

STATE OF NEW MEXICO

County of Luna

Joe "Oleo" Milo, Jr.
Commissioner, District 1

J. Jay Spivey, Chairman
Commissioner, District 2



R. Javier Diaz
Commissioner, District 3

Charles "Tink" Jackson
County Manager

700 South Silver Avenue • Post Office Box 551 • Deming, New Mexico 88031
Telephone (575) 546-0494 Facsimile (575) 544-4293

FOR IMMEDIATE RELEASE

11/24/2014

Media Release

Luna County Commissioners recently voted to authorize Ordinance No. 90, a move to save taxpayer dollars by reclassifying the taxable nature of the bonds sold for the Starmax facility.

In their regular November meeting, the Board of Commissioners unanimously voted to approve Luna County Ordinance Number 90 authorizing the issuance and sale of the Luna County Capital Outlay Gross Receipts Tax Refunding Revenue Bonds. This will refinance the taxable bonds that have been in place since 2007, when Luna County voters approved issuing bonds to finance construction of the entertainment complex. The county first began payments toward the loan in 2008.

In the meeting, Luna County Manager Charles "Tink" Jackson provided background on the move, saying it is part of ongoing efforts to find "every place we can" to save money taxpayers money and increase revenue. "Saving the taxpayers money, that's what I tried to do for the last four years," Commissioner Jay Spivey, of District No. 2, said. "I think that this is a very solid move to do just that. I think we are now moving in the right direction." Deming native Mark Valenzuela, of the financial firm G.K. Baum, said the ordinance only changes the status of the bonds to tax exempt, with the rest of the ordinance mirroring the language of the original ordinance drafted from the measure passed by Luna County voters.

Currently, he said, the county is paying about 5.5 percent interest rates on the bonds, but under current market conditions, refinancing could lower the rate to around 2.6 percent. The refinancing could amount to about \$18,000 in savings each year, and the move is expected to shorten the overall life of the bond. But he stressed that market conditions change daily.

"It gives you the opportunity to take advantage of those savings, and put them back into the coffers of the facility," he said. "You have the opportunity to use that for capital improvements at Starmax, or after that's paid for, into your general fund."

The potential to put more funding into capital improvements — permanent improvements designed to enhance property value and/or increase useful life — piqued the interests of Ira Pearson, the manager of Starmax. Pearson and the staff of the county's Starmax, LLC — which was established in 2012 — inherited a facility that had been mismanaged and not properly maintained by two previous private firms since it opened. Pearson said that when he was hired, he encountered two main complaints from the community - customer service and the condition of the building, mainly the bathrooms.

"I view Starmax more as a community center, with services to offer for everyone," Pearson said. "It has been my goal to live up to the expectations of the community, and part of that includes ensuring our customers, both local and from out of town, are comfortable when using this facility."

At the top of his priority list is a complete remodel of the seven bathrooms at the facility, which is located on North Country Club Road. On a walkthrough with Luna County Maintenance staff, Pearson pointed out several flaws in how the bathrooms were constructed.

One particular headache is that drains in the bathrooms were installed higher than the surrounding floor tiles, meaning gravity cannot drain any excess liquids. Another issue is that some plumbing was found to be not anchored to the studs inside of the walls, evidenced by Pearson rattling a urinal pipe against the wall. Without being attached properly, the pipes can chip away at surrounding tile enclosures and create eyesores or hazards.

“Maintenance and upkeep of this building is nearly nonstop,” he explained. “Unfortunately, this facility was not planned and built with a long-term vision in place for maintenance. Now we’re working to fix past mistakes to deliver the highest quality services to Luna County residents and our visitors.”

Since the county began operating the facility, improvements have been made across the building, including fixing audio issues in the movie theaters and modernizing the projectors to keep up with the movie industry.

“Starmax has become an entertainment destination for families across our region,” Commissioner Joe “Oleo” Milo, Jr., said after the November 13 general meeting. “This move will save taxpayer dollars and help create an even more inviting experience at Starmax.”

New Mexico’s Department of Finance and Administration will now consider approving the refinancing deal at a date to be determined. For more information, contact the Luna County Manager’s Office at (575) 546-0494.