	320,175	320,175	1,717,478	5.36
16	2038	-	-	-	210,000	106,975	316,975	316,975	1,717,478	5.42
17	2039	-	-	-	215,000	98,575	313,575	313,575	1,717,478	5.48
18	2040	-	-	-	220,000	89,975	309,975	309,975	1,717,478	5.54
19	2041	-	-	-	225,000	80,625	305,625	305,625	1,717,478	5.62
20	2042	-	-	-	230,000	71,063	301,063	301,063	1,717,478	5.70
21	2043	-	-	-	235,000	61,288	296,288	296,288	1,717,478	5.80
22	2044	-	-	-	220,000	51,300	271,300	271,300	1,717,478	6.33
23	2045	-	-	-	225,000	41,400	266,400	266,400	1,717,478	6.45
24	2046	-	-	-	230,000	31,275	261,275	261,275	1,717,478	6.57
25	2047	-	-	-	230,000	20,925	250,925	250,925	1,717,478	6.84
26	2048	-	-	-	235,000	10,575	245,575	245,575	1,717,478	6.99
		\$ 1,822,295	\$ 87,176	\$ 1,909,471	\$ 4,035,000	\$ 2,998,257	\$ 7,033,257	\$ 8,942,728	\$ 44,654,425	

*Preliminary, subject to change given different market conditions. Based on recently priced transaction for Parish LA, Law Enforcement Facility
Source: NMFA Debt Files for City of TorC.



Market Pricing

Sources	
Par amount of financing	4,375,000
Premium	
Cash Contribution	
Total Sources	\$ 4,375,000
Uses	
Project Fund A Bonds	4,000,000
Debt Service Reserve Fund	308,994
Underwriter Fees	
Underwriter Discount	
Costs of Issuance	65,625
Residual to DS Account	381
Total Uses	\$ 4,375,000

City of Truth or Consequences, NM - NMFA - 25 year										
Number of Years	Calendar Year	Existing Debt with State Share GRT Pledge			New \$4.375 million GRT Bond*			Total Debt Service (DS)	GRT (1.225% Increment)	Revenue Over/(Under) DS
		Principal	Interest	Debt Service	Principal	Interest	Debt Service			
1	2023	\$ 250,197	\$ 21,842	\$ 272,039	\$ -	\$ 81,457	\$ 81,457	353,496	\$ 1,717,478	4.86
2	2024	253,374	18,907	272,281	45,000	175,321	220,321	492,601	1,717,478	3.49
3	2025	256,668	15,858	272,526	45,000	173,849	218,849	491,375	1,717,478	3.50
4	2026	260,262	12,512	272,774	45,000	172,427	217,427	490,204	1,717,478	3.50
5	2027	263,597	9,430	273,027	45,000	171,055	216,055	489,082	1,717,478	3.51
6	2028	267,162	6,121	273,283	45,000	169,709	214,709	487,992	1,717,478	3.52
7	2029	271,035	2,506	273,541	45,000	168,364	213,364	486,905	1,717,478	3.53
8	2030	-	-	-	45,000	167,014	212,014	485,812	1,717,478	8.10
9	2031	-	-	-	165,000	165,659	330,659	330,659	1,717,478	5.19
10	2032	-	-	-	170,000	160,643	330,643	330,643	1,717,478	5.19
11	2033	-	-	-	175,000	155,390	330,390	330,390	1,717,478	5.20
12	2034	-	-	-	180,000	149,930	329,930	329,930	1,717,478	5.21
13	2035	-	-	-	185,000	143,918	328,918	328,918	1,717,478	5.22
14	2036	-	-	-	190,000	137,314	327,314	327,314	1,717,478	5.25
15	2037	-	-	-	200,000	130,151	330,151	330,151	1,717,478	5.20
16	2038	-	-	-	205,000	122,291	327,291	327,291	1,717,478	5.25
17	2039	-	-	-	215,000	113,968	328,968	328,968	1,717,478	5.22
18	2040	-	-	-	220,000	105,088	325,088	325,088	1,717,478	5.28
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21	2043	-	-	-	250,000	75,635	325,635	325,635	1,717,478	5.27
22	2044	-	-	-	260,000	64,685	324,685	324,685	1,717,478	5.29
23	2045	-	-	-	275,000	53,193	328,193	328,193	1,717,478	5.23
24	2046	-	-	-	285,000	40,901	325,901	325,901	1,717,478	5.27
25	2047	-	-	-	300,000	28,047	328,047	328,047	1,717,478	5.24
26	2048	-	-	-	315,000	14,427	329,427	329,427	1,717,478	5.21
		\$ 1,822,295	\$ 87,176	\$ 1,909,471	\$ 4,375,000	\$ 3,122,306	\$ 7,497,306	\$ 9,406,717	\$ 44,854,425	

*Preliminary, subject to change given different market conditions. Assumes a 12/15/23 close date and NMFA weekly rates (Sept 26, 2023).
Source: NMFA Debt Files for City of TorC.

Bosque Advisors, LLC
Municipal Financial & Policy Advisors
New Mexico Public Finance
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Bosque Advisors, LLC, is a municipal advisor firm, registered with the Securities and Exchange Commission and with the Municipal Securities Rulemaking Board. This report was prepared from data believed to be reliable but not guaranteed by us without further verification or investigation, and does not purport to be complete. It is not to be considered as an offer to sell or a solicitation of an offer to buy the securities of the entities covered by this report. Opinions expressed are subject to change without notice.

City of Truth or Consequences, New Mexico

October 11, 2023

Financing the Law Enforcement Facility

Mark Valenzuela

Managing Principal

505-238-2421

mark@bosqueadvisorsllc.com

Nathaniel Gomez-Valenzuela

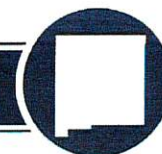
Analyst

505-903-4708

nathaniel@bosqueadvisorsllc.com



Bosque
Advisors, LLC



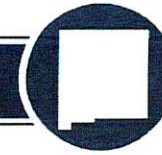
Overview of Financing

- \$4 million for law enforcement facility
 - Up to 30-year term to ensure affordability.
 - Bond rating with credit enhancement features
 - Debt service reserve fund may be mitigated
- **Pledge: Muni-State Share Gross Receipts Tax**
 - Strong revenue, good debt service coverages.
 - As a legal pledge of revenue, the bonds will be rated by bond rating agencies higher than with a single quarter percent increment.
 - Credit strength will lower interest cost and provide City flexibility.
- **Repayment Source: 0.25 percent GRT**
 - Current GRT will be used to repay the debt.
 - Will structure to ensure revenue is sufficient to cover the annual payment
 - Will structure around existing debt or payoff loans if possible.
- **Credit rating**
 - City has not been rated by bond rating agencies.
 - Will be the first time and will be important to structure the financing effectively to ensure good bond rating.
 - Recommend meeting in person with rating analysts.

City of TorC, NM - Gross Receipts Tax Structure

	First 6 Months, 2022	Last 6 Months, 2022
State Share	3.7750%	3.7750%
Muni-State Share	1.2250%	1.2250%
City of TorC local option	1.6875%	1.6875%
Sierra County local option	1.6875%	1.6875%
Total GRT Rate	8.3750%	8.3750%

Fiscal Year	Total GRT Collections	State Share (1.225%)	One quarter increment (0.25%)
2018	\$ 3,071,157	\$ 1,270,908	\$ 259,369
2019	3,587,044	1,485,206	303,103
2020	3,644,850	1,483,322	302,719
2021	3,761,612	1,524,083	311,037
2022	4,277,376	1,747,634	356,660
2023	5,886,072	2,347,145	479,009
Five year average		\$ 1,717,478	\$ 350,506



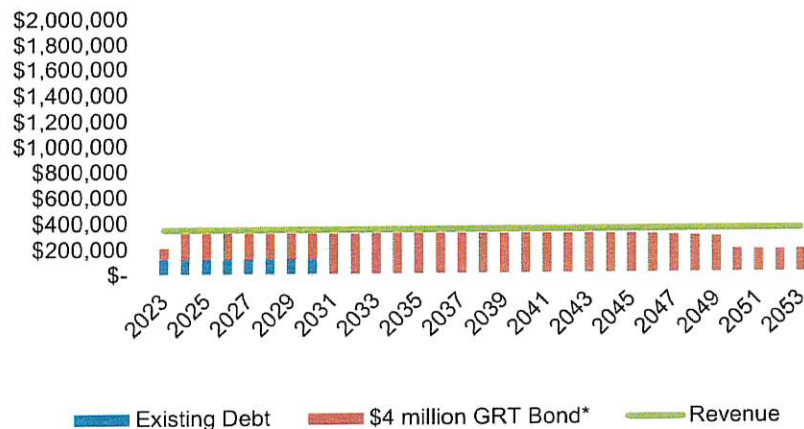
30-year financing with MGRT

- Minimum debt service (DS) coverage
 - Will not meet the current DS tests.
- Additional bonds tests (ABT)
 - Will not meet the current ABT threshold tests.
- Existing debt on parity lien
 - Will need to seek a subordinate lien financing structure.
 - Weakens the credit quality.
- Debt service reserve fund (DSRF)
 - Will be more difficult to acquire credit enhancements

30-year financing with Muni-State Share GRT

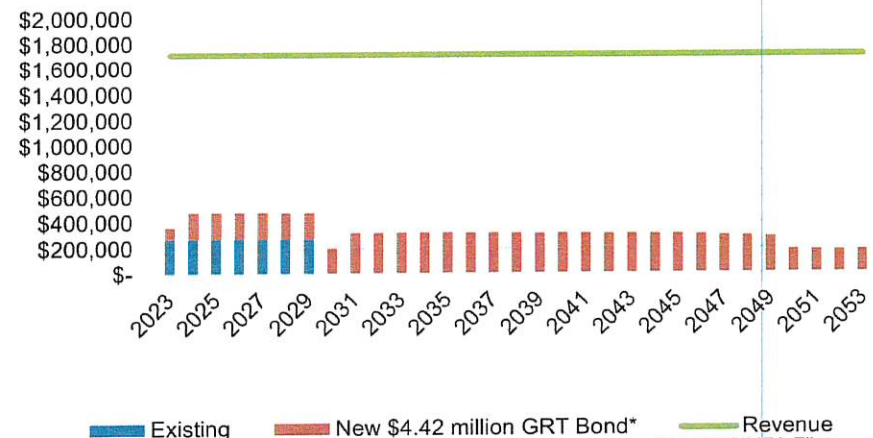
- Minimum debt service (DS) coverage
 - Will exceed the current DS tests.
- Additional bonds tests (ABT)
 - Will exceed the current ABT threshold tests.
- Existing debt on parity lien
 - Can issue as senior lien
 - Strengthens the credit quality.
- Debt service reserve fund (DSRF)
 - Credit enhancements will be readily available from market.

City of T or C, NM:
New \$4 million GRT Bonds
Law Enforcement Facility

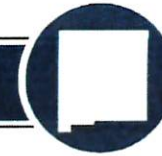


Source: NMFA Files
Note: New money is preliminary, subject to changing market conditions and structures.

City of T or C, NM:
New \$4.42 million GRT Bonds
Law Enforcement Facility



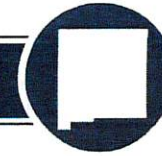
Source: NMFA Files
Note: New money is preliminary, subject to changing market conditions and structures.



Issuer:	Truth or Consequences			Truth or Consequences			Truth or Consequences			TORC		
Type:	GRT Revenue Debt			GRT Revenue Debt			GRT Revenue Debt			NMFA Loans		
Series:	PPRF-1850 - NMFA Loan			PPRF-4895 - NMFA Loan			PPRF-5198 - NMFA Loan			Total Debt Service		
Dated Date	4/14/2006			5/17/2019			9/18/2020					
Original Par:	\$265,152			\$103,833			\$1,124,189					
Current Par:	\$44,165			\$20,994			\$822,863			\$888,022		
Pledge:	GRT - 0.25%			GRT - 0.25%			GRT - 0.25%					
DSRF	DSRF: \$15,151						DSRF: \$112,419					
Call Option	10 years from issuance			On NMFA approval			Not callable					
Due:	5/1			5/1			5/1					
Calendar Year	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	14,510	541	15,051	20,994	-	20,994	115,699	5,463	121,162	151,203	6,004	157,207
2025	14,719	369	15,088	-	-	-	116,127	5,035	121,162	130,846	5,404	136,250
2026	14,938	189	15,125	-	-	-	116,626	4,535	121,161	131,562	4,725	136,287
2027	-	-	-	-	-	-	117,279	3,882	121,161	117,279	3,882	121,161
2028	-	-	-	-	-	-	118,089	3,073	121,162	118,089	3,073	121,162
2029	-	-	-	-	-	-	119,010	2,152	121,162	119,010	2,152	121,162
2030	-	-	-	-	-	-	120,033	1,128	121,161	120,033	1,128	121,161
Total:	\$44,165	\$1,100	\$45,265	\$20,994	\$0	\$20,994	\$822,863	\$25,268	\$848,131	\$888,022	\$26,367	\$914,389
Notes												
Purpose:	Acquire building for law enforcement			Acquire PD body cameras and equipment			Refinance PPRF #2367 (Nov 2009)					



Issuer: Type: Series: Dated Date Original Par: Current Par: DSRF Pledge Call Provisions: Due:	Truth or Consequences GRT Revenue Debt PPRF-4968A - NMFA Loan 8/30/2019 \$1,433,058 \$863,416 \$135,871 GRT - Muni-State Share (1.225%) Not callable 5/1			Truth or Consequences GRT Revenue Debt PPRF-4968B - NMFA Loan 8/30/2019 \$888,657 \$480,250 \$88,865 GRT - Muni-State Share (1.225%) Not callable 5/1			Truth or Consequences GRT Revenue Debt PPRF-4968C - NMFA Loan 8/30/2019 \$228,432 \$228,432 \$22,843 GRT - Muni-State Share (1.225%) Not Callable 5/1			TORC NMFA Loans Total Debt Service \$1,572,098 \$247,579			
Calendar Year	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Principal	Interest	Annual DS	Minimum DS Coverage
2023	-	-	-	-	-	-	-	-	-	-	-	-	
2024	138,868	12,366	151,234	114,506	6,541	121,047	-	-	-	253,374	18,907	272,281	340,351
2025	140,673	10,700	151,373	115,995	5,158	121,153	-	-	-	256,668	15,858	272,526	340,657
2026	142,642	8,871	151,513	80,176	3,641	83,817	37,444	-	37,444	260,262	12,512	272,774	340,968
2027	144,754	6,903	151,657	81,362	2,528	83,890	37,481	-	37,481	263,597	9,430	273,027	341,284
2028	147,012	4,789	151,801	82,631	1,332	83,963	37,519	-	37,519	267,162	6,121	273,283	341,604
2029	149,467	2,481	151,948	5,580	25	5,605	115,988	-	115,988	271,035	2,506	273,541	341,926
2030	-	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-
Total:	\$863,416	\$46,110	\$909,526	\$480,250	\$19,224	\$499,474	\$228,432	\$0	\$228,432	\$1,572,098	\$65,334	\$1,637,432	



Market Pricing

Sources:

Par amount of financing	4,035,000
Premium	109,922
Cash Contribution	-
Total Sources	\$ 4,144,922

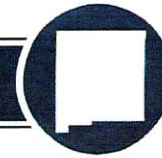
Uses

Project Fund A Bonds	4,000,000
P&I and Surety Policy for DSRF	32,280
Underwriter Fees	8,070
Underwriter Discount	24,210
Costs of Issuance	76,665
Residual to DS Account	3,697
Total Uses:	\$ 4,144,922

City of Truth or Consequences, NM - Bond Market - 25 year											
Number of Years	Calendar Year	Existing Debt with State Share GRT Pledge			New \$3.78 million GRT Bond*			Total Debt Service (DS)	GRT (1.225% increment)	DS Coverage	
		Principal	Interest	Debt Service	Principal	Interest	New Debt Service				
1	2023	\$ 250,197	\$ 21,842	\$ 272,039	\$ -	\$ 81,457	\$ 81,457	\$ 353,496	\$ 1,717,478	4.86	
2	2024	253,374	18,907	272,281	30,000	182,150	212,150	484,431	1,717,478	3.55	
3	2025	256,668	15,858	272,526	30,000	180,950	210,950	483,476	1,717,478	3.55	
4	2026	260,262	12,512	272,774	30,000	179,750	209,750	482,524	1,717,478	3.56	
5	2027	263,597	9,430	273,027	35,000	178,250	213,250	486,277	1,717,478	3.53	
6	2028	267,162	6,121	273,283	35,000	176,500	211,500	484,783	1,717,478	3.54	
7	2029	271,035	2,506	273,541	35,000	174,750	209,750	483,291	1,717,478	3.55	
8	2030	-	-	-	35,000	173,000	208,000	208,000	1,717,478	8.26	
9	2031	-	-	-	175,000	171,425	346,425	346,425	1,717,478	4.96	
10	2032	-	-	-	180,000	162,675	342,675	342,675	1,717,478	5.01	
11	2033	-	-	-	185,000	153,675	338,675	338,675	1,717,478	5.07	
12	2034	-	-	-	190,000	144,425	334,425	334,425	1,717,478	5.14	
13	2035	-	-	-	195,000	134,925	329,925	329,925	1,717,478	5.21	
14	2036	-	-	-	200,000	125,175	325,175	325,175	1,717,478	5.28	
15	2037	-	-	-	205,000	115,175	320,175	320,175	1,717,478	5.36	
16	2038	-	-	-	210,000	106,975	316,975	316,975	1,717,478	5.42	
17	2039	-	-	-	215,000	98,575	313,575	313,575	1,717,478	5.48	
18	2040	-	-	-	220,000	89,975	309,975	309,975	1,717,478	5.54	
19	2041	-	-	-	225,000	80,625	305,625	305,625	1,717,478	5.62	
20	2042	-	-	-	230,000	71,063	301,063	301,063	1,717,478	5.70	
21	2043	-	-	-	235,000	61,288	296,288	296,288	1,717,478	5.80	
22	2044	-	-	-	220,000	51,300	271,300	271,300	1,717,478	6.33	
23	2045	-	-	-	225,000	41,400	266,400	266,400	1,717,478	6.45	
24	2046	-	-	-	230,000	31,275	261,275	261,275	1,717,478	6.57	
25	2047	-	-	-	230,000	20,925	250,925	250,925	1,717,478	6.84	
26	2048	-	-	-	235,000	10,575	245,575	245,575	1,717,478	6.99	
		-	-	-	-	-	-	-	-	-	-
		\$ 1,822,295	\$ 87,176	\$ 1,909,471	\$ 4,035,000	\$ 2,998,257	\$ 7,033,257	\$ 8,942,728	\$ 44,654,425		

*Preliminary, subject to change given different market conditions. Based on recently priced transaction for Parish LA, Law Enforcement Facility

Source: NMFA Debt Files for City of TorC.



Market Pricing

Sources:	
Par amount of financing	4,375,000
Premium	-
Cash Contribution	-
Total Sources	\$ 4,375,000
Uses	
Project Fund A Bonds	4,000,000
Debt Service Reserve Fund	308,994
Underwriter Fees	-
Underwriter Discount	-
Costs of Issuance	65,625
Residual to DS Account	381
Total Uses:	\$ 4,375,000

City of Truth or Consequences, NM - NMFA - 25 year										
Number of Years	Calendar Year	Existing Debt with State Share GRT Pledge			New \$4.375 million GRT Bond*			Total Debt Service (DS)	GRT (1.225% increment)	Revenue Over/(Under) DS
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3	2025	256,668	15,858	272,526	45,000	173,849	218,849	491,375	1,717,478	3.50
4	2026	260,262	12,512	272,774	45,000	172,427	217,427	490,201	1,717,478	3.50
5	2027	263,597	9,430	273,027	45,000	171,055	216,055	489,082	1,717,478	3.51
6	2028	267,162	6,121	273,283	45,000	169,709	214,709	487,992	1,717,478	3.52
7	2029	271,035	2,506	273,541	45,000	168,364	213,364	486,905	1,717,478	3.53
8	2030	-	-	-	45,000	167,014	212,014	212,014	1,717,478	8.10
9	2031	-	-	-	165,000	165,659	330,659	330,659	1,717,478	5.19
10	2032	-	-	-	170,000	160,643	330,643	330,643	1,717,478	5.19
11	2033	-	-	-	175,000	155,390	330,390	330,390	1,717,478	5.20
12	2034	-	-	-	180,000	149,930	329,930	329,930	1,717,478	5.21
13	2035	-	-	-	185,000	143,918	328,918	328,918	1,717,478	5.22
14	2036	-	-	-	190,000	137,314	327,314	327,314	1,717,478	5.25
15	2037	-	-	-	200,000	130,151	330,151	330,151	1,717,478	5.20
16	2038	-	-	-	205,000	122,291	327,291	327,291	1,717,478	5.25
17	2039	-	-	-	215,000	113,968	328,968	328,968	1,717,478	5.22
18	2040	-	-	-	220,000	105,088	325,088	325,088	1,717,478	5.28
19	2041	-	-	-	230,000	95,848	325,848	325,848	1,717,478	5.27
20	2042	-	-	-	240,000	86,027	326,027	326,027	1,717,478	5.27
21	2043	-	-	-	250,000	75,635	325,635	325,635	1,717,478	5.27
22	2044	-	-	-	260,000	64,685	324,685	324,685	1,717,478	5.29
23	2045	-	-	-	275,000	53,193	328,193	328,193	1,717,478	5.23
24	2046	-	-	-	285,000	40,901	325,901	325,901	1,717,478	5.27
25	2047	-	-	-	300,000	28,047	328,047	328,047	1,717,478	5.24
26	2048	-	-	-	315,000	14,427	329,427	329,427	1,717,478	5.21
		-	-	-	-	-	-	-	-	-
		\$ 1,822,295	\$ 87,176	\$ 1,909,471	\$ 4,375,000	\$ 3,122,306	\$ 7,497,306	\$ 9,406,777	\$ 44,654,425	

*Preliminary, subject to change given different market conditions. Assumes a 12/15/23 close date and NMFA weekly rates (Sept 26, 2023).

Source: NMFA Debt Files for City of TorC.

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