

ALAMOSA CITY COUNCIL
Monday March 1, 2010
Minutes of the Meeting

A Special Meeting of the Alamosa City Council was called to order on the above date by Mayor Kathy Rogers at 4:05 p.m. The Pledge of Allegiance was recited. Present at roll call: Mayor Rogers, Councilors Greg Gillaspie, Charles Griego, Rusty Johnson, Josef Lucero, and Leland Romero. Councilor Marcia Tuggle previously requested to be excused. A quorum was declared. Also present: City Manager Nathan Cherpeski, City Attorney Erich Schwiesow, and City Clerk Judy Egbert.

BUSINESS

A. First Reading, Ordinance No. 4, 2010, Authorizing And Approving The Execution And Delivery Of A Lease Purchase And Sublease Agreement And Other Documents And Actions In Connection With Financing The City's Municipal Complex Project.

Erich Schwiesow noted two documents made available only this afternoon, the Limited Continuing Disclosure Undertaking and the Certificate Purchase Agreement. These are referenced within the ordinance as to form, and will be included with the ordinance.

The Alamosa Capital Leasing Corporation (ACLCL) is an entity established as a mechanism to facilitate the Certificate of Participation process. The City enters into a lease with ACLCL, who releases the bonds, then leases the property back to the City. The City acts as its agent for the purpose of contracting the project.

This ordinance approves the overall structure, specifies the maximum amount that can be issued, the maximum repayment amount, and the maximum yearly payments made pursuant to the lease. Troy Bernberg of Stifel Nicolaus will market the Certificates. If financing can't be found, the project won't move forward. The ordinance establishes parameters. It also approves the form of various documents to be used, in addition to the financial parameters.

Documents referenced in the ordinance include:

- Site lease. This leases the property from the City to ACLCL. ACLCL will do the construction and remodel through the City as its agent. Then the completed buildings and property will be leased back to the City. The City makes payment to ACLCL under the lease agreement.
- Lease Purchase and Sublease Agreement. This leases the property back to the City.
- Mortgage and Indenture of Trust. This is the agreement between ACLCL and the bank, who will serve as Trustee. The specific bank has not yet been determined.
- Preliminary Official Statement is a marketing tool for bond issuance. It includes an overview of the transaction for potential investors.
- Limited Continuing Disclosure Undertaking is a description by the City as to what disclosures it will make to the Municipal Securities Rulemaking Board and to the electronic disclosure service.
- Certificate Purchase Agreement is an agreement between the ACLCL and Stifel Nicolaus for purchase of the certificates.

The parameters described in the ordinance are intended to represent the worst case scenario. Hopefully the figures will be less.

Troy Bernberg explained that at the time the City began the Recreation Center process, it started with a rating of BBB, the lowest grade. At the time of bond issuance, the rating had been upgraded to an A. He is hopeful that this can be raised even further to an AA-, or at least

to an A+. The rating agency will look at financial standing, reserves, fund balances, and sources of revenue and how those sources relate to the economic situation.

It was moved by Councilor Lucero and seconded by Councilor Gillaspie to introduce Ordinance No. 4, 2010 on first reading and set the matter for public hearing on Thursday March 11, 2010 at 4:00 p.m. or as soon as the matter may be heard. On the roll call the vote was ayes six, nays none. The motion carried.

ADJOURNMENT. The meeting adjourned at 4:20 p.m.

Judy A. Egbert, City Clerk

Kathleen J. Rogers, Mayor